



PUBLIC-PRIVATE
PARTNERSHIP CENTER

Building Partnership, Strengthening Processes

2011 Annual
Report



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Message from the Executive Director

The year 2011 was the time when the Philippines laid the solid foundation of public-private partnership (PPP) in the country.

Although the Public-Private Partnership Center was established in September 2010, it was in 2011 when it started instituting the pivotal organizational, policy, and process reforms to improve PPP operations, which included simplifying business processes and mitigating corruption risks.

With the Public-Private Partnership Program as one of the flagship projects of the President, the Center gained great interest and attention, especially among government agencies seeking advice on the possibility of undertaking the PPP scheme in their various infrastructure projects. True to its mandate, the Center actively provided these agencies with technical assistance and project advisory services, thus facilitating their entry into PPP projects and intensifying renewed interest in PPP investments.

We, at the Center, recognize the private sector as critical partners in development, most especially in good governance. Hence, we have rigorously campaigned to increase their awareness on PPPs and have encouraged private companies to participate and become partners with the government in building infrastructures and in delivering quality services. During such investment promotions, the Center also used these as mechanisms to gain feedbacks and to identify possible areas where private investments could come in.

We also recognize that in order for growth to be more inclusive, we have to engage the local governments in such partnerships. To do this, we have committed to build their capacities so they could pursue their own development by implementing local infrastructures suited to their needs using the PPP scheme.

As the government's lead facilitator and catalyst in effectively enabling national and local government agencies pursue, develop, and implement well-structured PPP projects, we are committed to continue these efforts with greater zeal. We also commit to conduct PPPs that are anchored on the principle of transparency, accountability, and integrity while ensuring a level playing field for all, reasonable returns for the private proponents, and appropriate sharing of risks for all parties involved.

We look at the future of PPPs with much optimism. In the coming years, we will continue what we have started—we will intensify our efforts to innovate on the policies and processes, and we will be at the forefront as befits the role of being the champion of PPPs in the country.

As we move forward with firmer steps, we shall take this opportunity to initiate all necessary reforms required for PPPs to succeed, and that opportunity to reform and innovate is now.


COSETTE V. CANILAO





The Inception of Public-Private Partnerships in the Philippines

Legal Framework and Guiding Principles

The 1987 Philippine Constitution distinctly essays the role of the private sector as a valuable partner to achieve the developmental goals of the country. Section 20, Article II specifically states that “the State recognizes the indispensable role of the private sector as the main engine of national growth.”

This deliberate campaign to bring the private sector into the forefront of the country’s development efforts is reiterated by the passage of Republic Act (RA) 6957 entitled “An Act Authorizing the Financing, Construction, Operation and Maintenance of Infrastructure Projects by the Private Sector, and for other Purposes,” also known as the build–operate–transfer (BOT) law. The Act was signed into law in 1990 by then President Corazon C. Aquino.

The BOT law was a trailblazing legislation for the Philippines and a first in Asia as it paved the way for the participation of the private sector in the development efforts of the country. RA 6957 provided incentives to mobilize the private sector to use its resources to help finance the construction, operation, and maintenance of the country’s infrastructure projects using the BOT scheme and its other variant, the build–transfer–operate (BTO). Clearly, the private sector’s participation forms a significant part of the developmental efforts of the government, specifically in energizing the infrastructure industry.

In July 1993, three years since its implementation, President Fidel V. Ramos amended RA 6957 to what is now known as Republic Act 7718. The



revised law included refinements on incentives, the identification of priority projects, eligible projects, and implementation schemes. RA 7718 also allowed the government to explore partnerships with the private sector in pursuing non-traditional infrastructure projects in sectors such as education, health, and agriculture. Another significant change was the inclusion of other variants of the BOT scheme. These included the build-transfer (BT), build-operate-own (BOO), build-lease-transfer (BLT), build-transfer-operate (BTO), contract-add-operate (CAO), develop-operate-transfer (DOT), rehabilitate-operate-transfer (ROT), and rehabilitate-own-operate (ROO).

The Philippine's 15th President, Benigno Simeon C. Aquino III, has acknowledged the wisdom behind

the BOT law to channel public-private partnerships (PPPs) into a powerful machinery of helping push forward the country's development. Under his administration, private sector participation in the country's economic agenda has been clearly defined in his social contract with the Filipino people.

