Research on the Implementation Countermeasures of PPP Projects in New Urbanization Projects

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Abstract. China's new urbanization is currently in a period of rapid development. How to better promote the new urbanization process and solve the problem of capital shortage is a difficult problem. This paper analyzed the status and existing problems of new urbanization development, and finally gave the implementation countermeasures of PPP projects in new urbanization projects.

Introduction

In recent years, with the economy of our country entering the new normal, especially after the central government rectified the local government investment and financing platform, the sources of funds needed for the construction of urbanization have also gradually developed and changed, and the development of urbanization is facing a new situation[1,2]. That is, mainly relying on local government investment to promote the development of urbanization, transforming the construction of urbanization into more and more open to social capital. The "National New urbanization Plan" proposed, "relax access to municipal public goods," We shall formulate measures for the franchise of non-public enterprises and encourage social capital to participate in the investment and operation of urban utilities. "This is why the PPP model should be used in the field of new urbanization infrastructure construction. Use has laid the foundation of an important legal system. With the advancement of new urbanization in China, the construction of a large number of infrastructure will be more and more applied by PPP model[3].

The new urbanization proposed by the 18th National Congress emphasizes the urban-rural equalization of infrastructure and public services, which makes the construction of infrastructure and public services more important[4,5]. The clear development path of the new urbanization and the refinement of the development goal of urbanization in the 18th National Congress of the Communist Party of China indicate that the demand for the construction of urbanization infrastructure is imminent in a long period of time in the future[6]. However, the government is short of funds to support a large number of infrastructure construction, the solution to the problem of capital is the key to urbanization infrastructure construction. The application of PPP model in infrastructure can solve this problem very well, and it can be used in the construction of infrastructure in the process of urbanization. It provides a new way.

The Present Situation of New Urbanization

China's urbanization has experienced a low starting point and a rapid development process from the reform and opening up to date. This process is accompanied by the acceleration of industrialization and the rapid growth of the economy. After 30 years of reform and opening up, the urbanization rate of our country has been raised from 17.92 to 54.77, and the resident population of cities and towns has increased from 170 million to 730 million. In recent years, the level of urbanization in China has increased rapidly and the number of cities and towns has increased substantially. Close ties between towns, urban areas gathering gradually formed. The concept of urbanization has undergone a fundamental change, and the level of urban modernization has improved significantly. The relationship between urban and rural areas began to be coordinated, and the reform of the urban-rural
system was carried out gradually spread out, China's urbanization has made remarkable achievements. However, the urbanization rate is still within the rapid development range of less than 70%. The National New Urbanization Plan (2014-2020) puts forward that the goal of urbanization rate by 2020 will reach 60%, which will inevitably require a huge investment in infrastructure construction. However, the government does not have so much money to support the construction of new urbanization, so the PPP model will be used more and more in the construction of new urbanization to solve the problem of national funding gap.

**Problems Existing in New-type Urbanization**

Taking the new road of urbanization is the inevitable choice of socialist modernization with Chinese characteristics and the important content of building a well-off society in an all-round way. For a long time, our country has been developing towards the direction of new urbanization, so it puts forward higher requirements for the investment and financing of infrastructure on the way of new urbanization [85]. According to the target of China's new urbanization planning, it is estimated that 42 trillion of direct investment will be needed to meet the level of 60% urbanization rate in 2020. The capital demand of new type urbanization construction is about 4 billion by 2020. However, it is difficult to meet the demand of urbanization development in the short term by relying only on financial funds. On the other hand, if the problem of the source of funds in the construction of new urbanization is not effectively solved, there will be a differentiation between the rich and the poor, a disease of a big city, and a destruction of the healthy development of a small city, so it will not be called "new urbanization". And infrastructure is a material engineering facility that guarantees the normal economic, social and social life of the region and the country. It is mainly used for social production and resident life. It includes public infrastructure such as transportation, communications, heating, gas supply, and so on, as well as schools and hospitals. Public service facilities such as cultural and cultural facilities. In recent years, with the increasing level of urbanization, people have higher and higher requirements for infrastructure. With the characteristics of long construction period and large fund gap, infrastructure construction is slow in urban construction, especially in small and medium-sized cities because of the shortage of funds.

**Countermeasures and Suggestions on the Application of PPP Model in New Urbanization**

**Establishing and Perfecting the Legal System of PPP Cooperation Model**

The new urbanization applies the PPP model to develop, operate, and return on investment for more than ten years or even tens of years, with a long time, involving investment and financing, planning and design, engineering supervision, construction, operation and maintenance, post-project evaluation, and so on. Clear laws and regulations are needed to define the rights, obligations and risks to each of the participants. With the support and guarantee of law, the efficiency of PPP financing mode can be improved. In the PPP project contract, the risk sharing among the participants should be made clear in detail, and the government should bear the risk caused by the policy, planning and other factors. And in practice, as opposed to the government, Social capital is in a weak position, so in the legislation of PPP, government behavior should be restrained, the right of social capital should be guaranteed, and the government should be restricted from directly intervening in the investment decision, development, construction, operation and maintenance of the PPP financing platform company. Avoid the lack of decision-making autonomy of PPP financing platform, which leads to the low return on project investment and the lack of market competitiveness. Bringing the legislation of PPP into the scope of national law will increase the confidence of social capital, realize the benefit sharing between government and social capital, share risks, and give full play to the advantages of PPP financing mode.
Transformation of Government Functions

