

Graduate School of Public Policy
The University of Tokyo

Case Study (Public-Private Partnerships)

Course No. 5140488/5179002[†]
S1/S2 2017

COURSE SYLLABUS

Time: Period 6 (18:45-20:30), Mondays (unless otherwise announced)
Location: Seminar Room No. 3 (Room 710), 7th floor, Administration Bureau Building 2
Instructor: Toshiro NISHIZAWA, Project Professor (practitioner faculty member)
http://gsdm.u-tokyo.ac.jp/en/curriculum_coach_Toshiro_Nishizawa.html
<http://pari.u-tokyo.ac.jp/gsdm/en/publication/982/>
TA: Mr. Amir Zhusupov | amir.zhusupov@gmail.com
Credits: 2 credits
Language: English
Office: Room 624, 6th floor, Administration Bureau Building 2
Office hours: By appointment
Contact info: tnishizawa@pp.u-tokyo.ac.jp | 03-5841-1343

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 when you send e-mails.*

1. Objectives

This course will provide students with an overview of Public-Private Partnerships (PPPs) as a framework for infrastructure development and public services provision. Thus, 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.

We have seen a renewed wave of infrastructure finance called PPPs over the past decades. 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 are in reality very complex and most likely costly. Risk

[†] The second course number indicates that this case study is offered also as an International Practical Research for doctoral students.

allocations are challenging because of the public nature of infrastructure services provision and inherent uncertainties over the long term. Difficulties also arise from the different attitudes of investors, lenders, government entities, and the general public. PPPs are equipped with a very commercial contractual structure and operational modalities, but at the same time are extremely political.

2. Schedule

The course schedule is as follows.

Day 1	Mon, April 10	Introduction	Nishizawa
	Wed, April 12 -Tue, April 18	Registration period	...
Day 2	Sat, April 15 Period 3	Financing aspects	Nishizawa
Day 3	Mon, April 17	Public-sector investment decision vs. the private sector's perspectives	Nishizawa
Day 4	Mon, April 24	Risk allocation and management	Nishizawa
	Mon, April 24 -Thu, April 27	Registration withdrawal period	...
Day 5	Mon, May 1	Public sector support and fiscal risks	Nishizawa
Day 6	Mon, May 8	Pros and cons of PPPs Teams of about three to five members need to be formed by May 8.	Nishizawa ...
Day 7	Mon, May 15	Student mid-term presentation	Nishizawa
Day 8	Mon, May 22	Discussion on a case (water supply) Submission deadline of mid-term reports (group research proposal)	Nishizawa ...
Day 9	Mon, May 29	Discussion on a case (public transportation)	Nishizawa
Day 10	Mon, June 5	Discussion with a practitioner	Nishizawa Guest speaker
Day 11	Mon, June 12	Discussion with a practitioner	Nishizawa Guest speaker
Day 12	Mon, June 19	Discussion on selected issues	Nishizawa
Day 13	Mon, June 26	Student final presentation	Nishizawa
...	Mon, July 24	Submission deadline of final reports	...

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

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 give presentations in the middle and at the end of the course either (a) on a case or 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 8).

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.

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 as instructed. 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)

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

Class attendance 10% and participation 20%

5. Course materials

Required readings—mainly excerpts taken from the following materials—will be either made available electronically or handed out in class.

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.

Farquharson, Edward, Clemencia Torres de Mästle, E.R. Yescombe and Javier Encinas. 2011. *How to Engage with the Private Sector in Public-Private Partnerships in Emerging Markets*. Washington, DC: The World Bank.

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

Schiffler, Manuel. 2015. *Water, Politics and Money: A Reality Check on Privatization*. New York: Springer.

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.

World Bank, ADB and IDB. 2014. *Public-Private Partnerships Reference Guide Version 2.0*. Washington, DC: World Bank Publications. Accessed April 1, 2017.

<https://ppp.worldbank.org/public-private-partnership/library/public-private-partnerships-reference-guide-version-20>

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.

March 21, 2017

Graduate School of Public Policy
The University of Tokyo
Case Study (Public-Private Partnerships)
Course No. 5140488/5179002†
S1/S2 2017

Titles of Student Final Reports Submitted in AY2010-AY2016

Case Study (Public-Private Partnerships) in S1/S2 2016

Could London have learned on handling risks from Bangkok?—Analysis on risk management on PPP during project implementing stage

Impacts and responses to the Global Financial Crisis: the British and Korean PPP project cases

Ex ante risk management in PPP projects: how due diligence could be improved by case studies from India, China, Brazil and Mexico

Public Private Partnerships and sporting mega events: a model for development?

Case Study (Public-Private Partnerships) in S1/S2 2015

Expressway construction with the BOT model: lessons for ASEAN governments

Enhancing early childhood education and development through social impact bond: a case study of Indonesia

Solid waste management in Dhaka city challenges, opportunities, and future recommendations for PPP framework

Assessing factors for success for solar power Public-Private Partnerships

Applicability of PPP railway projects in Japan

Probity advising: strengthening the PPP project

Case Study (Public-Private Partnerships) in Summer 2014

Public Private Partnership on subway: the case of Brazil, Thailand, China and England

Analysis of unsolicited PPP projects in the Philippines with policy recommendations on how to improve rules and incentives

Railway PPP projects in East Asia: some lessons for the future

Public Private Partnerships in Beijing subway: will they continue to succeed?

