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LEGAL WISE BY MDME | LRT: ROLLING IN THE RIGHT DIRECTION

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To criticize the Transportation and Infrastructure Office (GIT), the public entity charged with managing the construction and operation of the Macau Light Rail Transit, has become almost commonplace. Poor accountability, budget overruns, scathing reports from the Audit Commission telling tales of poor management and general ineptitude, and a number of Court cases brought on by contractors have made it so. It seemed that GIT and the LRT Project were poised to become a cautionary tale on how not to manage a public works project.

However, since Secretary Raimundo do Rosário took office, and, more specifically, since overall management of the Project was handed over to international transportation experts, a new approach seems to have overtaken GIT. A number of disputes have been settled, pivotal works have been retendered and problems now appear to be tackled with a view to being solved rather than denied.

Following this new approach, GIT has now announced that a public entity in charge of such a complex project must be managed by professionals that cannot be found locally. First and foremost, it should be said that this acknowledgment comes at least 10 years too late. Regardless of the capability of local resources, the fact that Macau has no transportation system even remotely comparable in scope or complexity to the LRT should have been enough to allow – 6 years and hundreds of millions of patacas ago – for the conclusion that outside talent would have to be brought in to run the show.

Nevertheless, this decision may have a deeper impact felt throughout the Administration: there is no shame in bringing in the best from the private sector, even if the best are not from Macau. It is a standard practice of sophisticated governments and economies to recruit foreign experts and consultants when local talent is not available, and have them design and implement solutions and train locals in order to create proper local know-how. The Government had long refused to see this and had insisted in a series of casting errors that crippled the LRT Project, compromised its credibility and had no redeeming quality except for promoting local bureaucrats, who were predictably unequal to the task.

Similar kudos are to be given to the decision to create a specific legal framework for the LRT, which appears to – finally – recognize the specificities of the Project and the inability of existing legislation to cater to them. The underpinnings of this framework are now in public consultation and provide for the creation of a private concessionaire company (with 100 percent public capital) to manage the LRT's operation (a solution in line with what is used in a number of other jurisdictions), the implementation of insurance policies with a minimum of MOP200 million, as well as the creation of specific inspection and safety provisions and guidelines. The document shows a clear intention of creating a professional and accountable operation that is at the same time relieved from the burdensome bureaucracy of a Government-operated system. All in all, it's progress of a kind.



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