Thus, on September 9, 2010, President Aquino signed Executive Order No. 8 entitled "Reorganizing and Renaming the Build-Operate-and-Transfer (BOT) Center to the Public-Private Partnership (PPP) Center of the Philippines and Transferring its Attachment from the Department of Trade and Industry to the National Economic and Development Authority and for Other Purposes."



Strategy for Infrastructure Development and Inclusive Growth

Accelerated Infrastructure and Good Governance

Infrastructure development is critical to promoting sustainable growth in the Philippines. However, the last decade showed a weak performance in infrastructure development as reflected in the country's weak competitiveness ranking. From 1980 to 2009, the Philippines ranked last among the original Association of Southeast Asian Nations (ASEAN) member countries, such as Indonesia, Malaysia, Philippines, Singapore, and Thailand, contributing just an average of 2 percent of the country's gross domestic product (GDP).

In 2010, the Philippine's infrastructure program, placed 56th in infrastructure in the Global Competitiveness Index provided by the World Economic Forum.

As part of the overall inclusive growth strategy, President Aquino affirmed infrastructure development as one of the key strategies to achieve the country's economic agenda. The PPP would be the flagship program to accelerate infrastructure growth.

It is within the framework of partnership, integrity, and commitment that the country's PPP program was forged. The principal agenda is to accelerate the implementation of the PPP program.

The government's role is to create an investment climate that supports the economic thrusts with PPP as an auxiliary platform to bridge the infrastructure gap.



The PPP program will spearhead activities that will hasten the financing, construction, and operation of key government infrastructure projects. To provide an enabling environment for private sector investments, it will institute a stable macroeconomic milieu that is governed by good governance with transparency and accountability as guiding principles.

Hence, 19 years after the passage of the first BOT law, PPP takes on the role as a powerful impetus to attain economic viability and prosperity. To revitalize PPP in the Philippines, the Center was created to take on the role of a champion that will steer the PPP program toward what it was tasked to achieve— inclusive growth for all Filipinos.





Advocating Public-Private Partnership in the Philippines

Fostering a Champion

The implementation of a public-private partnership (PPP) program, which was seen to bridge the infrastructure gap that stymied the country's economic development, was evident in the President's agenda as early as the time of his presidential campaign.

The urgency of this development track was evident when just two months into his presidency, the President acted swiftly and signed Executive Order No. 8, which revitalized and transformed the former BOT Center into the Public-Private Partnership Center of the Philippines.

The BOT Center was formerly an attached agency of the Department of Trade and Industry.

Today, this Center is strategically attached to the National Economic and Development Authority (NEDA).

The President saw it fit that the Center be part of NEDA, which implements the Philippine Development Plan. NEDA is the country's central planning agency for social and economic development. It is also an oversight agency in the programming, implementation, monitoring, and evaluation of the government's programs and projects.

The Center's primary task is to facilitate, coordinate, and assist government agencies in the implementation of infrastructure development projects using the public-private partnership scheme.



Together with the various implementing agencies (IAs), the government will mobilize the private sector to have a stake in the development efforts of the country, specifically in the area of infrastructure development.

The idea was to tap into the vast resources of the private sector to accelerate the financing, construction, rehabilitation, and operation of major infrastructure facilities to make the country more competitive.

As part of overall good governance, the PPP program will adopt the principles of transparency and accountability to achieve inclusive growth for all Filipinos.





Putting the Team Together

In December 2010, President Aquino appointed Philamer C. Torio as executive director of the Center.

Executive Director Torio came from the private sector and his experience as project manager of the Vancouver Coastal Health in Canada, and as chief finance officer and treasurer of the Maynilad Water Services, Inc., gave the Center the technical expertise and perspective needed to implement the PPP program.

In March 2011, President Aquino appointed Cosette V. Canilao as the Center's deputy executive director.

Her portfolio of expertise includes specialized fields of advisory, investment, and corporate banking.

This enhanced the Center's competency to deal with the intricacies of the country's investment environment.

In October 2011, Deputy Director Canilao stepped up as executive director of the Center .