Case study: Public-Private Partnerships behind the success and failure, comparison and analysis

An exploration of Public Private Partnerships in road sector: a case of India

Legal framework for PPP in India: important factor for road sector projects

† The second course number indicates that this case study is offered also as an International Practical Research for doctoral students.

Case Study (Public-Private Partnerships) in Summer 2013

A cross-sectional analysis of policy schemes in Japan, Germany, South Korea and the United Kingdom

Space: the final frontier of Public Private Partnerships

Financial and risk management aspect of power sector PPP in Southeast Asia

Sustainable urban development and official development assistance: Public-Private Partnerships focused on land readjustment schemes

The leading factors of success and failure in urban PPP water projects

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

Case Study (Public-Private Partnerships: Theory, Practice, and Cases) in Winter 2012

Public Private Partnerships: The findings of the airport group

Comparative analysis of metro PPP projects in Asian countries: China/Malaysia/Thailand/Korea

PPP case study: Recommendations to improve the PPP framework through a comparison of highway projects

Public-Private Partnerships: offshore wind power projects

Case Study (Public-Private Partnerships: Theory, Practice, and Cases) in Winter 2011

PPP in China's water and wastewater treatment sector

Managing fiscal risk: case study on transportation sector

High speed rail: successes and failures as Public-Private Partnerships and lessons learned for the United States

Mitigation of political risks in PPPs

Comparative examination of fiscal risk allocation in transportation infrastructure projects

PPP in Philippine MRT3/ MRT7

Rashtriya Swasthya Bima Yojana: a PPP solution to provide health insurance to the informal sector of India

Case Study (Public-Private Partnerships: Theory, Practice, and Cases) in Winter 2010

PPP in Japan—case studies on hospital PFI projects—

Demand risk in the Singapore Sports Hub

Channel tunnel rail link project in UK (1996-2007)

Structuring a good Public-Private Partnership project: a Singapore Sport Hub study case

To improve PFI in Japan—based on case studies about hospital PFI projects—

Sports Infrastructure PPP: The Singapore Sports Hub

Risks and risks management in Khimti Hydropower Project in Nepal

Future of PPP in hydropower development in Nepal

Summary of my learning from PPP course

Risk management in PPP project: a case study of Khimti Hydropower Project in Nepal

Development of PPP in China

As of April 10, 2017

Graduate School of Public Policy
The University of Tokyo
Case Study (Public-Private Partnerships)
Course No. 5140488/5179002†
S1/S2 2017

DETAILED COURSE SCHEDULE

Day 1: Monday, April 10

Introduction

As an introduction to the subject, the instructor will ask students questions to find why and how the subject attracts students' interest and how much students know about the key characteristics of Public-Private Partnerships (PPPs). Then, the instructor will present the aim of this course as well as the teaching methods and approaches to follow. Students are asked to share with others in class their motivation to work on the course subject and their background, life-experiences, knowledge, skills and so on.

Reading materials

None

Assignment

Students are asked to provide their background information as well as their motivation to take this course by filling out a form posted on the student bulletin board or made available upon request by the course TA, Mr. Amir Zhusupov (amir.zhusupov@gmail.com). The completed form should be submitted by e-mail to Mr. Zhusupov with cc to Nishizawa (tnishizawa@pp.u-tokyo.ac.jp) before 17:00 on Thursday, April 13.

Students are also asked to read before Day 2 pages 17-28 and 49-63 of World Bank et al. 2014 (Reading 01), which could be downloadable from <https://ppp.worldbank.org/public-private-partnership/library/public-private-partnerships-reference-guide-version-20>.

Day 2: Saturday, April 15 (period 3, 13:00-14:45)

Financing aspects

The lecture will focus on key concepts needed to understand financing aspects of PPPs, such as equity, debt, debt-to-equity ratio, leverage, project finance, special purpose vehicle, non-recourse, limited recourse, cash flows, ring-fenced, debt service, cascade, internal rate of return, and payback period.

Reading materials

Pages 17-28 and 49-63 of World Bank et al. 2014 (Reading 01)

Assignment

Students are asked to read before Day 3 pages 117-145 of World Bank et al. 2014 (Reading 02).

† The second course number indicates that this case study is offered also as an International Practical Research for doctoral students.

Day 3: Monday, April 17

Public-sector investment decision vs. the private sector's perspectives

The lecture will focus on the balancing or reconciliation of public and private interests, one of the core tasks of structuring a PPP project. PPPs are equipped with a very commercial contractual structure and operational modalities, but at the same time are extremely political. Questions to be asked include how the public authority should decide to invest in a new public infrastructure project, what private sector investors should pursue to make a project commercially viable and to secure higher equity returns, and how public and private interests in PPPs could be balanced or compromised.

