

Graduate School of Public Policy
The University of Tokyo

Case Study (Public-Private Partnerships)

Course No. 5140488
Summer 2015

COURSE SYLLABUS

Time: Period 6, 18:35-20:30, Mondays (April 6-July 13, 2014) and Friday, July 17
Location: Seminar Room No. 3 (Room 710), 7th floor, Administration Bureau Building 2
Instructor: Toshiro NISHIZAWA, Professor (practitioner faculty member)
TA: Ms. Aswathi John KAITHAKKEL (aachin_john@yahoo.com)
Credits: 2 credits
Language: English
Office: Room 605, 6th floor, Administration Bureau Building 2
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Please feel free to send me e-mails with any question about the course or if you want to make an appointment. To help me not to miss your incoming e-mails, **please start the subject line with "5140488" (Course No.) when you send e-mails.*

1. Objectives/Overview

We have seen a renewed wave of infrastructure finance called "Public-Private Partnerships (PPPs)" over the past decade. This trend appears to be a revival of the previous wave of private infrastructure initiatives in the 1990s. The key motivation for PPPs is to seek efficiency gains as well as to fill public sector funding gaps through private sector participation.

The core task of structuring a PPP project is to reconcile the interests of various parties from the private and public sectors. These parties include investors, lenders, and contractors on the private sector side and the government and other related entities on the public sector side.

PPPs, while sounding promising, are in reality very complex and most likely costly. Risk allocations are challenging because of the public nature of infrastructure services provision and inherent uncertainties over the long term. There is even such a perception as PPPs being in favor of "private profit at the public's expense" although this view may be somewhat extreme.

Difficulties also arise from the different attitudes of investors, the government and lenders, as well as the general public. PPPs are equipped with a very commercial and contractual structure and operational modalities, but at the same time are extremely political, especially in

the implementation stage. PPPs are clearly not a panacea despite their potential gains and advantages.

This course has a particular goal to provide students with the basic knowledge of PPPs as a framework for infrastructure development and public services provision in developing, emerging and advanced economies. Also, this course is intended to help prepare students for future positions responsible for infrastructure development and public services provision, in both the public and private sectors, where financial sector perspectives are also required.

This course will focus on PPPs as a framework for infrastructure development and public services provision. It covers a review of the underlying concept of PPPs (theory), challenges often encountered in implementing PPPs (practice), and actual project examples (cases). Issues on risk-sharing, financing, accountability and government contingent liabilities management are covered.

2. Schedule (tentative)

A tentative course schedule is as follows.

Day 1	April 6	Introduction	Nishizawa
Day 2	April 13	On your background and motivation, followed by discussion	Nishizawa
	<i>April 17</i>	<i>End of course registration period</i>	
Day 3	April 18 (Saturday)	Financing	Nishizawa
Day 4	April 18 (Saturday)	Public-sector investment decision vs. the private sector's perspectives	Nishizawa
Day 5	April 20	Risk evaluation and management	Nishizawa
Day 6	April 27	Public sector support and fiscal risks	Nishizawa
	<i>April 28</i>	<i>End of course withdrawal period</i>	
Day 7	May 11	Mid-term presentation (Mid-term report due by May 18)	Nishizawa
Day 8	May 18	Discussion with young professionals	Nishizawa
Day 9	May 25	Pros and cons of PPPs	Nishizawa
Day 10	June 1	Cases or discussion on particular issues†	Nishizawa
Day 11	June 8	Cases or discussion on particular issues†	Nishizawa

Day 12	June 15	Cases or discussion on particular issues†	Nishizawa
Day 13	June 22	Cases or discussion on particular issues†	Nishizawa
Day 14	June 29	Final presentation (final report due by July 27)	Nishizawa

July 6, 13 and 17 are spare dates for final presentation and/or unanticipated class cancellation.

†Guest speakers will be invited on either of these dates.

3. Teaching methods

This course will be conducted as a seminar with introductory lecture followed by class discussion. Students are required to choose a case or a topic of his/her interest in the early stages of the course. *Active participation in discussion* based on student different backgrounds, life-experiences, knowledge, skills, and reading of assigned materials is expected. The working language is English.

Guest speakers will be invited to discuss specific issues from various perspectives and/or based on different fields of professional expertise.

4. Course requirements and grading

Students are required to make presentations twice in the middle and at the end of the course *either (a) on a topic of his/her interest in the context of the course objective as described above or (b) on one of her/his choice from the subjects given by the instructor*, either individually or as a team depending on the total number of registered students. Each student or team is also required to submit reports based on the presentations in the middle and at the end of the course.

In case the work is carried out in a group, while the final report should be written as a single product prepared in a well-coordinated fashion by the group members, each of the group members should be responsible for at least one of the chapters or sections as the primary author.

Furthermore, students are required *from time to time to write a short note (up to 400 or 600 words) about one of the readings assigned for a particular class* and to submit the note by e-mail in principle at least twenty four (24) hours before the beginning of the class. Unless otherwise instructed, the note should cover: (a) your understanding of key ideas and questions raised by the author, (b) terms and concepts that you need clarification, and (c) issues identified for further discussion.

The course grade will be based on:

Presentations 35% (10% for mid-term and 25% for final)
Individual reports 35% (10% for mid-term and 25% for final)

Class attendance and participation 30% (10% for class attendance and 20% for participation)

5. Course materials

Required readings, mainly excerpts taken *selectively* from the following materials, will be either made available on the GraSPP Student Bulletin Board or handed out in class.