The government plays an important leading role in the new-type urbanization PPP project. The successful operation of the PPP project must transform the government function. The so-called “transformation” is to transform the government management department into the social service department. It is necessary to accelerate the transformation of the social functions of the government to social organizations, and hand over the technical, service and coordination work undertaken by the government to social intermediary organizations, social public service organizations and social autonomous organizations. At the same time, in the PPP financing model, the government should not directly hand over all the responsibilities to the market, but should also assume the corresponding responsibility to support and help the social capital, such as the government should rationalize the rights and obligations of the participants. Relationship, establish a special department, responsible for the overall organization and coordination of the project.

Establishment of a Viable Regulatory Mechanism

The new-type urbanization PPP project is a financing project of cooperation between government and enterprise. When introducing social capital, the government should establish an effective supervision mechanism, and the supervision mechanism should be concretized and standardized, so that the whole process of the project can be governed by rules. The supervision mechanism mainly includes price supervision, safety supervision and exit regulation. The first is price regulation, price restriction, holding price hearings, listening to the opinions of all sides of society, consulting relevant experts, and providing advice for reasonable pricing. The second is safety supervision. Every minor safety accident will attract the attention of the society and affect the development and construction of the project. And operational maintenance, so safety regulation should run through the life cycle of PPP projects. Finally, exit supervision. When the franchise period of social capital expires, the exit process should ensure that equipment, assets, etc. are transferred in accordance with the contract; when an abnormal exit event occurs, such as default risk, force majeure risk, etc. Exit should be carried out in accordance with laws, regulations and contract agreements to minimize risk.

Establishing A Reasonable Risk-sharing Mechanism

The conditions for the successful operation of the new-type urbanization PPP project are the effective distribution of risks, reasonable sharing, which can not be borne by one side alone. The social capital mainly bears the risks of finance, market, construction, operation, etc. The construction and operation period of the project is long. The capital investment is large, the uncertainty factor is many, the risk is big, therefore must establish the reasonable risk sharing mechanism, reduces the loss, enhances the social capital enthusiasm, boosts the new type urbanization construction. First of all, to establish a reasonable risk-sharing mechanism, we should follow the principle of the correspondence between risk and income, that is, high risk corresponds to high return, and at the same time, we should bear higher risk, and follow the principle of "high risk". The principle of correspondence between risk and degree of participation, that is, the degree of participation and the correspondence of risk, the higher the degree of participation, the greater the risk, and the positive correlation between the two, following the principle of correspondence between risk and control, That is, the most powerful participants should bear the corresponding risks. In short, according to the risk management and risk tolerance of government and social capital, risk should be allocated to the most capable participants. Secondly, after a reasonable risk sharing, in the PPP project contract, the participants have to make detailed agreement on some details, such as the description of risk-benefit sharing, which will encourage the social capital to actively carry out. Risk identification and prevention make the overall benefit of the project maximum.

Perfecting the Admission Mechanism of PPP Cooperation Mode

Relaxation of social capital into the new type of urbanization PPP project access mechanism. First of all, the status of government and social capital is equal, the government should make clear the entry
conditions of PPP cooperation mode, and make it public, so as to make the information symmetrical and transparent as far as possible. Secondly, when selecting social capital by bidding, we should follow the principles of openness, fairness, honesty and credit, and reduce the threshold of entry into PPP projects as far as possible, so as to attract more social capital to participate in PPP projects. Make the project more competitive in the market. To strictly regulate the admission qualifications of franchising projects, the government should also follow the principles of fairness, openness, and openness in selecting social capital. Positive principle of circumventing dark box operation. We should strictly standardize the admission qualification and admission permit system of franchising, and when we invite tenders to purchase and select the franchising object, we should not take the price factor as the sole criterion for bid evaluation. We should try our best to adopt the methods of comprehensive evaluation, comprehensive evaluation and comprehensive evaluation, etc. Bid evaluation of multiple bid evaluation criteria to ensure the smooth completion of project construction and operation tasks.

Set Up Specialized Management Team

The new type of urbanization PPP projects involve many industries and have strong specialization. Social capital should be used for the normal operation of PPP projects, the establishment of specialized management teams, investment and financing, planning and design, bidding and procurement, project management, Project maintenance and other aspects of the recruitment of complex talent, while equipped with legal, financial, management, financial and other professional knowledge, and these personnel must have a certain amount of PPP project operation experience, Achieve PPP project goals through professional management and teamwork. Specialized management team is the core competence of PPP project, and is also the essential condition of risk management. There is still a relative shortage of human resources in the operation of PPP projects in our country before, so we should focus on strengthening the training of personnel in this area of PPP projects and training complex talents with knowledge of economic, legal, financial, management and other related majors. Especially, we should pay attention to improving the practical operation ability of the concrete participants, apply the PPP cooperation mode to the new urbanization construction of our country scientifically and reasonably, and promote the sustainable and healthy development of the new urbanization construction in our country.

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