PPP Development in China

China PPP Center
Ministry of Finance, China

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PPP has become a national reform strategy, and is regarded as a system & mechanism reform in China.

- **Macro-level**: To promote the modernization of national governance system and capacity
- **Meso-level**: To push
  - Reform of administrative system
  - Reform of fiscal system
  - Reform of investment and financing system
- **Micro-level**: To realize Value for Money
2. PPP Strategy

- Value for Money
  - Regulatory Framework
  - Institutional Building
  - Demonstration Projects

Government, Market, Public
3. Regulatory Framework

<table>
<thead>
<tr>
<th>Law</th>
<th>Policy</th>
<th>Guideline</th>
<th>Contract</th>
<th>Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Budget Law (amended)</td>
<td>• Guide on Promoting PPP in Public Service (State Council)</td>
<td>• PPP Operating Guidelines</td>
<td>• PPP Project Identification Criteria（Economy, Technics, Finance, etc.)</td>
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</tr>
<tr>
<td>• Government Procurement Act (amended) &amp; its Enforcement Regulations</td>
<td>• Notice on Promoting PPP (MOF)</td>
<td>• PPP Contract Guidelines</td>
<td>• PPP Contract Case Study</td>
<td>• Output Criteria</td>
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<tr>
<td>• PPP Law（planning）</td>
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<td>• PPP Project Procurement Guidelines</td>
<td>• Standard PPP Contracts（planning）</td>
<td>• Performance –based Payment Criteria</td>
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<tr>
<td>• Concessional Regulations（planning）</td>
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<td>• PPP VFM Assessment Guidelines</td>
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<td></td>
<td></td>
<td>• PPP Fiscal Affordability Assessment Guidelines</td>
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</tbody>
</table>
4. Institutional Building

Central level:
- Establish China PPP Center
- Develop National PPP Information Platform
- Set up China PPP Financing Fund with 180 billion RMB

Local level:
- Establish PPP unit in each province
- Some provinces have set up or are going to set up local PPP Fund, among of which five PPP Funds have set up with 50 billion RMB in total

Consulting firms

Private sectors and investors
5. Demonstration Projects

- First batch:
  - 30 projects (3 taken out)
  - total 178.6 billion RMB
  - 15 provinces/cities;

- Second batch:
  - 206 projects
  - total 658.9 billion RMB
  - 30 provinces/cities;

- 13 Sectors: transportation, environment, affordable housing, elder care, health care, etc..
## Distribution of Sectors for the Demonstration Projects