Seeds of Partnerships

The first order of business was to bring the country's PPP program within the radar of would-be investors and other partners, including donor agencies such as the Asian Development Bank (ADB), Canadian International Development Agency (CIDA), Australian Agency for International Development (AusAid), Japan International Cooperation Agency (JICA), and the World Bank (WB).

There was a need to drum up support from the business community and introduce the concept of PPP as another viable scheme to jumpstart

the infrastructure program of the Aquino administration.

The Center conducted briefings on the PPP program for various groups like donor agencies, financing institutions, developers, as well as national and local government agencies that will implement public-private partnership projects.

These activities of the Public-Private Partnership Center signaled the beginning of a stronger collaboration between the government and the private sector.





Organizational Restructuring and Other Business Highlights

Setting Up the New Business Office

The new Public-Private Partnership Center that replaced the former BOT Center required reorganization and some streamlining. Its organizational restructuring was set into motion during its first year of establishment. The Center carefully built the foundations for a high-performing team by recruiting people with appropriate skill sets, competencies, and experiences.

The Center also transferred its headquarters from the former BOT Center office in Makati to the NEDA



Region IV office in Quezon City. The old, unused NEDA building was refurbished into compact office suites, transformed into offices for the various Center's services, and meeting rooms for its various clients.

The Center's governance framework steadily evolved with consultants from the ADB providing expert technical assistance in various areas of proficiency.



Key Business Highlights

Even as the Center's management was reviewing and carefully structuring its organizational framework, the Center's staff and consultants proceeded to carry out the PPP program. Advisory and technical assistance to national implementing agencies (IAs) proceeded as scheduled, especially for projects already identified as viable PPP priority investment prospects. Together with concerned IAs, 10 priority projects were lined-up under the category of ready for investments. To equip the IAs with the necessary tools and resources to develop viable projects, the Center conducted capacity-building workshops to re-

introduce the concept of PPP. These workshops helped IAs to properly structure their project—from pre-investments activities all the way to the end of the project cycle.

In 2011, relevant PPP laws, and other legal and regulatory frameworks and policies were reviewed to streamline and optimize the PPP institutional set-up. This included the review of the proposed amendments to the BOT law and the implementing rules and regulations.



It was also in 2011 when the Center began to be substantially immersed into the PPP community, tapping both local and international investors and development partners to support its thrusts and programs. Its activities greatly increased both the visibility and viability of the country's PPP program. The Center's communications strategy focused mainly on bringing the "good news" to the general public and to prospective investors. It also commenced work on developing its Knowledge Portal, which aims to capture all relevant information on both current and

future PPP projects into a working database. The Center also launched the Project Development and Monitoring Facility (PDMF), a revolving fund with the primary goal of providing assistance to IAs for their pre-investment requirements. The PDMF enables IAs to access highly trained and qualified transaction advisors who will work with them in developing their feasibility studies. In November 2011, the PDMF Board approved 10 projects for PDMF support.



2011 Major Public-Private Partnership Outputs

Project Advisory and Development Services

Developing Well-Structured Projects

Providing technical assistance to national and local implementing agencies (IAs) is a core function of the Center. At the start of 2011, the Center's Project Development Service (PDS) assessed 105 projects as possible PPP projects that could be included in the pipeline, for both the national government agencies (NGAs) and the local government units (LGUs).

Part of the Center's work is to undertake focused discussions with IAs on their understanding of Public-Private Partnerships, including project concept, level of preparedness of projects, and possible implementation options, among others. It is through these discussions that project prioritization is achieved.

The initial project list included toll roads, airports, railways, irrigation, health services, education, agribusiness, water supply, power, information technology (IT), and eco-tourism.

Also part of the Center's work is to assist IAs prepare their requirements for submission to the NEDA for the Investment Coordination Committee's (ICC) project review process, and to the NEDA Board project approval.

During 2011, four projects were submitted by the IAs to NEDA for review, of which two were approved by the NEDA Board, namely the Daang Hari-SLEX Link Road Project and the PPP for School Infrastructure Project.



The NLEX-SLEX Connector Road Project, being an unsolicited proposal, also went through the ICC's review of the project's indicative rate-of-return (ROR).

With the ICC's confirmation of the project's indicative ROR, the negotiation had started between the Department of Public Works and Highways (DPWH), representing the government, and that of the private sector proponent. The other project submitted for ICC review was the NAIA Expressway Phase II Project.

