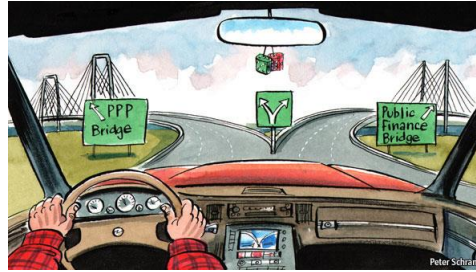


Course No. 5140488
S Semester 2016
Toshiro Nishizawa



<http://www.economist.com/news/united-states/21572794-natural-experiment-infrastructure-river-runs-through-it>



Case Study (Public-Private Partnerships)



Source: Macro Associates

Day 1—April 11, 2016

Introduction





Course objectives

- We have seen a renewed wave of infrastructure[†] finance called PPPs over the past decades.

†: Both economic and social infrastructure, or more broadly public services provision

How did you know PPPs?

Why are you interested in PPPs?

Do you think PPPs will do any good?



Course objectives (continued)

- The key motivation for PPPs is to seek efficiency gains as well as to fill public sector funding gaps through private sector participation.

How could we successfully achieve such gains and fill such gaps?

Why do we seek to achieve such dual goals?

Whom do you have to work with to run PPPs?



Course objectives (continued)

- 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.

How should we connect these parties when we structure a PPP?

Collective good faith efforts?



Course objectives (continued)

- PPPs 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.

What risks do we need to deal with?



Course objectives (continued)

- Difficulties also arise from the different attitudes of investors, lenders, government entities, and the general public.

How would you describe yourself, with investor's attitude, lender's, or public servant's?



Course objectives (continued)

- PPPs are equipped with a very commercial contractual structure and operational modalities, but at the same time are extremely political.



Course objectives (continued)

- This course will provide students with an overview of Public-Private Partnerships (PPPs) as a framework for infrastructure development and public services provision.
- The course aims to prepare students for future positions engaged in infrastructure development and public services provision in both the public and private sectors, where financial perspectives are also required.
- As a practical training course, students will have the opportunity to debate, work in a team, make oral presentation and produce memos and reports.



How do other parties describe PPPs?

Public-Private Partnerships (PPP): How can PPPs help deliver better services?

(Coursera Inc.; 4:07 minutes)

Public-Private Partnerships (PPP) are one tool that governments can employ to help deliver needed infrastructure services. PPPs are a way of contracting for services, using private sector innovation and expertise, and they often leverage private finance. PPPs can, implemented under the right circumstances, improve service provision and facilitate economic growth.

<https://www.coursera.org/course/effectiveppp>



How do other parties describe PPPs? (continued)

IFC Enables Public Private Partnerships That Deliver Clean, Reliable Water

(IFC, January 10, 2014; 3:03 minutes)

https://www.youtube.com/watch?v=Cp3Tv_EEzNA



Approach

- 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.

Approach (continued)

- *Active participation in discussion* is expected based on student different backgrounds, life-experiences, knowledge, skills, and reading of assigned materials.



Approach (continued)

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





Course requirements and grading

- Students are required to give presentations in the middle and at the end of the course either (a) on a topic of his/her interest in line with the course objectives as described above or (b) on one of her/his choice from the topics given by the instructor, in a team of about three to five members to be formed by Day 6 (May 2).

Day 7 May 9 Mid-term presentation

Day 13 June 27 Final presentation



Course requirements and grading (continued)

- Each team is also required to submit reports based on the presentations in the middle and at the end of the course.
- While the final report should be written as a single product prepared in a well-coordinated fashion by the team, each of the team members should be responsible for at least one of the chapters or sections as the primary author.



Course requirements and grading (continued)

- Furthermore, students are required from time to time to write a short note (up to 200 or 400 words) about one of the readings assigned for a particular class session 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.