<table>
<thead>
<tr>
<th>Sectors</th>
<th>1st Batch Demonstration Projects</th>
<th>2nd Batch Demonstration Projects</th>
<th>Total</th>
<th>Percentage</th>
<th>Investment (100 million RMB)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Projects</td>
<td>Investment (100 million RMB)</td>
<td>Number of Projects</td>
<td>Investment (100 million RMB)</td>
<td>Number of Projects</td>
<td>Investment (100 million RMB)</td>
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<tr>
<td>1. Transportation:</td>
<td>9</td>
<td>1,565.96</td>
<td>38</td>
<td>3,491.78</td>
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<td>Rail Transportation</td>
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<td>1,526.51</td>
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<td>2,452.67</td>
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<td>Express Way</td>
<td>7</td>
<td>613.94</td>
<td>7</td>
<td>613.94</td>
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<tr>
<td>Non-toll Roads</td>
<td>8</td>
<td>232.38</td>
<td>8</td>
<td>232.38</td>
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<td>Transportation Hub</td>
<td>4</td>
<td>17.32</td>
<td>4</td>
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<td>Airport</td>
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<td>81.98</td>
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<tr>
<td>Railway</td>
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<td>2</td>
<td>45.70</td>
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<td>Bus Transportation</td>
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<td>17.32</td>
<td>1</td>
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<tr>
<td>Bridge</td>
<td>1</td>
<td>32.78</td>
<td>1</td>
<td>32.78</td>
<td>1</td>
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<tr>
<td>Others</td>
<td>2</td>
<td>39.45</td>
<td>2</td>
<td>39.45</td>
<td>2</td>
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<tr>
<td>2. Civil Engineering:</td>
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<td>77.27</td>
<td>66</td>
<td>810.53</td>
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<tr>
<td>Waste Disposal</td>
<td>1</td>
<td>5.26</td>
<td>22</td>
<td>97.24</td>
<td>23</td>
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<tr>
<td>Underground Pipe &amp; Valve</td>
<td>1</td>
<td>13.00</td>
<td>14</td>
<td>407.77</td>
<td>15</td>
<td>6.4%</td>
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<tr>
<td>Parks</td>
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<td>25.00</td>
<td>1</td>
<td>25.00</td>
<td>1</td>
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<tr>
<td>Natural Gas Supply</td>
<td>2</td>
<td>3.64</td>
<td>2</td>
<td>3.64</td>
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<tr>
<td>Heating Supply</td>
<td>3</td>
<td>26.40</td>
<td>6</td>
<td>59.52</td>
<td>9</td>
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<tr>
<td>Water Supply</td>
<td>3</td>
<td>32.61</td>
<td>18</td>
<td>190.11</td>
<td>21</td>
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<tr>
<td>Sponge City</td>
<td>1</td>
<td>13.85</td>
<td>1</td>
<td>13.85</td>
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<tr>
<td>Urban Forestry</td>
<td>1</td>
<td>5.50</td>
<td>1</td>
<td>5.50</td>
<td>1</td>
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<tr>
<td>Drainage</td>
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<td>7.90</td>
<td>1</td>
<td>7.90</td>
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<tr>
<td>3. Environment Protection:</td>
<td>11</td>
<td>111.99</td>
<td>31</td>
<td>742.46</td>
<td>42</td>
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<tr>
<td>Sewage Treatment</td>
<td>9</td>
<td>59.08</td>
<td>15</td>
<td>337.49</td>
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<tr>
<td>Integrated Environmental Management</td>
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<td>52.91</td>
<td>15</td>
<td>364.97</td>
<td>17</td>
<td>7.2%</td>
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<tr>
<td>Wetland Reserve</td>
<td>1</td>
<td>40.00</td>
<td>1</td>
<td>40.00</td>
<td>1</td>
<td>0.4%</td>
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<tr>
<td>4. Area Development</td>
<td>8</td>
<td>771.54</td>
<td>8</td>
<td>771.54</td>
<td>8</td>
<td>3.4%</td>
</tr>
<tr>
<td>5. Affordable Housing</td>
<td>2</td>
<td>35.51</td>
<td>2</td>
<td>35.51</td>
<td>2</td>
<td>0.8%</td>
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<tr>
<td>6. Sports</td>
<td>1</td>
<td>25.07</td>
<td>1</td>
<td>25.07</td>
<td>1</td>
<td>0.8%</td>
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<tr>
<td>7. Cultural Industry</td>
<td>12</td>
<td>257.56</td>
<td>12</td>
<td>257.56</td>
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<td>5.1%</td>
</tr>
<tr>
<td>8. Elder Care</td>
<td>10</td>
<td>196.22</td>
<td>10</td>
<td>196.22</td>
<td>10</td>
<td>4.2%</td>
</tr>
<tr>
<td>9. Health Care</td>
<td>1</td>
<td>5.70</td>
<td>18</td>
<td>111.76</td>
<td>19</td>
<td>8.1%</td>
</tr>
<tr>
<td>10. Education</td>
<td>12</td>
<td>89.61</td>
<td>12</td>
<td>89.61</td>
<td>12</td>
<td>5.1%</td>
</tr>
<tr>
<td>11. Technology</td>
<td>5</td>
<td>39.50</td>
<td>5</td>
<td>39.50</td>
<td>5</td>
<td>2.1%</td>
</tr>
<tr>
<td>12. Tourism</td>
<td>2</td>
<td>6.40</td>
<td>2</td>
<td>6.40</td>
<td>2</td>
<td>0.8%</td>
</tr>
<tr>
<td>13. Agriculture</td>
<td>1</td>
<td>6.52</td>
<td>1</td>
<td>6.52</td>
<td>1</td>
<td>0.4%</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>1,785.99</td>
<td>206</td>
<td>6,588.64</td>
<td>236</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Project: 6997
Investment: 8.13 Trillion RMB

