

Course Memorandum

May 12, 2014

Course	Case Study (Public-Private Partnerships)
Course No.	5140488 Summer 2014
Instructor	Toshiro Nishizawa
Subject	Title and outline of the final reports submitted in AY2013 summer

Dear Students,

Please find attached a list of title and outline of the final reports submitted in AY2013 summer, which would give some hint for the preparation of your research proposal.

Best regards,

Toshiro Nishizawa

Attachment

May 12, 2014
Prepared by Nishizawa

**Title and Outline of the Final Reports Submitted in AY2013 Summer
for Case Study (Public-Private Partnerships)**

This summary is made available to those students who have registered for Case Study (PPPs) in AY2014 Summer to help them prepare their research proposals.

Group 1

Space: The Final Frontier of Public Private Partnerships

1. Introduction
2. Legal issues
3. Capital flows
4. Business models
5. Political obstacles
6. Bibliography

Group 2

Financial and Risk Management Aspect of Power Sector PPP in Southeast Asia

This paper examines the financial and risk management aspect of power sector PPP in Southeast Asian countries. It tries to address the question of how power sector PPP project's financial contract and risk management has been done in Southeast Asia. It also aims to formulate a successful model for power sector PPP in both aspects. Through case study and interview, this paper concludes government's role in assuming some parts of financial risk is crucial for the success of power sector PPP in Southeast Asia. In regards to risk management, this paper finds that political risk is the biggest risk in power plant PPP project in Southeast Asia, thus should be mitigated accordingly. In the end, this paper suggests several key success factors for arranging financing and risk management aspect of power sector PPP in Southeast Asia.

- 1 Introduction
- 2 Research Question
- 3 Research Methodology
- 4 Data
- 5 Analysis and Findings
 - 5.1 Case 1: Phu My 2.2 Power Project, 2002, Vietnam 7
 - 5.2 Case 2: Central Java Steam Power Plant, 2011, Indonesia
 - 5.3 Case 3 Dabhol Power Plant, 1992 (Started), 1995 (Cancelled), India
 - 5.4 Case 4 PPP for Wind Power Generation: The Portuguese Case, 2005, Portugal
 - 5.5 Case Comparison, Analysis, and Hypothesis Testing
- 6 Conclusion
- 7 References

Group 3

Sustainable Urban Development and Official Development Assistance: Public-Private Partnerships focused on Land Readjustment Schemes

Land Readjustment is a land-planning development and redevelopment tool so effectively used in several countries, especially in Japan, but still relatively unknown around the world. As argued by several researchers, land readjustment must be learned, critically examined, and adapted to other contexts, due to its promising capacity to reorganize land patterns in places where the land use is inadequate and inefficient, searching, in principle, the property titles maintenance after the project completion. Currently, the knowledge transfer of land readjustment is part of an international agenda that has been sponsored by the Japan International Cooperation Agency (JICA) in the last thirty years, and, recently, through the joint efforts with the World Bank. However, there is no guarantee that the implementation success in one country is transferrable to another country due to different economic conditions and social context.

The objective of this research is to examine the Japanese effort in transferring the Public-Private Partnership (PPP) scheme of land readjustment through Official Development Assistance (ODA). This paper conducts comparative study on legal framework, risk management and government contingent liabilities in Japan and, as exemplary host country, Thailand. For that, first, the study analyzes the role of JICA to implement the technique in Thailand throughout ODA; second, it analyzes the legal framework and concepts definitions of land readjustment in Japan; third, it analyzes the respective legal framework in Thailand; and finally, a comparative analysis is made to draw some conclusions for public-private partnerships focused on land readjustment projects and its implementation in developing countries.

Based on this comparative study, the research concludes that transferring PPP scheme to another country using ODA has both its strengths and weaknesses. This new land readjustment PPP can reduce the burden of government for sustainable urban development while providing a business opportunity for land developers and landowners. It may be less costly for the developing countries to adopt an already existing scheme and the involvement of the ODA can increase the credibility of the project. However, such transfer of knowledge may increase risks: without proper consideration about the contextual difference, PPP may not function effectively in the host country. Also, since it involves many stakeholders with different interests, land readjustment requires well-designed legal framework clearly defining the risk management. If a country adopts PPP without well laid out institutional framework, social costs including unequal distribution of benefits, moral hazard and waste of public resources may increase.

