INFRASTRUCTURE IN A MARKET ECONOMY

Public-Private Partnerships in a Changing World

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*"**Infrastructure in a Market Economy** was a unique opportunity to gain insights from faculty, top executives, and fellow participants from all over the world. Our discussions about public-private partnerships strengthened my knowledge and broadened my perspective."*

– TAKEHIKO "JESSIE" IMAI,
CEO, MIZHA ENERGIA PAR S.A., BRAZIL

INFRASTRUCTURE IN A MARKET ECONOMY

PUBLIC-PRIVATE PARTNERSHIPS IN A CHANGING WORLD

As governments around the world struggle to provide their citizens with essential infrastructure services, they must also determine the most effective roles for public and private sectors in infrastructure provision.

In the 1990s, some countries moved away from state-owned and operated facilities and services in favor of private sector solutions. This strategy often attracted investment and improved the efficiency and quality of services. However, several well-publicized controversies – the bankruptcy of Britain's private rail infrastructure company in 2001, power contract disputes in Indonesia and Pakistan, and the violent protests against privatization in Bolivia and Peru, among others – fueled concerns that privatization may have gone too fast or too far. Recent turmoil in capital markets has raised questions about the prospects for private finance and government fiscal policies that may limit public finance.

Today, there is renewed interest in developing new public-private partnership models that can successfully combine the relative strengths of both sectors while avoiding the mistakes of the past.

Infrastructure in a Market Economy is an executive program that brings together senior-level officials from the public, private, and nonprofit sectors to examine lessons learned and best practices from infrastructure projects worldwide.

This intensive two-week program helps leaders like you address critical questions about public-private partnerships (PPPs), including:

- Why have some types of partnerships succeeded where others have failed?
- Which partnership models are best suited to specific political and economic circumstances?
- How can governments develop and implement reforms to make these partnerships politically and economically sustainable over time?
- What are the opportunities and limitations involved in using private capital markets to finance infrastructure? What are the emerging options to access financing for large infrastructure projects?
- When is regulation of tariffs necessary and when can governments achieve effective outcomes using market forces?
- If governments regulate, what mix of contractual and discretionary regulatory mechanisms should be used?

CURRICULUM

Over the course of the program, you will analyze and discuss over 30 cases taken from various infrastructure initiatives in both industrialized and industrializing countries. This comprehensive and comparative approach will give you a deep understanding of the dynamics that determine the success or failure of the complex relationship between private infrastructure providers and government. You will also further develop the skills and judgment needed to formulate and implement well-structured plans that will stand the test of time.

SESSION TOPICS WILL INCLUDE:

- **Choosing the appropriate public-private partnership model –** assess the economic and political strengths and weaknesses of various forms of private and public involvement and the circumstances under which each is most effective.
- **Building and maintaining political support –** analyze the political environment for reform, including the importance and difficulty of gaining support from parties, including the poor, organized labor, and others who may not be directly involved in negotiations.
- **Navigating private finance and capital markets –** explore different sources and types of private and multilateral financing, how borrowers and lenders attempt to reduce or manage risk, and how the structure of the financial deal affects the subsequent behavior of government and private provider alike.
- **Regulating to protect consumer interest –** examine the strategies and institutions used to control private monopolies, and ways to assess the potential for competition in infrastructure markets.

WHO SHOULD ATTEND

This program is designed for senior-level public officials serving in the national central government, at the state and local level, or private sector executives from both industrialized and newly industrialized countries. Participants should be involved in making decisions about investment in and management of basic infrastructure services. The program is also intended for regulators and those who design regulatory mechanisms.

TO APPLY OR LEARN ABOUT PROGRAM DATES, CURRICULUM, TUITION, AND MORE, PLEASE VISIT

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Admission is competitive and based on professional achievement and organizational responsibility. There are no formal educational requirements; however, fluency in written and spoken English is necessary for participation.

FACULTY

Akash Deep, Faculty Chair, is Senior Lecturer in Public Policy at Harvard Kennedy School, specializing in finance. His expertise lies in infrastructure finance and valuation; public-private partnerships; financial risk management and derivatives; and the management and regulation of financial institutions, financial markets, and pension funds. He has worked in the financial institutions and infrastructure section of the Bank for International Settlements, and served as consultant and expert for the World Bank, the International Finance Corporation, and the United Nations.

José A. Gómez-Ibáñez is the Derek C. Bok Professor of Urban Planning and Public Policy at Harvard University, where he holds a joint appointment at the Graduate School of Design and Harvard Kennedy School. Professor Gómez-Ibáñez's research interests are in transportation, infrastructure and urban economic development, and infrastructure privatization and regulation. He teaches courses in these areas at both schools.

Henry Lee is Senior Lecturer in Public Policy and the Jassim M. Jaidah Family Director of the Environment and Natural Resources Program at the Belfer Center for Science and International Affairs at Harvard Kennedy School. He teaches courses in infrastructure in the developing world and the management and economics of energy systems. He has also been involved in training and research projects with China, Pakistan, Nigeria, the Middle East, and Brazil. His research interests focus on energy, transportation, and public infrastructure projects in developing countries.

"Professor Akash Deep brilliantly taught me, as nobody has ever done before, how finance and risk management can serve for the highest public purposes."

– CARLOS JAIR JIMENEZ
DIRECTOR, EXANTE CAPITAL

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