Course requirements and grading (continued)

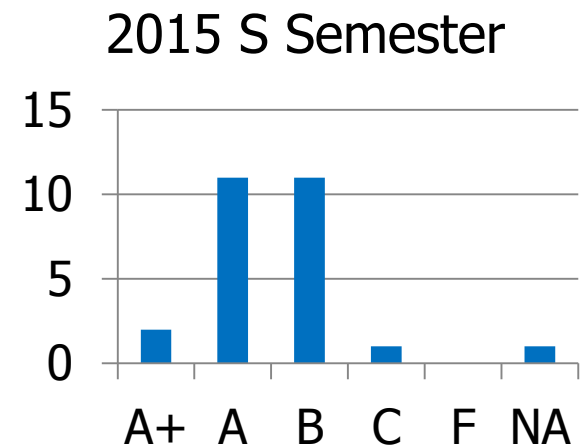
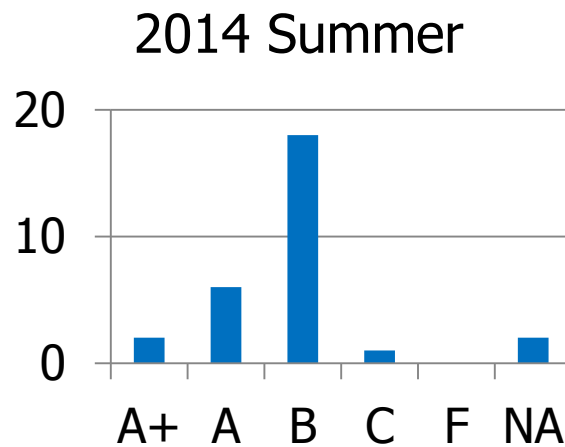
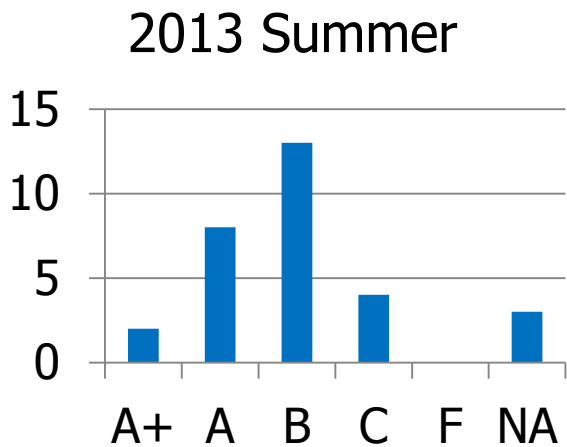
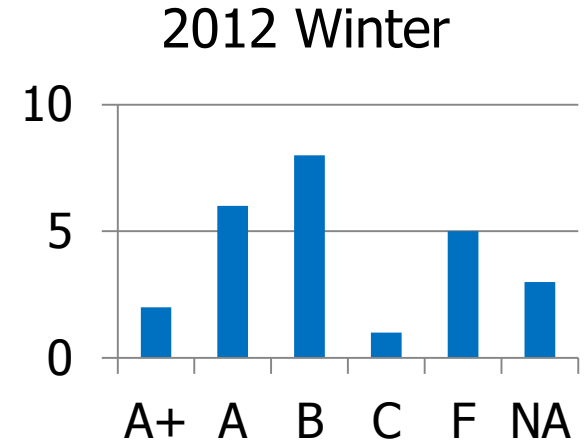
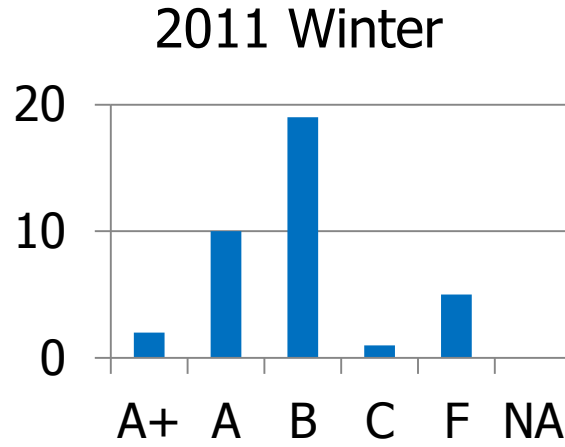
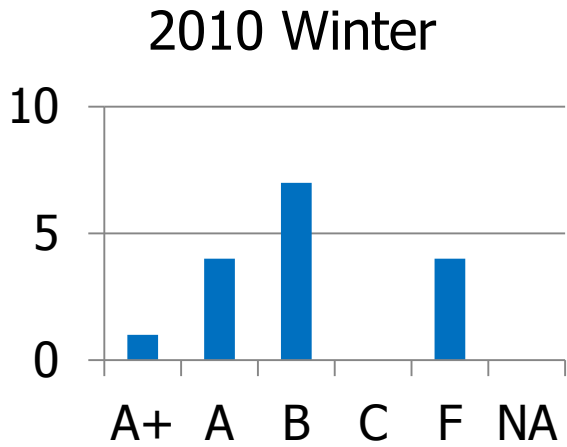
- The course grade will be based on:

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

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

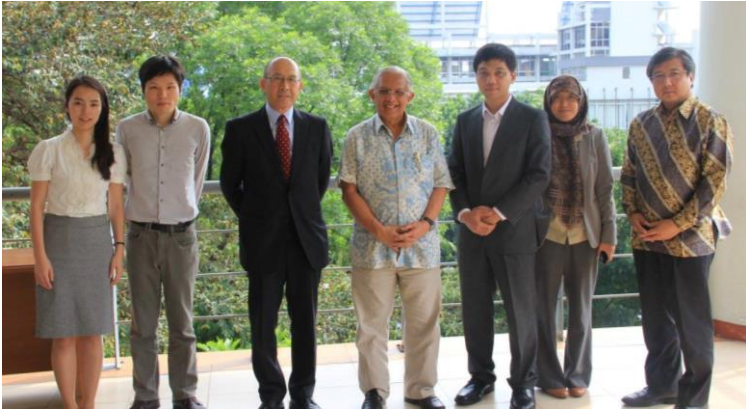
Class attendance 10% and participation 20%

Course requirements and grading (continued)



Extracurricular activities

Opportunities of extracurricular activities, voluntarily and selectively ...



Course No. 5140488
S Semester 2016
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Case Study (Public-Private Partnerships)



Day 1—April 11, 2016 (Part 2)

**On your background and
motivation, followed by discussion**





Tentative grouping by field of interest and by sector perspective

**Economic
Infrastructure**

Neither of Economic
nor Social
Infrastructure

**Social
Infrastructure**

**PUBLIC Sector
Perspectives**

Neither of Public
nor Private Sector
Perspectives

**PRIVATE Sector
Perspectives**



Motivation for PPPs

*Not yours in this context, but
of the society as a whole*

- The key motivation for PPPs is to seek efficiency gains as well as to fill public sector funding gaps through private sector participation.

Do you come up with any other kinds of motivation to introduce PPPs?



What do you think?

Question 1: Do PPPs help ease government financial burden?

Question 2: Do PPPs result in better and efficient services delivery?

Question 3: How do you evaluate the success of PPP projects?



Various parties involved

- 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.

"private profit at the public's expense"

"public benefits at the private's loss"

"public and private gains at the expense of ???"



Various parties involved (continued)

Question: Do you think of any parties involved in PPPs other than those listed earlier, i.e., investors, lenders, the government and other related entities?



What are we going to discuss next on Days 2&3?

Day 2 Saturday Period 4 14:55-16:40
April 16 **Financing**

Day 4 Saturday Period 5 16:50-18:35
April 16 **Public-sector investment decision
vs. the private sector's perspectives**