1. Introduction

1.1. Rationale of the Study

1.2. Research Questions and Methodology

2. Japan's ODA for Urban Development using Public-Private Partnership

2.1. Why Official Development Assistance in Public-Private Partnerships?

2.2. Types of Structures for ODA-PPP (refer to Appendix I for further details)

2.3. Case Study: Official Development Assistance in Thailand

2.4. Risk Management for ODA-PPP

3. Land Readjustment Legal Framework in Japan

4. Land Readjustment Legal Framework in Thailand

5. Brief Analysis: Land Readjustment in Japan and Thailand

Acknowledgements

References

Appendix I – JICA’s classification of ODA in form of PPP

Appendix II – Questionnaire applied with JICA and Tamano Consultant Company

Group 4

The Leading Factors of Success and Failure in Urban PPP Water Projects

CHAPTER I - INTRODUCTION

- 1.1. Background
- 1.2. Objectives
- 1.3. Methodology
- 1.4. Characteristics of PPP Water projects
- 1.5. Process of PPP Water projects

CHAPTER II - POLICY AND PLANNING PHASE

- 2.1. Condition of infrastructure financial situation
- 2.2. Legislation/Regulation
- 2.3. Leadership
- 2.4. Planning PPP projects
- 2.5. Communication with major stakeholders

CHAPTER III - TRANSACTION PHASE

- 3.1. Transaction process
- 3.2. Shortlist qualified bidders
- 3.3. Risk transfer and value for money
- 3.4. Payment Mechanism/Performances
- 3.5. Finalize Project Agreement
- 3.6. Preferred Selection and Negotiations

CHAPTER IV - CONSTRUCTION AND CONCESSION PHASE

- 4.1. Transition to construction (design/building)
- 4.2. Facility Operation (Contract and Relationship Management)
- 4.3. Construction and Monitoring
- 4.4. Evaluate whether promised benefits materialized
- 4.5. Maintenance: hard and soft service provision

CHAPTER V - CONCLUSION AND IMPLICATION

- 5.1. Conclusion and implication from the Policy and planning phase
- 5.2. Conclusion and implication from the Transaction phase
- 5.3. Conclusion and implication from the Construction and concession phase

REFERENCE

ANNEX

Group 5

Japan's PPP in Community Development to Enhance the Quality of Public Service through "Commercialization": The Case Study of Takeo City Library in Saga Prefecture

1. Introduction
 - 1.1. PPP in Japan
 - 1.1.1. Brief history of PPP in Japan
 - 1.1.2. Libraries with PPP in Japan
 - 1.2. Main issues Japan is facing
 - 1.2.1. Population decrease
 - 1.2.2. Urbanization
 - 1.2.3. Financial difficulties
 - 1.3. Introduction to Takeo City and Takeo City Library
 - 1.3.1. Overview of Takeo City, Saga Prefecture
 - 1.3.2. Takeo City Library PPP project
2. Process and Social Impacts of Takeo City Library PPP project
 - 2.1. Process of introducing the PPP to Takeo City Library
 - 2.1.1. Mayor Hiwatashi sees Daikanyama Tsutaya
 - 2.1.2. 9 values
 - 2.1.3. Expectation from the citizens
 - 2.2. Social impact of PPP with library
 - 2.2.1. Changes and impact brought to the library
 - 2.2.2. Arguments against PPP with library
 - 2.3. Who is more open to the public? Public or private sector?
3. Contractual Design and Risk Assessment
 - 3.1. Contractual Arrangement
 - 3.2. Financial design of the contract
 - 3.3. Legal aspect of the contract
 - 3.3.1. Designated manager system
 - 3.3.2. Merger Law
 - 3.4. Risk assessment
 - 3.4.1. Economic efficiency risks
 - 3.4.2. Operational risks
 - 3.4.3. Market risks
 - 3.4.4. Political risks
 - 3.4.5. Government contingent liabilities and fiscal risks
 - 3.5. Prospects
4. Conclusion
5. Reference
6. Appendix
 - Appendix I Map of the Takeo City Library
 - Appendix II Change in the Layout of Takeo City Library
 - Appendix III Notes of Interview at Takeo City
 - Appendix IV Notes of Interview with CCC
 - Appendix V Notes of Interview with JLA

Group 6

Public Private Partnership on Subway: The Case of Brazil, Thailand, China and England

- I. Introduction
 - II. PPP projects on subway in Brazil, Thailand, China, and England
 - 1. Sao Paulo Subway Line 4 (Yellow Line)
 - 2. Bangkok MRT Chaoem Ratchamongkhon (Blue Line)
 - 3. Beijing Subway Line 4
 - 4. The London Underground
 - III. Observations and limitations
 - IV. Comparison and conclusion
 - V. Recommendation
- Bibliography
