



# Public-Private Partnerships

The U.S. Trade and Development Agency • 1000 Wilson Boulevard, Suite 1600 • Arlington, Virginia 22209-3901

## Investing in Partnerships

Since its inception, the U.S. Trade and Development Agency (USTDA) has promoted public-private partnerships. The hallmark of USTDA assistance is establishing links between U.S. companies and overseas project sponsors, bringing proven private sector solutions to development challenges. USTDA's technical assistance and investment analysis programs are based on the premise that private sector experience, technology, and ingenuity are integral to development and project sustainability. The agency's program works best in countries that recognize the importance of private sector participation.



USTDA funded technical assistance in support of a pilot program in Sri Lanka that resulted in the provision of safe drinking water to more than 100,000 survivors of the December 2004 Indian Ocean tsunami. USTDA's leadership mobilized the contributions necessary to form this public-private undertaking.



USTDA signed an agreement with the General Administration of Civil Aviation of China (CAAC) in 2005 under which the agency will continue its support of the U.S.-China Aviation Cooperation Program (ACP), a public-private partnership co-founded by USTDA that is dedicated to the development of China's aviation industry. Pictured here at the signing ceremony are (left to right) USTDA Policy and Program Director Geoffrey Jackson; The Boeing Company – China President and ACP Co-Chairman David Wang; U.S. Congressman John Mica; CAAC Director Minister Yang Yuanyuan (seated); FAA Administrator Marion Blakey; China's Ambassador to the United States Zhou Wenzhong; former USTDA Director Askey (seated); U.S. Congressman James Oberstar; and Transportation Under Secretary for Policy Jeffrey Shane.

## Defining a Concept

USTDA has helped launch international public-private partnerships in a wide range of sectors, including energy, environment, information and communication technology, and transportation. Nearly all of the agency's program activity is implemented using private sector expertise. USTDA makes a special distinction between projects that provide mainly engineering and consulting services and those that also forge lasting partnerships and collaboration between public and private entities. A successful public-private partnership is typically defined by one of the following elements:

- Shared ownership or management of an infrastructure project by a host country public sector/government entity and a private sector entity of the host country or the United States. This may include joint ventures, build-operate-transfer projects, and similar arrangements.
- Development of enduring private sector-led activities, institutions, or associations that deliver technical, financial, and other forms of assistance to public sector entities in a host country.

## Implementing a Vision

USTDA is proactive in creating public-private partnerships that facilitate the integration of countries into the global trading environment, promote sustainable economic and social development, and link U.S. private sector solutions to development challenges. Notable recent examples include:

### ■ AZERBAIJAN, GEORGIA, AND TURKEY:

#### **Baku-Tbilisi-Ceyhan (BTC) Pipeline:**

The BTC pipeline, which is owned and operated by private and state-owned oil companies, brings oil from offshore fields in the Caspian Sea across Azerbaijan and Georgia to the Turkish port of Ceyhan on the Mediterranean Sea. This project is a foreign policy priority of the United States, as it contributes to the independence and territorial integrity of the countries of Central Asia and the Caucasus. Beginning in 1998, USTDA grants funded U.S. legal, financial and environmental advisors that furthered the pipeline's development. Construction began in earnest in 2003, culminating in the first flow of oil in 2005.

### ■ BRAZIL:

#### **State of Ceará Government Data Center Project:**

USTDA approved a grant to the Empresa de Tecnologia da Informação do Ceará (ETICE) for early investment analysis on the development of a consolidated state government data center to manage common "back-office" corporate information technology infrastructure. The study will enable ETICE to determine the most appropriate structure for private sector participation in project implementation, either through a public-private partnership or a traditional service contract.

### ■ CHINA:

#### **U.S.–China Aviation Cooperation Program (ACP):**

China's rapidly growing aviation industry has challenged on-going efforts to maintain effective safety and security operations. Recognizing a need, USTDA helped to structure the ACP with the goal of facilitating U.S. government and U.S. aviation industry training and technical cooperation with China. The ACP provides a unified voice to China in the aviation sector through the coordination of assistance and training needs identified by the General Administration of Civil Aviation of China (CAAC). This program is supported by the ACP's 21 U.S. private sector member companies and by public sector contributions from USTDA, the Federal Aviation Administration, and the CAAC.

### ■ ECUADOR:

#### **Inter-American Investment Corporation (IIC)**

#### **Abanico Hydroelectric Power Plant Project:**

USTDA provided funding through the IIC for technical assistance to support the inspection and monitoring component of implementing the Abanico Hydroelectric Power Plant in Ecuador. The project is the first example of private sector investment in an energy project under Ecuador's new regulatory framework. The majority of the power generated by the plant will be sold to the national electricity grid to help meet the country's energy demands. The knowledge transfer resulting from the technical assistance will assist local power project developers in implementing future privately invested power projects.

### ■ NAMIBIA:

#### **TransKalahari Corridor:**

To promote the improvement of the TransKalahari trade corridor, USTDA funded early investment analyses and a sector development orientation visit for Namibian officials and the Walvis Bay Corridor Group (WBCG), a public-private partnership of Namibian transport stakeholders formed to maximize the use of Namibia's trade lanes. USTDA's assistance provided investment recommendations and a business plan for a multimodal system to increase corridor traffic, as well as procurement assistance for the selection of a private logistics management firm.

### ■ SRI LANKA:

#### **Pilot Water Disinfection and Purification System Program:**

USTDA and WaterHealth International (WHI) are major co-sponsors of a water disinfection and purification system program for tsunami-affected regions of Sri Lanka. WHI, a U.S. water systems manufacturer, is installing decentralized, scalable water purification systems to provide safe drinking water on a sustainable basis for at least 100,000 Sri Lankan tsunami survivors living in temporary and permanent shelters. This project is utilizing public and private resources to identify local needs, perform site selections, train local partners and operators, and monitor and maintain system operations.

### ■ UGANDA:

#### **Jinja-Njeru Water and Wastewater Project:**

Prompted by stricter national environmental regulations, local industry in the Jinja and Njeru municipalities along Lake Victoria are pursuing a joint water and wastewater treatment system with the local governments. The goal is to create an economy of scale that will provide more affordable treatment options for commercial and household use. USTDA is sponsoring investment analysis of the project for Uganda's Ministry of Water, Lands, and Environment examining the technical, financial, legal, and structural aspects of developing such a partnership.

### ■ VIETNAM:

#### **Blocks B and 52 Gas Pipeline Project:**

Vietnam's state-owned oil company, PetroVietnam (PVN), and Unocal Corporation approached USTDA for assistance in launching formal project preparation activities for the strategic Blocks B and 52 Gas Pipeline in the Gulf of Thailand. The three parties are now co-sponsoring an assessment of the financial feasibility of the proposed gas pipeline. This analysis is expected to conclude in the formation of a joint venture arrangement for the pipeline between Unocal, PVN, and other private sector partners. USTDA's involvement is helping to mitigate project risk, provide formal structure to a complicated public-private partnership, and allow for a neutral, third party to conduct the investment analysis.

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For more information about USTDA's program, visit [www.ustda.gov](http://www.ustda.gov) or call (703) 875-4357 to speak to the Regional Director or Country Manager for your area of interest.