

2022年“一带一路”PPP良好实践国际研讨会

One Belt One Road PPP Best Practices International Symposium

18 November 2022

Professor Cao, distinguished panellists, ladies and gentlemen,

I have had the honour to make concluding remarks at last year's Symposium. This year, the world continues to be afflicted by Covid-19, though we are beginning to see light at the end of the tunnel. Despite the many disruptions and inconveniences caused by the pandemic, the energies of everyone have still found useful expression, which is a testament to the human spirit. This symposium is also a celebration of that human spirit, a spirit that not only meets adversity with determination and courage but with the wisdom to distill from the chaos the opportunities for the future. Such a human trait provides us with a future, full of hope.

It is in that spirit of courage and hope that the title of this year's Symposium has been chosen.

The title “向低碳与可持续发展转型：新国际标准与国家良好实践”，“Towards a low carbon model for sustainable development: the latest international standards and best practices”，is much in line with the Sustainable Development Goals of the United Nations. It is also much in line with the grand vision for development of our Nation in the 21st Century announced by Secretary General Xi at the 20th Party Congress just concluded. In his report, Secretary General Xi stressed the importance of inclusiveness and sustainability in development and China's commitment to world peace. This vision will imbue our Nation's Belt and Road initiative with new energy and purpose. It is also why this Symposium is so timely and important.

The contribution from our distinguished panellists and the message of Secretary General's Anna Joubin Bret not only underline the importance of sustainable

development in line with the UN's Sustainable Development Goals but provide a very useful update on best practices. In particular, we have heard the progress made in application of the Model Law on Government Procurement and the Model Legislative Guidelines on Public Private Participation. The WTO Protocol on Government Procurement and recent Free Trade Agreements, such as the Regional Comprehensive Economic Partnership (RCEP) also stress the importance of transparency and fairness in government procurement, which of course, includes aspects of public private participation in infrastructure projects.

As the pandemic recedes and the World returns to normality, we will see a greater willingness for private capital to invest in public private participatory projects. UNCTAD has estimated that the annual investment gap in meeting the UN SDG in developing countries just for clean water, reasonable energy, education and public health, is 2.5 Trillion US Dollars between 2015 and 2030. The global level of private participation is less than US \$1 Trillion at present. So there is much more that the private sector can do to fill that gap. This situation makes the importance of Public Private Participation very important, if the world is to meet the investment gap.

One of the most important aspects of PPP is that ability of the public and private participants to understand the risks of each project. This requires a sound enabling institutional framework to create, manage, evaluate and monitor PPP projects, including:

- A credible, transparent and competitive process for the planning and selection of PPPs: this includes a sound cost/benefit analysis;
- Structuring of contracts that appropriately price and transfer risks to the private partner (optimum risk allocation)
- Transparent and comprehensive fiscal accounting and reporting standards (including transparency on fiscal implications)
- Legal, regulatory and monitoring frameworks that allow for the enforcement of contracts as well as appropriate pricing and quality of service (which is

also important for strengthening transparency and public scrutiny and by safeguarding the public interest, citizens' welfare and sustainable development including environmental protection and catering for the risks brought about by climate change;

- Optimum risk allocation also implies, among others, managing potential exposure of States to ISDS claims on grounds of PPPs. Careful treaty drafting can help to manage this exposure and safeguard the right to regulate, while providing investment protection.

- All of this requires technical assistance and capacity building;

This Symposium shows the way to promoting more public private investment by updating us on the latest international standards and best practices that include all of the above considerations.

May I finally congratulate the organisers for the great success of this Symposium and thank all the distinguished panellists for their contribution, and lastly, may I add my personal thanks to Professor Cao for inviting me to make these remarks!