Reading materials

Pages 117-145 of World Bank et al. 2014 (Reading 02)

Assignment

Students are asked to read before Day 4 pages 145-170 of World Bank et al. 2014 (Reading 03).

Day 4: Monday, April 24

Risk allocation and management

The lecture will focus on risk allocations in structuring a PPP project, which are challenging because of the public nature of infrastructure services provision and inherent uncertainties over the long term. Difficulties also arise from the different attitudes of investors, lenders, government entities, and the general public.

Reading materials

Pages 145-170 of World Bank et al. 2014 (Reading 03)

Assignment

Students are asked to read before Day 5 pages 96-116 of World Bank et al. 2014 (Reading 04).

Day 5: Monday, May 1

Public sector support and fiscal risks

The lecture will focus on the likely consequences of compromise between public and private interests in PPPs. Subsidies, financing, or guarantee provided by the public sector are likely options available to fill the gap between the public and private interests. The inherent conflict between the public and private sectors as well as future uncertainties, however, could entail risks for the government to assume excessive fiscal burden. Therefore, the management of government contingent liabilities is critically important in dealing with PPPs.

Reading materials

Pages 96-116 of World Bank et al. 2014 (Reading 04)

Assignment

Students are asked to read before Day 6 pages 15-28 of Yescombe 2007 (Reading 05).

Day 6: Monday, May 8
Pros and cons of PPPs

The instructor will provide students with a set of questions for a guided group discussion on pros and cons of PPPs based on their understanding of the key characteristics of PPPs covered in Days 2 to 5.

Reading materials

Pages 15-28 of Yescombe 2007 (Reading 05)

Assignment

Preparation for mid-term presentation

Day 7: Monday, May 15
Student mid-term presentation

Each team will be expected to make a mid-term presentation on group research proposal within five minutes, followed by questions and answers up to 10 minutes. Each team might wish to use power point slides (no more than 10 slides), which should only include key messages. In the presentation, the team should state its *main research question* together with *the reason why it is worth asking* and include a *tentative outline* (e.g., introduction, method, issues to be discussed, conclusion, etc.) together with a *list of main reference materials*. Unless team members are very experienced and skilled speakers, it is strongly recommended that members of the team prepare talking points. Punctuality is required so that the team will be asked to stop even in the middle of the presentation.

Following the mid-term presentation, teams are expected to submit by 17:00 on Monday, May 22 mid-term reports (no more than 1,000 words or about two to three pages long, excluding a list of main reference materials) based on the mid-term presentation.

Reading materials

None

Assignment

Students are asked to read before Day 8 one of the PPP water project cases taken from Schiffler 2015 to be announced on Day 7 (Reading 06).

Day 8: Monday, May 22
Discussion on a case (water supply)

The instructor will provide students with a set of questions for a guided group discussion on a PPP water project.

None

Reading materials

One of the PPP water project cases taken from Schiffler 2015 to be announced on Day 7 (Reading 06)

Assignment

TBA

Day 9: Monday, May 29

Discussion on a case (public transportation)

The instructor will provide students with a set of questions for a guided group discussion on a PPP public transportation project.

Reading materials

TBA

Assignment

None

Day 10: Monday, June 5

Discussion with a practitioner (with a guest speaker from the financial sector)

TBA

Reading materials

TBA

Assignment

None

Day 11: Monday, June 13

Discussion with a practitioner (with a guest speaker from the industrial sector)

TBA

Reading materials

TBA

Assignment

None

Day 12: Monday, June 19

Discussion on selected issues

TBA

Reading materials

TBA

Assignment

Preparation for final presentation

Day 13: Monday, June 26

Student final presentation

Each team will be expected to make a final presentation within a given time period (e.g., three minutes multiplied by the number of group members), followed by questions and answers up to five minutes. Each team might wish to use power point slides (no more than 20 slides), which should only include key messages. Unless team members are very

As of April 10, 2017

experienced and skilled speakers, it is strongly recommended that members of the team prepare talking points. Punctuality is required so that the team will be asked to stop even in the middle of the presentation.

Following the final presentation, teams are expected to submit final reports (no more than 5,000 words, excluding a list of main reference materials) by 17:00 on Monday, July 24. 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.

TOSHIRO NISHIZAWA

Mr. Toshiro Nishizawa is Project Professor at the Graduate School of Public Policy (GraSPP) of the University of Tokyo. Immediately prior to his current position, he was Professor at the GraSPP (2013-15) after serving as Director General of Country Credit Department at the Japan Bank for International Cooperation (JBIC). 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 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 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.

Mr. Nishizawa has been actively engaged in policy dialogue and research activities with the main focus on emerging and developing economies in Asia. He has published a number of articles and written a chapter in a few publications on 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 lecturer to teach PPPs at GraSPP (2010-13) and invited as a visiting professor by Chulalongkorn University in Thailand and by the Escola de Administração de Empresas de São Paulo da Fundação Getulio Vargas (EAESP-FGV) in Brazil, both in 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 (2013-14), and has been a member of the IMF Study Group and a senior visiting fellow at Policy Research Institute (PRI) of Japan's Ministry of Finance (MOF). He was 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.
