

Promoting Public Private Partnerships
**for better life, for
beautiful world**

 财政部政府和社会资本合作中心
CPPPC CHINA PUBLIC PRIVATE PARTNERSHIPS CENTER

November 2017

Public Service Provision

PPP-led Paradigm Shift



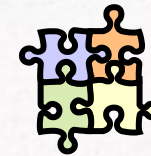
Insufficient Resources



Low Efficiency



Weak Governance



Multi-Channel Inputs



Value-for-Money



Result-Oriented

a Booster for Sustainability

Case One: TOT

HEBEI Zhangjiakou District Heating

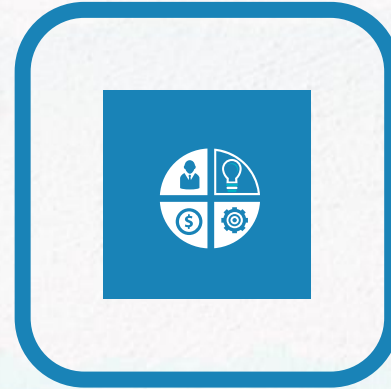


Temperature \uparrow 2 °C
Complaints \downarrow 80%



Coverage area \uparrow 20%
+ Two extra weeks' free service

Coal usage 80%
Electricity usage 50%
Water usage 70%

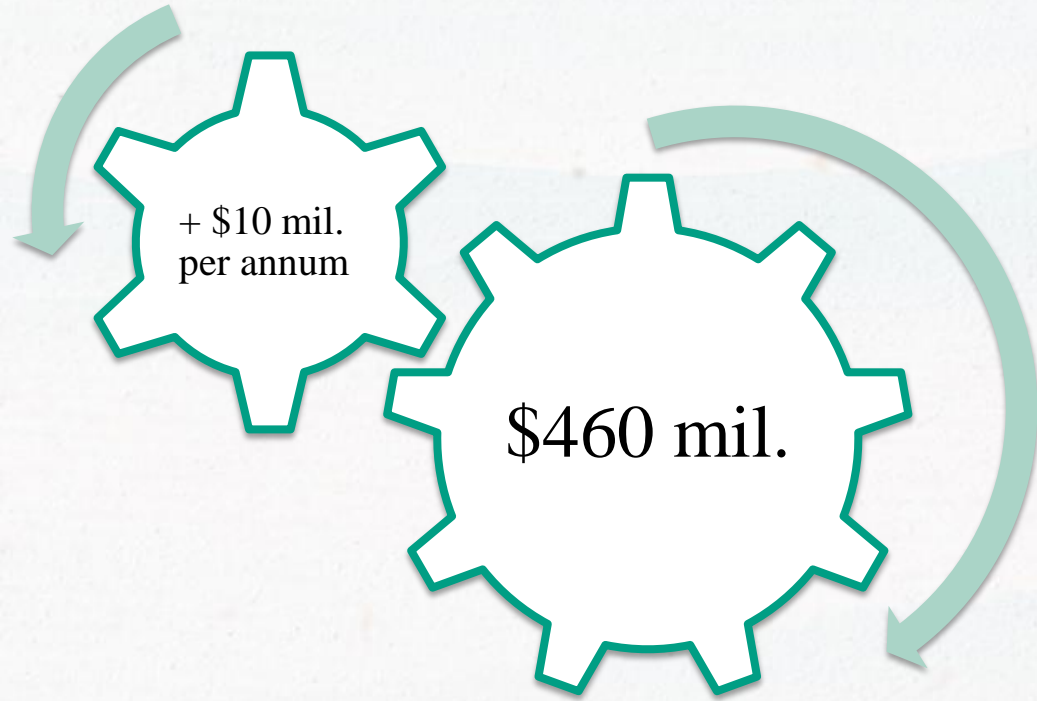


Smoke dust \downarrow 78%
SO₂ \downarrow 60%
Nitrogen oxides \downarrow 38%

Case Two: DBFOT

YUNNAN Dali Erhai Lake Sewage Treatment





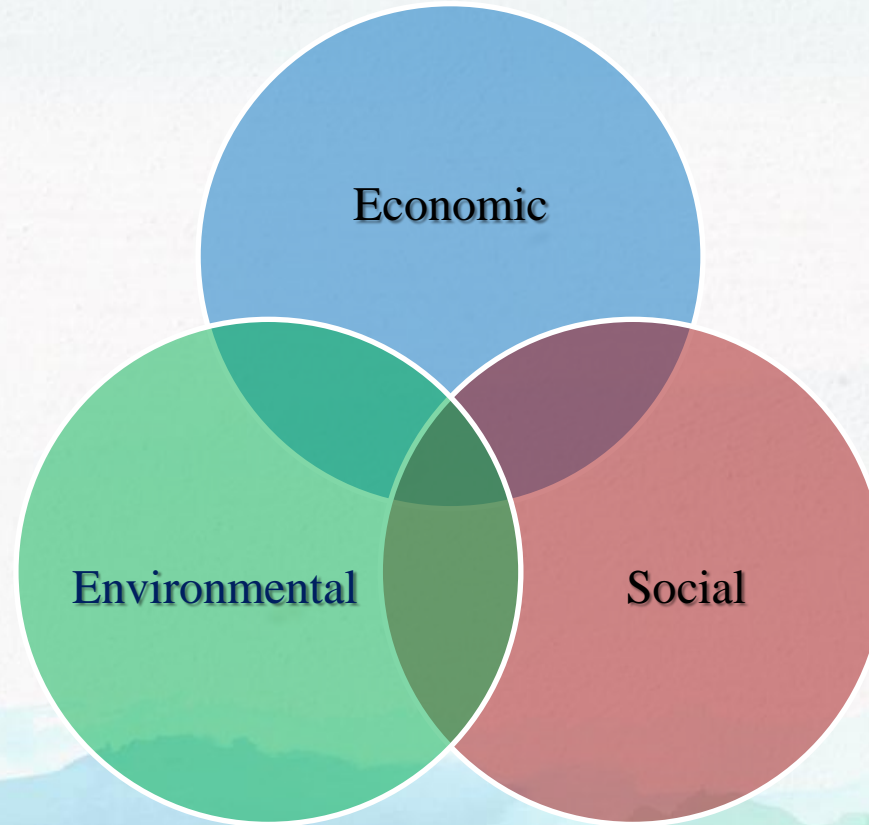
Construction cost ↓ \$78 mil.