As a member of the IA's Technical Working Group for its Bids and Awards Committee, the Center collaborated in preparing bid documents and

furnishing IAs with sound technical advice, which adheres to the stringent requirements of the bidding process, all the way until the awarding of the project.

The NEDA Board discussed and approved the Daang-Hari-SLEX Link Road Project on July 18, 2011 through an Ad Referendum. The Invitation to Prequalify and Bid was released on July 20, 2011, and the Instruction to Bidders on September 29, 2011. The Notice of Award was issued by the DPWH on December 22, 2011 to the Ayala Corporation.



Administering the Project Development and Monitoring Facility

The Center is mandated to administer the Project Development and Monitoring Fund (PDMF), which was established to bankroll pre-investment activities of potential PPP projects.

The PDMF is a revolving fund that finances the engagement of transaction advisors to help develop well-structured and bankable PPP projects in infrastructure, including airports, ports, highways, railways, education, and health facilities.

Through the PDMF, IAs could get assistance as they structure, prepare, and competitively tender bankable PPP projects. The PDMF could provide them with the needed expertise and strategies to come up with

projects that are attractive enough for private sector participation.

In 2010, the government allotted P300 million (about US\$7 million) as part of an initial contribution to the PDMF

Cofinancing was provided by the Government of Australia in the amount of US\$6 million through the Asian Development Bank (ADB) under Technical Assistance (TA) No. 7796-PHI: Strengthening PPPs in the Philippines.

Under the PDMF, the development cost of each project is funded by 44% from AusAID with the



remaining 55% shouldered by the Philippine government from its contribution to the Fund.

Initially, the PDMF established a panel of transaction advisors composed of nine consortia of international and local consulting firms, all under an indefinite delivery contract facility for a three-year period.

These firms undertake pre-investment activities, including preparation of feasibility studies, drafting of bidding documents and contracts, and providing advisory support to the IAs during the bidding process until financial close.

The Project Development and Monitoring Facility (PDMF)

Sources of Funds

The Government of the Philippines (GOP) initially allocated P300 million to the PDMF pursuant to Executive Order No. 8, Series of 2010. The Government of Australia, through the AusAID, contributed US\$6 million to the PDMF pursuant to ADB TA 7796-PHI.

The Public-Private Partnership Center opened a peso revolving fund account with the Land Bank of the Philippines, where GOP's initial contribution of P300 million is being maintained. Meanwhile, the Center opened an Imprest Account in US dollars with the same bank, for the Australian Government's cofinancing. An intermediary account is established at the Bangko Sentral ng Pilipinas (BSP) where the Asian Development Bank (ADB) fund remittance will be credited and subsequently transferred to the US dollar Imprest Account.

Earmarked Funds

As of end of 2011, 82% of the total funds were earmarked or committed to cover the cost of engaging transaction advisors for 10 proposed PPP projects.

Disbursements

In 2011, no disbursements were made since the Vaccine Self-Sufficiency Project of the Department of Health (DOH), the first PDMF-funded consulting contract, was signed only in December 2011.



Policy Formulation and Monitoring Service

Assessing Compliance

With good governance and the overarching themes of transparency and accountability as the guiding values of the entire bureaucracy of the Aquino administration, it is imperative to create a policy environment for the PPP program to guide and sustain the work ahead.

On monitoring PPPs in the country, Executive Order No. 8 explicitly provides that the Center shall

- monitor and facilitate the implementation of the priority PPP programs and projects of the agencies/LGUs,
- recommend improvements to timelines in processing PPP programs and project proposals,
- monitor compliance of all agencies/LGUs,
- prepare reports on the implementation of PPP programs and projects to the President at the end of each year, and

- perform other such functions that may be critical in expediting and effectively implementing the PPP program of the government.

The Center recognizes the need to improve the system of monitoring and evaluating PPP projects. Hence, under its Policy Formulation, Evaluation and Monitoring Service, the development of a monitoring and evaluation (M&E) system to provide a system of integration, coordination, and linkage of all activities of the Center, with that of IAs and LGUs, was initiated. It is now in the process of developing an M&E manual that will provide the basic framework for monitoring and evaluating projects, lay down the general process flow, and list the responsibilities of the parties involved, their reporting process, and the procedures for filling up the sample monitoring forms or templates.