- Municipal Engineering, 1828, 26.1%
- Integrated Environmental Management, 978, 14.0%
- Transportation, 761, 10.9%
- Area Development, 467, 6.7%
- Affordable Housing, 417, 6.0%
- Education, 368, 5.3%
- Tourism, 352, 5.0%
- Health Care, 350, 5.0%
- Water, 348, 5.0%
- Cultural Industry, 201, 2.9%
- Others, 192, 2.7%
- Elder Care, 177, 2.5%
- Sports, 123, 1.8%
- Energy, 123, 1.8%
- Social Security, 86, 1.2%
- Agriculture, 77, 1.1%
- Technology, 59, 0.8%
- Forestry, 7, 0.1%
- Government Infrastructure, 83, 1.2%
Thank you!

Website:  www.cpppc.org
Email:    cpppc@cpppc.org
Wechat:   道PPP
The First Batch of Demonstration Projects

- Rail Transportation, 7, 33.3%
- Heating Supply, 3, 14.3%
- Water Supply, 3, 14.3%
- Integrated Environmental Management, 2, 9.5%
- Sports, 1, 4.8%
- Waste Disposal, 1, 4.8%
- Underground Pipe & Valve, 1, 4.8%
- Transportation-other, 2, 9.5%
- Health Care, 1, 4.8%
- Waste Disposal, 1, 4.8%
- Underground Pipe & Valve, 1, 4.8%
- Transportation-other, 2, 9.5%
- Health Care, 1, 4.8%

Number of Projects
The First Batch of Demonstration Projects

Total Investment (in 100 million RMB)

- Rail Transportation, 1526.5, 85.5%
- Sewage Treatment, 59.1, 3.3%
- Integrated Environmental Management, 52.9, 3.0%
- Transportation-other, 39.5, 2.2%
- Water Supply, 32.6, 1.8%
- Heating Supply, 26.4, 1.5%
- Sports, 25.1, 1.4%
- Underground Pipe & Valve, 13.0, 0.7%
- Health Care, 5.7, 0.3%
- Waste Disposal, 5.3, 0.3%
- Underground Pipe & Valve, 13.0, 0.7%
The Second Batch of Demonstration Projects

Number of Projects

- Waste Disposal, 22, 10.7%
- Health Care, 18, 8.7%
- Water Supply, 18, 8.7%
- Integrated Environmental Management, 15, 7.3%
- Sewage Treatment, 15, 7.3%
- Underground Pipe & Valve, 14, 6.8%
- Rail Transportation, 13, 6.3%
- Education, 12, 5.8%
- Cultural Industry, 12, 5.8%
- Elder Care, 10, 4.9%
- Area Development, 8, 3.9%
- Non-toll Roads, 8, 3.9%
- Express way, 7, 3.4%
- Technology, 5, 2.4%
- Heating Supply, 6, 2.9%
- Rail Transportation Hub, 4, 1.9%
- Affordable Housing, 2, 1.0%
- Natural Gas Supply, 2, 1.0%
- Tourism, 2, 1.0%
- Railway, 2, 1.0%
- Other, 9, 4.4%
The Second Batch of Demonstration Projects

Total Investment (in 100 million RMB)

- Rail Transportation, 2452.7, 37%
- Area Development, 771.6, 12%
- Expressway, 613.9, 9%
- Underground Pipe & Valve, 407.8, 6%
- Integrated Environmental Management, 365.0, 6%
- Sewage Treatment, 337.5, 5%
- Cultural Industry, 257.6, 4%
- Non-toll Roads, 232.4, 4%
- Elder Care, 196.2, 3%
- Water Supply, 190.1, 3%
- Education, 89.6, 1%
- Waste Disposal, 97.2, 1%
- Airport, 82.0, 1%
- Heating Supply, 59.5, 1%
- Wetland Reserve, 40.0, 1%
- Railway, 45.7, 1%
- Technology, 39.5, 1%
- Affordable Housing, 35.5, 1%
- Bridge, 32.8, 0%
- Other, 130.4, 2%