Construction time ↓ 6 months

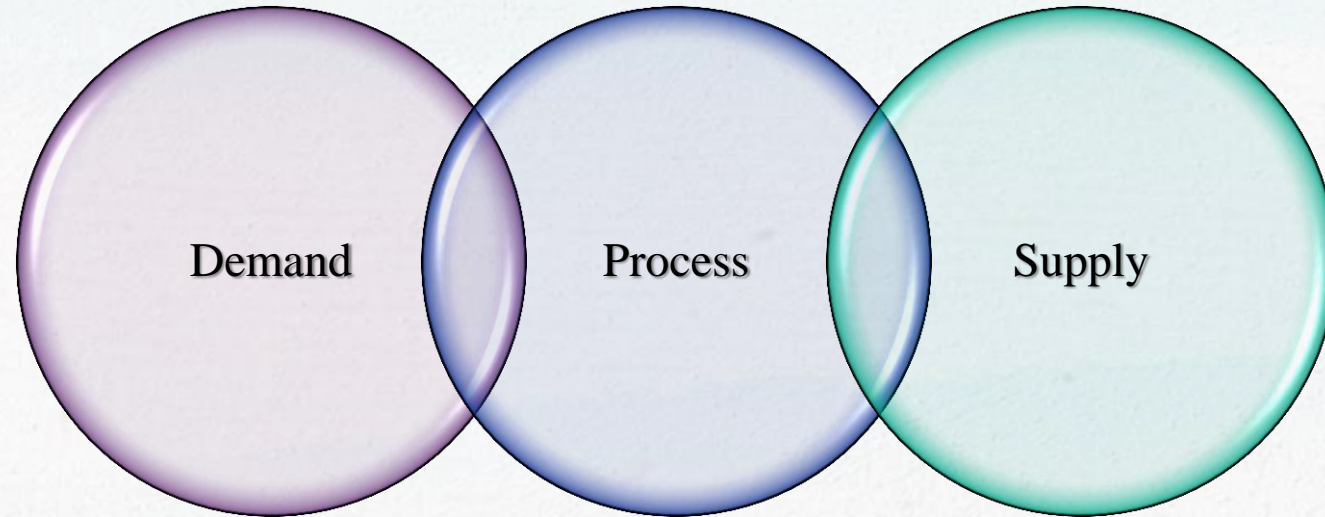
New jobs + 24,000



3-Dimensional Sustainability



Structural Balance for Sustainability



- ▶ Economic projects
- ▶ Social projects
- ▶ Environmental project

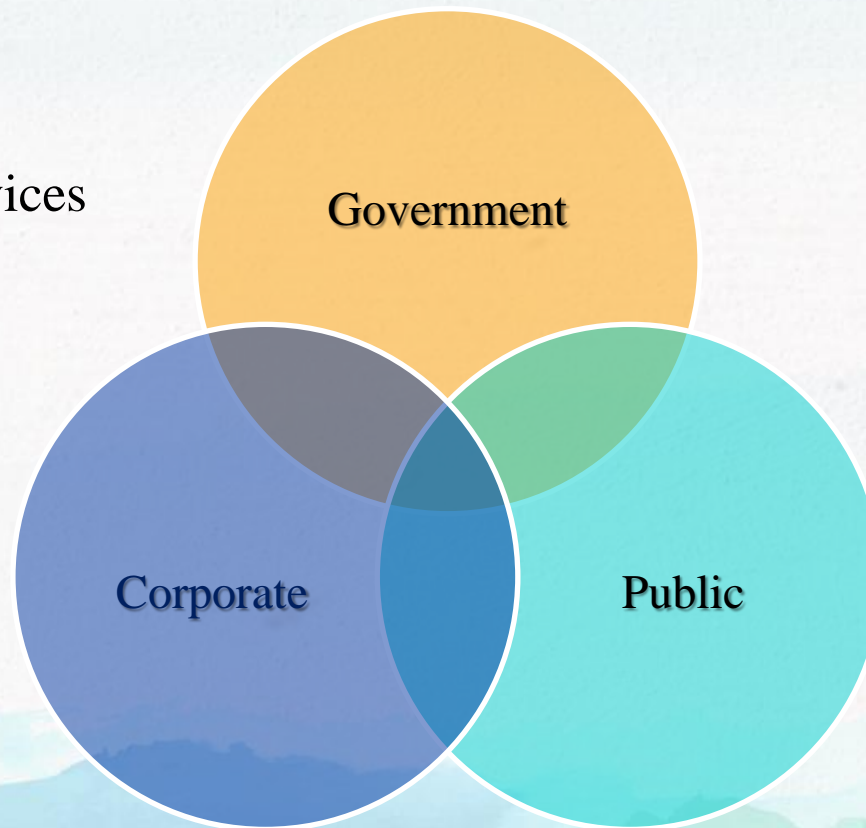
- ▶ Economy
- ▶ Efficiency
- ▶ Fairness

- ▶ Government
- ▶ PPP
- ▶ Market

PPP win-win Target for sustainability

- ▶ Role-change
- ▶ More quality public services
- ▶ Long-lasting results

- ▶ Market access
- ▶ Value chain extension
- ▶ Fair cooperation



- ▶ Better life and environment
- ▶ Public supervision

More Demonstration Projects



Key Features of PPP in China

Key Features of PPP in China



Objective

To provide more quality public services through PPP projects, focusing on **services** generated out of project operation rather than facility construction.