ADB and KDI. 2011. *Public-Private Partnership Infrastructure Projects: Case Studies from the Republic of Korea*. Accessed April 3, 2015.

<http://www.adb.org/publications/public-private-partnership-infrastructure-projects-case-studies-republic-korea>

Chan, Albert P. C. and Esther Cheung. 2013. *Public Private Partnerships in International Construction: Learning from Case Studies*. New York: Routledge.

Delmon, Jeffrey. 2011. *Public-Private Partnership Projects in Infrastructure: An Essential Guide for Policy Makers*. New York: Cambridge University Press.

Dewulf, Geert, Anneloes Blanken, and Mirjam Bult-Spiering. 2012. *Strategic Issues in Public-Private Partnerships*. 2nd ed. Oxford: Wiley-Blackwell.

Engel, Eduardo, Ronald D. Fischer, and Alexander Galetovic. 2014. *The Economics of Public-Private Partnerships: A Basic Guide*. New York: Cambridge University Press.

Levy, Sidney M. 2011. *Public-Private Partnerships: Case Studies on Infrastructure Development*. VA: American Society of Civil Engineers.

Nishizawa, Toshiro. 2011. "Changes in Development Finance in Asia: Trends, Challenges, and Policy Implications." *Asian Economic Policy Review*. Volume 6, Issue 2 (December).

PPIAF and the World Bank. 2011. *How to Engage with the Private Sector in Public-Private Partnerships in Emerging Markets*.

Schwartz, Gerd, Ana Corbacho, and Katja Funke, eds. 2008. *Public Investment and Public-Private Partnerships: Addressing Infrastructure Challenges and Managing Fiscal Risks*. New York: Palgrave Macmillan.

Weber, Barbara, and Hans W. Alfen. 2010. *Infrastructure as an Asset Class: Investment Strategies, Project Finance and PPP*. West Sussex: John Wiley&Sons.

Yescombe, E.R. 2007. *Public-Private Partnerships: Principles of Policy and Finance*. Burlington and Oxford: Butterworth-Heinemann.

Yescombe, E.R. 2014. *Principles of Project Finance*. 2nd ed. MA: Elsevier.

I would like to suggest that you read chapters (particularly, Chapters 1, 2, 5, and 6) of the following reference book. This is one of the widely-known classic reference books to help students or professionals to do research and to write a good research paper. You can easily purchase one from amazon.com (¥1,835) or borrow one from Nishizawa.

Turabian, Kate L. Revised by Booth, Wayne C., Gregory G. Colomb, Joseph M. Williams, and the University of Chicago Press Editorial Staff. 2013. *A Manual for Writers of Research Papers, Theses, and Dissertations*. 8th ed. Chicago: University of Chicago Press.

TOSHIRO NISHIZAWA



Mr. Toshiro NISHIZAWA is Professor at the Graduate School of Public Policy (GraSPP) of the University of Tokyo. Immediately prior to taking his current position, he was Director General of Country Credit Department at the Japan Bank for International Cooperation (JBIC) from April 2011 to June 2013. He also served as Deputy Director General of JBIC Institute (the research department) and Director of Asia Department II at the Japan Center for International Finance (JCIF).

He was also involved in JBIC's country operations as Deputy Director General of International Finance Department I (Asia and Oceania) (2004-06), and served as Chair of the UNEP FI Asia Pacific Task Force Outreach Group (2005-06). He held various positions including: loan officer in charge of lending operations at the Export-Import Bank of Japan; researcher in the Economic Cooperation Bureau of the Ministry of Foreign Affairs; economist in the Policy Development and Review Department of the International Monetary Fund (IMF); and advisor in the Private Sector Development Department of the World Bank.

He has been actively engaged in policy dialogue and research activities with the main focus on emerging and developing economies in Asia. Mr. Nishizawa has published a number of articles and written a chapter in a few publications on economic and financial issues, including Asian economies, financing for development, Public-Private Partnerships (PPPs) and sovereign risk assessment.

Mr. Nishizawa was a guest lecturer and professor at the Osaka School of International Public Policy (OSIPP) of Osaka University (2004-14) and was a visiting lecturer at Kobe University and Chuo University. He was also a part-time practitioner faculty member to teach PPPs at GraSPP from October 2010 to June 2013. He was invited as a visiting professor by Chulalongkorn University in Thailand in March 2014 and by the Escola de Administração de Empresas de São Paulo da Fundação Getulio Vargas (EAESP-FGV) in Brazil in July 2014.

He served as a member of the Expert Group on Financial Cooperation with Asian Countries under the Council on Customs, Tariff, Foreign Exchange and Other Transactions (December 2013-September 2014), and has been a member of the IMF Study Group and a visiting scholar at Policy Research Institute (PRI) at Japan's Ministry of Finance (MOF). He is also invited by the Japan International Cooperation Agency (JICA) to serve as a member of the Support Committee for the Project for Capacity Building of Public Private Partnership in Mongolia.

Mr. Nishizawa holds a BA in Latin American studies from Tokyo University of Foreign Studies (1982), a BA in economics from the University of Tokyo (1984) and an MSc in economics from the University of Wisconsin-Madison (1988).

Mr. Nishizawa was born in Tokyo, Japan in 1959 and is married with two children.
