

# STEPS Students Report

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## 1. Lecture

I took two lectures. The subjects were "RIA (Regulatory Impact Assessment)" and "International Oil and Gas". In Regulatory Impact assessment, I learned the transition of models of governance, what RIA is and how to think about RIA. In International Oil and Gas, I learned the Global trends in oil and gas markets. From next April, I am supposed to work in ministry of economy, trading and industry, the contents of these lectures was very useful. Especially, it was good for me to know that Russian people think oil and gas are vital for their economy.

## 2. Research

The major of my supervisor in Russia was PPP (Public Private Partnership). Through meeting with my supervisor, I decided to make comparison between Japan and Russia on PPP as a research theme. I compared PPP in Japan and Russia according to several perspectives. I showed the result and some discussion based on the several perspectives in the following part.

### I General History

#### (1) Japan

1997	Introduction of the PPP concept in Japan
1999	Establishment of PFI law
2001	Publication of guideline
2002	Increase in the number of PPP models available
2008	Decrease in the number of PPP models available
2011	Law Amendment
2013	Establishment of Private Finance Initiative Promotion Corporation

## (2) Russia

2005	Adoption of the Russian Law on Concessions
	Establishment of the Investment Fund of the Russian Federation
2006	Adoption of the first regional law on PPP in St. Petersburg
2007	Inclusion of PPP into the state programmes of the long- and medium-term socio-economic development of the Russian Federation
2008	First Russian PPP project “Pulkovo Airport” (tender and agreement)
2009	Establishment of the first PPP centers (units)
2013	Development of sectoral strategies and plans of PPP
	Preparation and publication of guidelines on PPP development
2015	Adoption of the Russian Law on PPPs

## II Legislation

### (1) History of PFI (Private Finance Initiative) Law

#### ○ Japan

1999	PFI law was established
2001	Law amendment
	<ul style="list-style-type: none"><li>• Expansion of the scope of administrators, <del>etc.</del> of public facilities, etc.</li><li>• Establishment of special measures concerning lending of administrative property</li></ul>
2005	Law Amendment
	<ul style="list-style-type: none"><li>• Expansion of lending of administrative property</li><li>• Clarification of evaluation method for selection of private business operators</li></ul>
2011	Law Amendment
	<ul style="list-style-type: none"><li>• Expansion of PFI target facilities</li></ul>
	<ul style="list-style-type: none"><li>• Introduction of proposal system by private sector</li></ul>
	<ul style="list-style-type: none"><li>• Introduction of Public institution operation rights system</li></ul>
2013	<ul style="list-style-type: none"><li>• Establishment of Private Fund Utilization Project Promotion Council</li></ul>
	Establishment of Private Fund, etc. Utilization Promotion Program

(Created by the author based on the Cabinet Office (2014))

### ○ Russia

2005	Adoption of the Russian Law on Concessions
2006	Adoption of the first regional law on PPP in St. Petersburg
2015	The Federal Law No. 224-FZ “On Public-Private Partnership and Municipal-Private Partnership in the Russia” (Russian PPP Law) was adopted. Now, regional PPP laws must correspond to this.

(Created by the author based on mondaq website)

### ○ Discussion

Japan enacted the PFI law earlier than Russia and have revised many times. But it is interesting that in Russia at first concession law was established. On the other hand, concession was specified in the law is 2011 in Japan. It is necessary to think the origin how first PFI law was established. In addition, Japan have revised the PFI law many times in order to respond to new demand. It is easy to say that Russia is likely to follow the same path in accordance with alternation of demand.

## III Applicable industries in law

### (1) Comparison between Japan and Russia

Japan	Russia
①Public facilities such as Road, Railway, Harbor, Airport, River, Park, Water Supply, Sewage, Industrial sewer system ②Public facilities such as government buildings, lodging houses ③Public interest facilities such as rental houses and educational cultural facilities, waste disposal facilities, medical facilities, social welfare facilities, rehabilitation facilities, parking lots, underground malls ④Information communication facilities, heat supply facilities, new energy facilities, recycling facilities (excluding waste disposal facilities), tourism facilities and research facilities	Private roads; public transport (excluding underground systems); railway and pipeline transport facilities; sea and river ports and ships; airports and aircrafts; electric power facilities; waterworks; communication lines; healthcare facilities; educational, cultural, sports, and tourism facilities; waste-disposal facilities; private reclamation systems.

<p>⑤ Transport facilities and satellites such as vessels, aircraft, etc. (including facilities necessary for the operation of these facilities)</p> <p>⑥ Items specified by a Cabinet Order as facilities equivalent to the facilities listed in the preceding items</p> <p>※③～⑤ were added in H23 law amendment.</p> <p>[Cited from Japanese PFI Law]</p>	<p>[Cited from Nikolai(2017)]</p>
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## (2) Discussion

Applicable facilities in Japanese law are wider than Russia. It is indicated in red letters that are covered by Japanese law and are not covered by Russian law. That is Public facilities such as government buildings, lodging houses and rental houses rehabilitation facilities, parking lots, underground malls and recycling facilities. Especially, there are large number of PFI project of public facilities such as government buildings, lodging houses.

Also, the part of the items in ③～⑤ in Japanese law are added by the law amendment in 2011, in Russia, all facility were targeted when first law was established.

## IV Project Scheme

### (1) Japan

#### ○ Project system

BTO	Build → Transfer → Operate
BOO	Build → Own → Operate
BOT	Build → Operate → Transfer
RO	Rehabilitate → Operate

○ Project type

① Service Purchase type



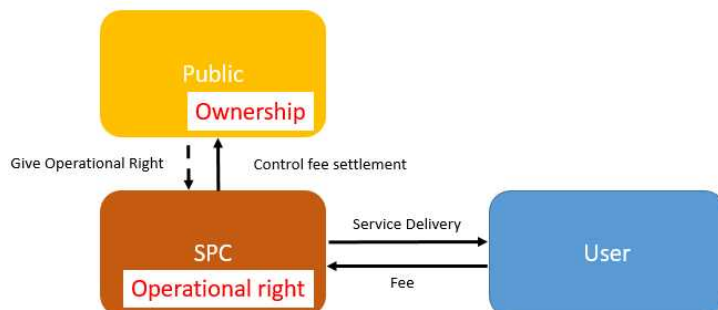
② Independent profit type



③ Hybrid type



Concession Scheme



○ Russia

There are currently two PPP models being followed in parallel:

- the federal government's concession law, under which the physical asset remains owned by the government, a fact that makes enforcement of bank security complicated; and
- a specific regional PPP framework, such as the one developed by the St Petersburg government, where the deal pipeline is regarded as the most advanced in Russia.

【Cited from mondaq website】

### ○ Discussion

Basically in Russia PPP is applied to profitable project, but in Japan the number of non-profitable projects (Service-Purchase Type) is much more than the one of profitable projects.

### V Supplement

In addition to these contents, I compared the contents of law, project scheme, process of PPP development, financial model and reviewed some cases such as Pulkovo Airport, Orlovsky Tunnel, Kansai International Airport and Osaka International Airport and Kochi healthcare center. My professor told me that based on these contents, he may write papers adding detail analysis.