Standpoint

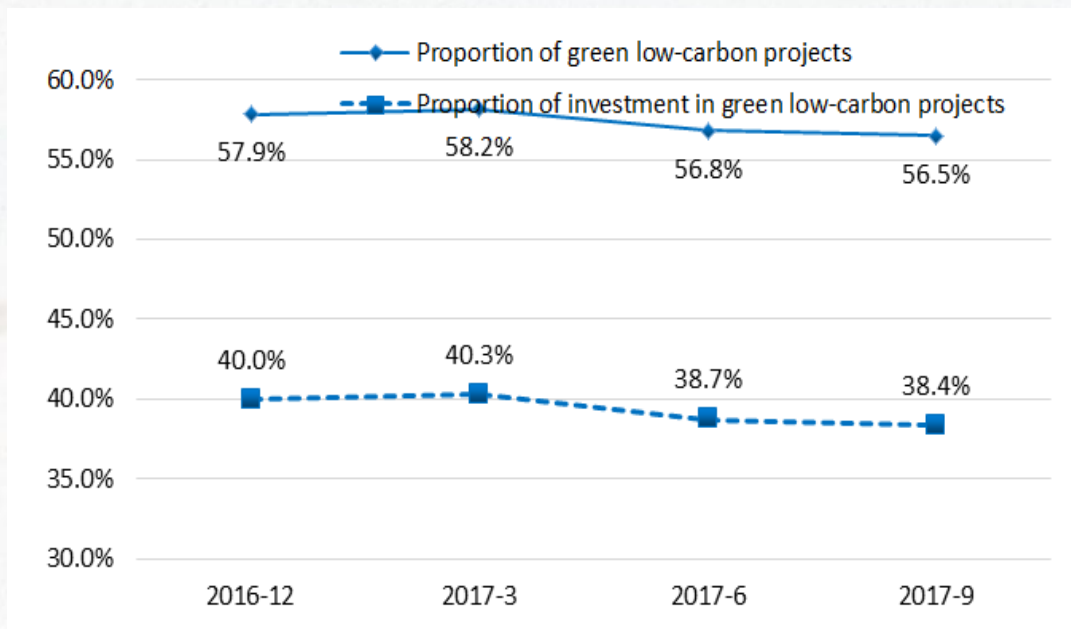
To improve efficiency and ensure outcome of public service provision, using PPP as an **efficiency** tool rather than just a financing vehicle.

Philosophy

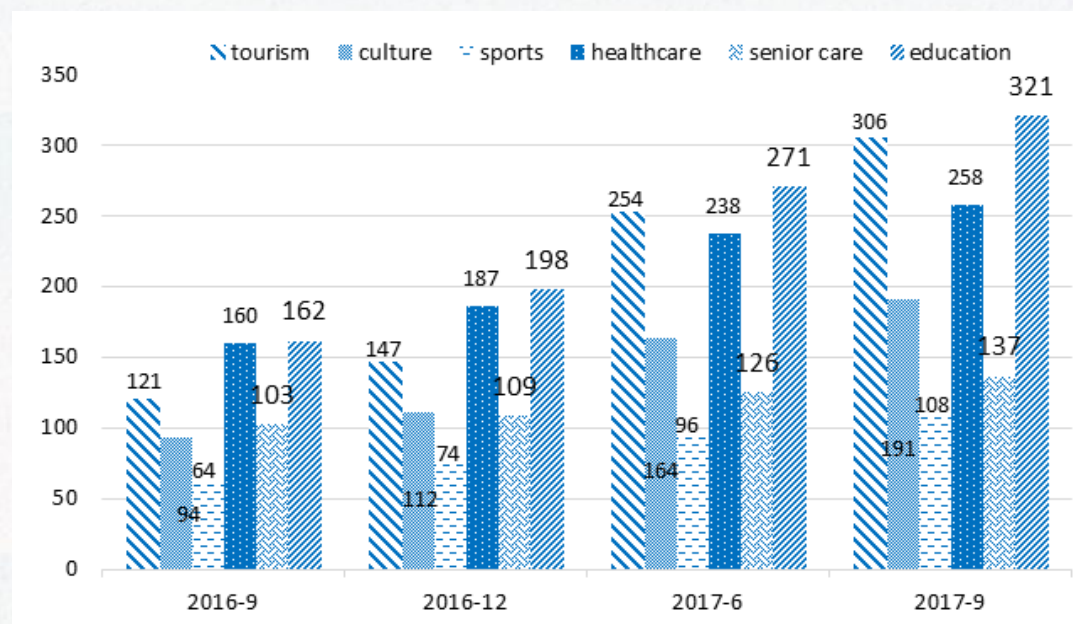
To drive institutional reforms and incentivize market through fair cooperation, contributing to modernization of state **governance**.

Key Features of PPP in China





PPP projects in such fields as public transportation, ecological construction and environmental protection, etc., play a role in promoting a green and low-carbon economic structure. As of the end of Q3 2017, green and low-carbon projects in management database accounted for 56.5% and 38.4% of national totals by the number of projects and investments respectively.



