

Brazil Is Ready for Foreign Private Partners

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The challenges facing development cannot be overcome without public-private partnerships (PPPs). This is the main conclusion reached by a research published January 18 by the World Economic Forum (WEF), an independent international organization based in Geneva, Switzerland.

According to the report, nine out of ten world business leaders consider that partnerships between companies, governments and society have to have some participation, if not the main role, in facing these challenges.

The research was carried out by the Global Corporate Citizenship Initiative (GCCCI) with more than 40 associated companies. The GCCCI is an organization part of the Forum, and its objective is to promote the interaction between companies and the societies where they are established.

"Many of the public-private partnerships are new and untested and some of them are likely to fail. Yet, these partnerships offer an important new approach that has the potential to drive innovation, improve governance, raise living standards and provide opportunities to millions of people.

"They deserve continued support, engagement, and evaluation from business leaders," said the managing director at the Institute for Partnership and Governance at the WEF, Richard Samans, according to a statement published in the WEF site.

In the research, China shows up as the main market for the companies, amongst the emerging economies. Mentioned as important markets were also India, Brazil, Russia, the south of Africa, Southeast Asia and the Middle East.

One of the objectives of Brazilian president Luiz Inácio Lula da Silva in his journey to Davos (Switzerland) in the end of the month, is exactly to present the PPP opportunities in Brazil.

President Lula will participate in the WEF meeting and will meet with international investors.

For the first time he will be able to present the rules for the PPPs in Brazil as something concrete, since the law for the partnerships was approved by congress in December.

Examples

According to the WEF report, the companies consulted identified examples of PPPs already taking place across the world, of which they participate, which have the objective of combating "systemic problems", such as the improvement of public teaching, reform in the health services, strengthening the financial sector, create mechanisms to combat corruption and support specific problems.

Amongst the examples mentioned by the companies are the training of judges in Venezuela in human rights matters; logistic support for disaster relief in Morocco; credit and advisory for small companies and young entrepreneurs in India, South Africa and the Middle East.

Other examples include supplying clean energy for rural communities in Madagascar; e-learning in Pakistan, Philippines and Malaysia; technical assistance for small rural producers in Kenya; and efforts to fight malaria and AIDS in Africa.

"All of these examples shed light on one of the key leadership challenges of our time: how to find new ways to harness the innovation, technology, networks and problem solving skills of the private sector to find solutions for problems, in

partnership with others, to spread the benefits of development more widely," says the study.

Infrastructure

In the case of Brazil, the government is interested in attracting new private partners for infrastructure projects, in construction, duplication, recuperation and amplification of highways, railways, ports and irrigation systems.

The Ministry of Planning elaborated a portfolio of 23 projects to be executed up to 2007, in all regions of Brazil, at a total cost of US\$ 4.8 billion dollars.

The Brazilian government estimates that US\$ 3.3 billion will be invested by the private sector. The undertakings are forecasted in the Pluriannual Plan and are considered to be eligible for the PPPs.

Amongst the WEF recommendations for the governments interested in the PPPs are good governance, there included judicial security and measures to fight corruption and bureaucracy; and the improvement of access to financings and incentives.

For the business leaders, the WEF report recommends, amongst other things, a clear definition of objectives, evaluating opportunities and risks, transparency and flexibility to adapt to changes necessary in the partnership.

World Economic Forum
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