Where did we get our M&E mandate from?

- Executive Order No. 8
 1. Monitor and facilitate the implementation of PPP projects

In line with this, a consultation-workshop was conducted to generate inputs from the IAs on the policies and procedure for monitoring and evaluating PPP projects. Also tackled is the delineation of roles and responsibilities of the Center, IAs, and LGUs in implementing and monitoring PPP Projects.

The Center also monitors PPP projects implemented by the former BOT Center. An inventory of all turned-over project documents was conducted to account for any missing project document (i.e., NEDA-approved contracts, amendments or supplements to the contract, and feasibility studies) and to require the IAs and LGUs to submit the missing documents.

Part of the monitoring process was requiring LGUs to submit quarterly monitoring reports on project status, project completion reports (PCR), and other project-related documents. To facilitate the submission of these reports, the Center prepared reporting

templates and forms for use by the IAs and LGUs. This will standardize the submissions and ensure completeness. As of December 2011, 52% of the IAs and LGUs with ongoing PPP projects (i.e., 10 IAs and 4 LGUs) have complied with Center's request for status updates.

For projects that have been completed, IAs and LGUs were requested to submit a PCR. The primary objective of the PCR is to describe and analyze the state of the project shortly after its completion, to compare the costs and the current benefits with those expected at the project inception, and to draw lessons from project implementation.

The Center also developed model agreements for Information and Communication Technology (ICT), government center, public market, and water utility projects. These now form part of the PPP Manual for LGUs published by the Center.



Strengthening the Policy Backbone

One function of the PPP Center is to create an enabling policy environment for PPP implementation. At the forefront of this function is the Policy Formulation Division (PFD) of the Policy Formulation, Evaluation, and Monitoring Service (PFEMS). PFD is primarily mandated to recommend plans, policies, and implementation guidelines related to PPP in consultation with appropriate oversight committees, IAs, LGUs, and the private sector.

To date, the Center had made significant contributions to the legal and policy enhancement initiatives of the government. Among these are the amendments to

Republic Act No. 7718 or the BOT law, and revisions to its Implementing Rules and Regulations. The Center has also initiated the amendments to the existing legal framework of the Center, i.e., Executive Order No. 8 (“Reorganizing and Renaming the Build-Operate-and-Transfer Center to the Public-Private Partnership Center of the Philippines and Transferring its Attachment from the Department of Trade and Industry to the National Economic and Development Authority and for Other Purposes”), to provide more efficient and effective implementation of PPP programs and projects, and to strengthen the role of the Center.



Alternative dispute resolution mechanisms in PPPs were also established through Executive Order 78 entitled “MANDATING THE INCLUSION OF PROVISIONS ON THE USE OF ALTERNATIVE DISPUTE RESOLUTION MECHANISMS IN ALL CONTRACTS INVOLVING PUBLIC-PRIVATE PARTNERSHIP PROJECTS, BUILD-OPERATE AND TRANSFER PROJECTS, JOINT VENTURE AGREEMENTS BETWEEN THE GOVERNMENT AND PRIVATE ENTITIES AND THOSE ENTERED INTO BY LOCAL GOVERNMENT UNITS” which requires the inclusion of such provisions in all PPP contracts.

A focus group discussion (FGD) was conducted on July 26, 2011 to assess the policy gaps and legal issues that affect PPP implementation. A capacity gap on PPPs and limited (oftentimes neglected) involvement of government lawyers in PPP project development emerged as one of the concerns in PPP implementation at the agency level.

The success of the first FGD was followed by a series of legal conferences sponsored on different occasions by the Department of Agriculture (DA), Land Bank of the Philippines (LBP), and Integrated Bar of the Philippines (IBP).



Capacity Development and Knowledge Management

Empowering Human Capital

With the PPP program in full swing, there is a need to implement a Capacity Building Program that will support both the national and local governments to develop and implement viable PPP projects.

One requisite that proved vital in developing practicable PPP projects was empowering IAs with awareness, appreciation, and skills in crafting well-structured PPP projects. The orientation-workshops were designed to instill a common understanding on the fundamentals of the PPP program and the concept of PPP as an alternative funding option for infrastructure and development projects.