The main scope of the happiness industry covers culture, sports, healthcare, senior care, education, and tourism. As of the end of Q3 2017, the happiness industry recorded 1,321 PPP projects with investment of RMB 1.09 trillion (or \$169 billion) in management database, representing 19.5% and 10.8% of the total number of projects and investments.

Key Features of PPP in China



380 mil.

Value for Money

According to the analysis of 355 demonstration projects, average PSC and PPP were RMB 2.07 billion and RMB 1.69 billion, saving RMB 380 million (or \$58 million) or 18% of planned cost each.

Fiscal Affordability

Local government spending on all PPP projects within its jurisdiction at any time must not exceed 10% of general public budget expenditure, to avoid excessive future spending commitment.

10%

Key Features of PPP in China



Law

- Budget Law
- Government Procurement Law & its Enforcement Regulations
- Contract Law
- Regulations on PPP (being formulated)

Policy

- Opinions on strengthening local government debt management of the State Council
- Guide on promoting PPP in public service sector of the General Office of the State Council
- Notice on Promoting PPP of the Ministry of Finance
- Notice on fiscal management of PPP projects of the Ministry of Finance
- Notice on administration of information disclosure by PPP Comprehensive information platform of the Ministry of Finance

Guideline

- PPP Operating Guidelines
- PPP Contract Guidelines
- PPP Project Procurement Guidelines
- PPP VFM Assessment Guidelines
- PPP Fiscal Affordability Assessment Guidelines

Contract

- PPP Contract Guidelines
- PPP Contract Case Study
- Standard PPP Contracts

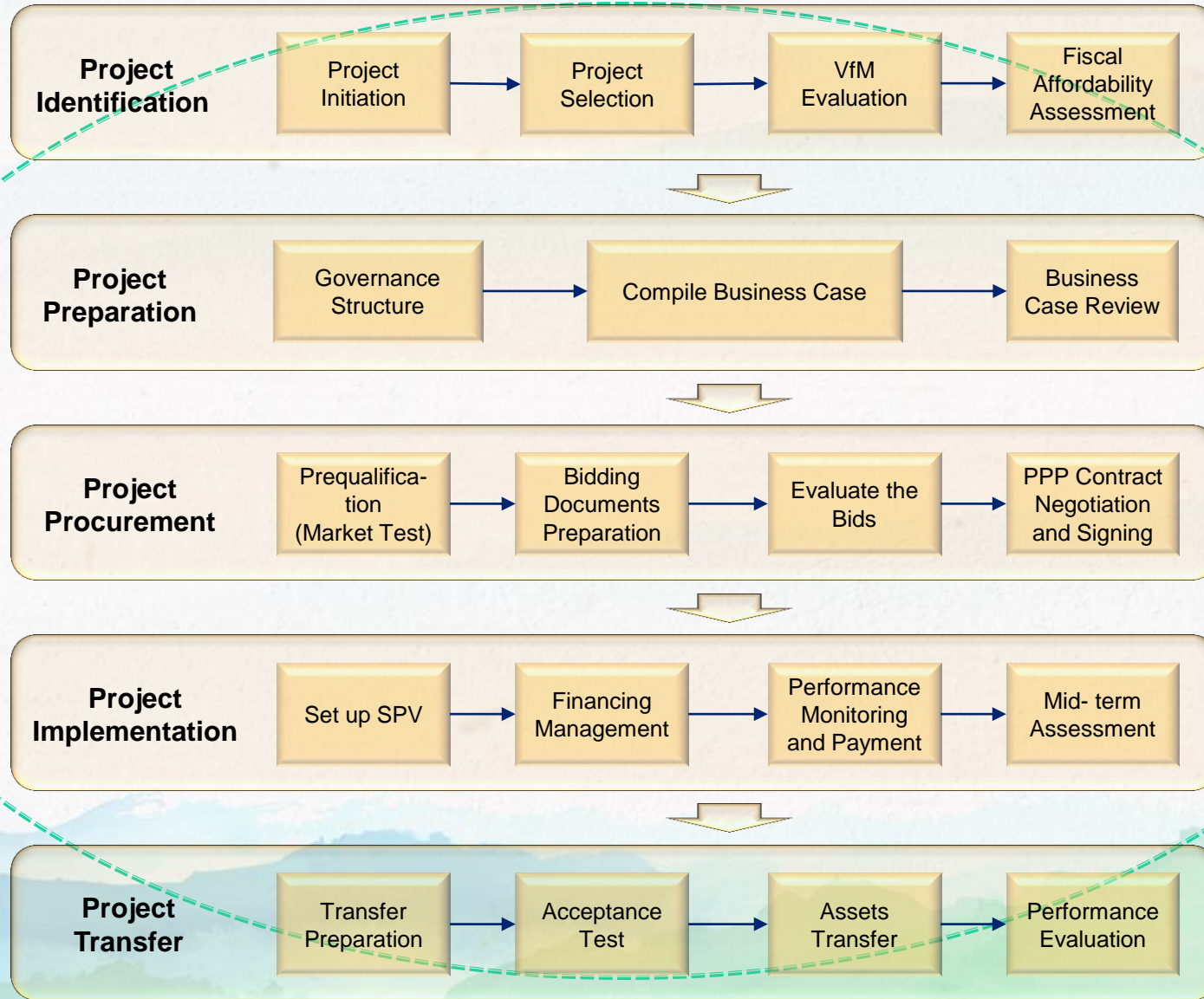
Standard

- PPP Project Identification Criteria
- Output Criteria
- Performance –based Payment Criteria