The Center structured and developed training modules and delivery mechanisms that cover the entire project cycle: from project inception, planning, identification, project structuring, review and appraisal, approvals and procurement, and management, all the way to monitoring and evaluation.

Thus in July 2011, the first phase of the PPP Capacity Building Program for national and local IAs was rolled out.

The program conducted 28 orientation-workshops reaching a total of 54 national agencies, 19 regional line agencies, 127 local governments, and 10 government-owned and controlled corporations (GOCCs).



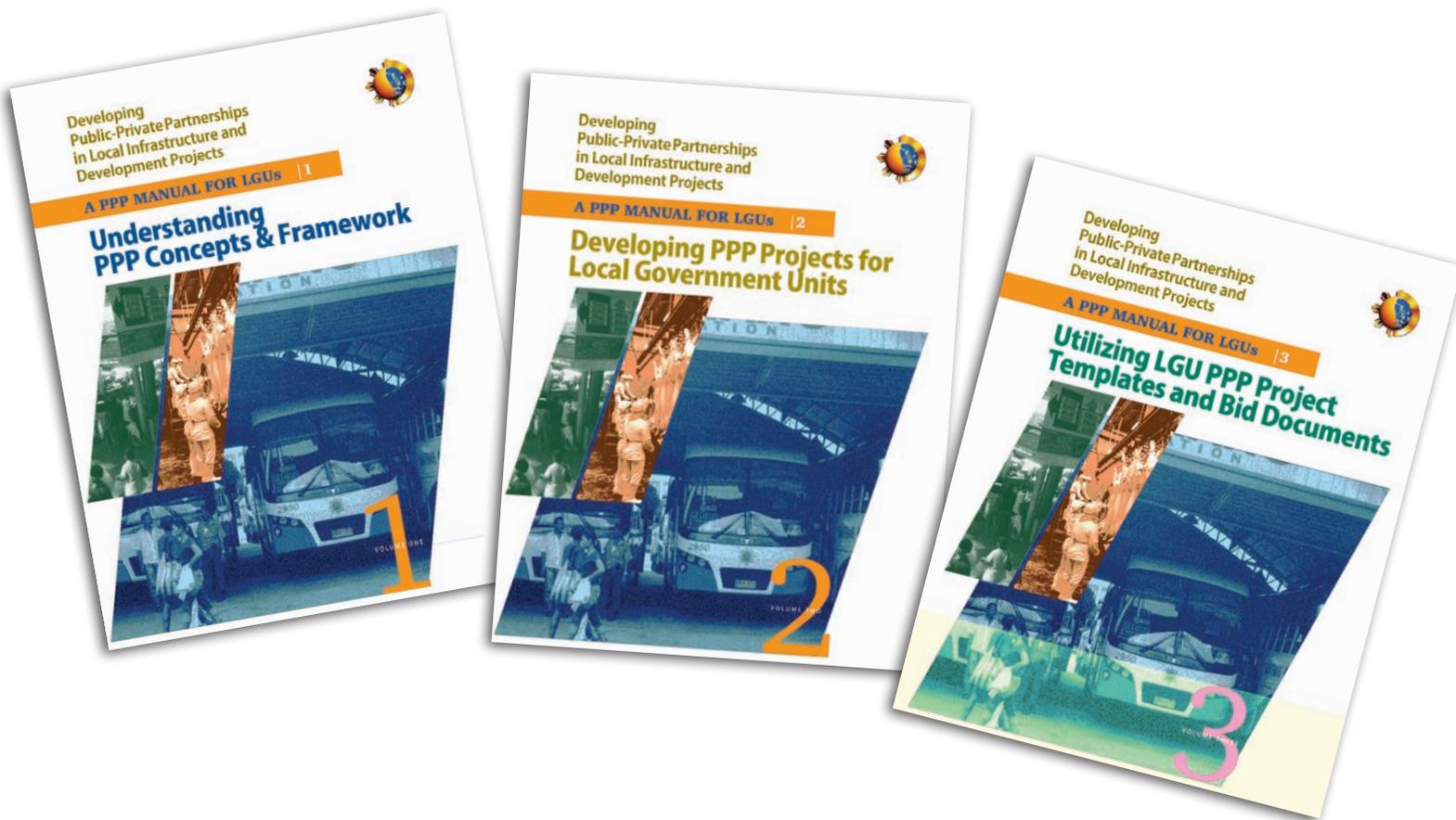
To facilitate the provision of capacity-strengthening support to LGUs, and supplement the assistance provided by the NEDA Regional Offices (NROs), the Center signed a memorandum of agreement (MOA) with the Department of Interior and Local Government (DILG) in October 2011.