Key Features of PPP in China



Immediate Disclosure

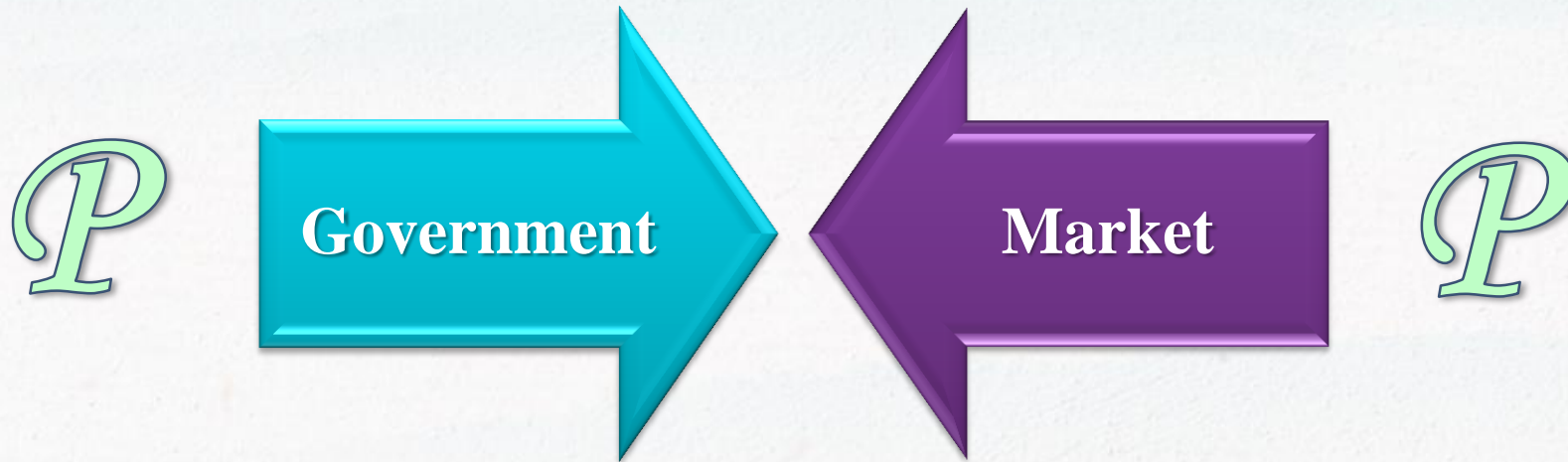


Disclosure In Due Time

Key Features of PPP in China



Governance



Streamlining administration

Enhancing supervision

Optimizing services

Rationalizing SOE participation

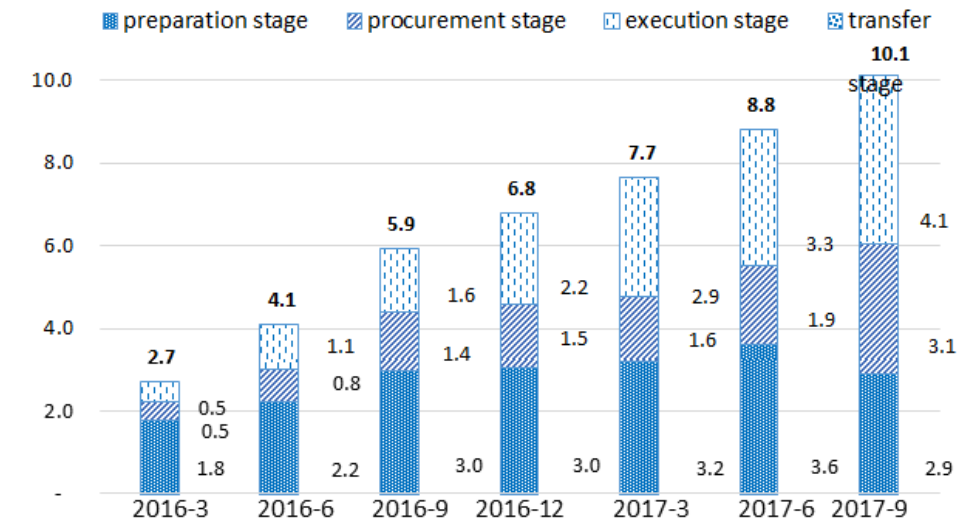
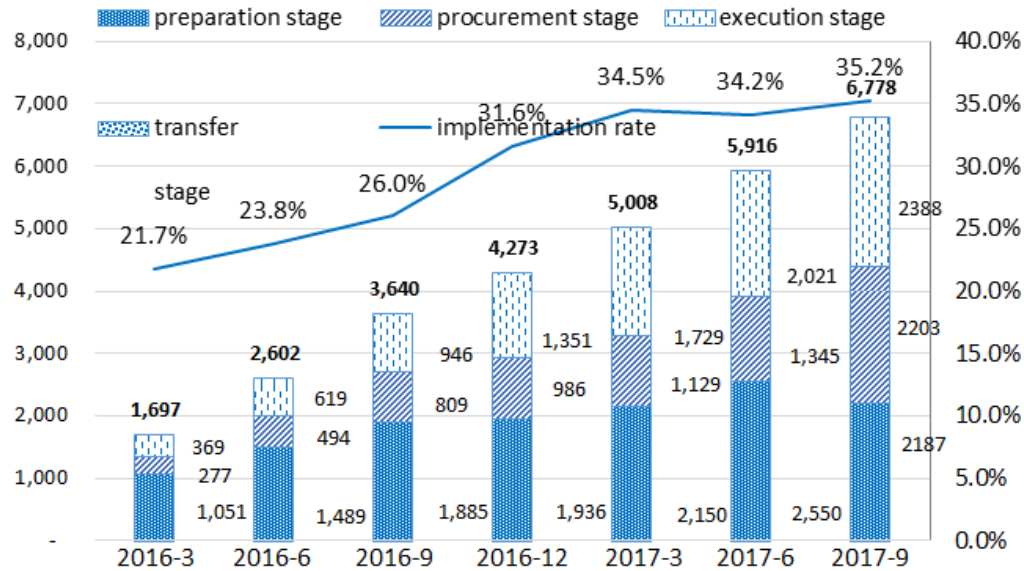
Encouraging private enterprises

Welcoming foreign enterprises

Key Features of PPP in China



PPP Project Database



National PPP Project Database consists of **Management Database** and **Reserve Database**. As of the end of Q3 2017, the number of PPP projects in **Management Database** reached 6,778, with an investment of RMB 10.1 trillion (or \$1.6 trillion), among which 2,388 projects had concluded PPP contracts, **2.5 times** the number a year ago, with an investment of RMB 4.1 trillion (or \$0.6 trillion). There were another 7,442 projects in **Reserve Database**, amounting to RMB 7.7 trillion (or \$1.2 trillion) in investment.

International Cooperation

Sharing PPP Practices



Thank

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www.cpppc.org/en/index.jhtml