This paved the way for a systematic and sustainable provision of competency-based PPP capacity building for local governments.

Another significant achievement of the Center is the revision of the PPP Manual for LGUs.

This Manual provides an overview of the PPP concepts and the step-by-step processes that LGUs need to undertake when entering into a PPP agreement. While the greater part of the Capacity Building Program focused on strengthening IAs, the Center also undertook institutional and organizational planning sessions to refine its strategic direction embodied in its vision, mission, objectives, and priorities.

At the end of this critical exercise, the Center came up with a detailed strategy and action plan for the government's PPP project priorities.



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To strengthen further the capabilities of the Center’s technical staff, training sessions on Business Case Development and Project Planning and Control were undertaken through the British Embassy’s “Supporting Government’s Push for Public-Private Partnerships Project.” These activities were also participated in by selected IAs.

As part of strengthening the capabilities of the Center’s employees, brown bag sessions were conducted by

the Center’s National Consultants (ADB TA 7796: Strengthening of the PPPs in the Philippines). The areas covered were financial analysis, environment and gender mainstreaming, gender and development, social safeguards and resettlement, and results-based monitoring and evaluation. A total of 12 brownbag and knowledge-sharing sessions for the Center staff were conducted. This has deepened the knowledge of the Center’s team on public-private partnerships.





The Strategic Function of Knowledge Management

Since the Public-Private Partnership is a flagship program of government, it is imperative to use a conscious strategy of getting the right information to the right people at the right time. Knowledge Management (KM) evolved from the needs of the Center's internal and external clients and stakeholders to access the most up-to-date information about the PPP program.

As a business strategy, Knowledge Management captures the inherent business processes of the

Center and uses its intellectual capital to improve its operations and the delivery of its services.

In 2011, the Center conducted pivotal communication activities that paved the way for open and transparent partnerships with key stakeholders.

Consultative dialogues with private investors and development partners, among others, were held to explore opportunities and discuss other areas of collaboration.



These dialogues enabled the Center to place itself in the mainstream of its target partners both in the national and international communities, thus forging lasting partnerships with these institutions.

PPP knowledge products such as program and project brochures, reports, and other relevant information materials on PPP, were also developed. Press releases were issued regularly and timely press briefings and dialogues were conducted to give updates on the most recent developments in the PPP Program.

The information generated from these activities will form part of the Center's knowledge portal that is currently in the process of development through the auspices of ADB, which will provide the funding for the portal under its technical assistance, TA No. 7796; Strengthening PPP's in the Philippines.



Information Management System as a Vehicle for Knowledge Management

The Management and Information Systems Division (MISD), under the Capacity Building and Knowledge Management Service (CBKMS), has established, administers, maintains and continues to improve the Center's information and communication technology (ICT) infrastructure.

For the year 2011, the MISD substantially increased the visibility of the Philippine PPP Program by

restructuring and improving the Center's website, which contained rich information on the Program and its projects.

The restructured and improved website undertook continuous build-up of literature and data on the PPP program and its various projects.



The incorporation of social media such as Facebook, Twitter, and YouTube was an added feature to the website, which escalated the spread of information to the public.

The MISD also played a big part during the transfer from the Makati office to the new office in Quezon City.

Major physical ICT infrastructure activities of MISD included implementation of structured data cable system, acquisition and upgrade of two internet connections, establishment of Private Branch Exchange (PBX) telephone system, and acquisition of new and updated computer hardware and software systems.



Support to Operations Technical Assistance and Legal Advisory

In pursuing the Center's strategic programs and projects, the Legal Service plays a critical role. It supports the Center's development of structured and sustainable PPP programs and projects by ensuring that all transactions, project documents, and organizational processes are legally sound and strictly compliant with legal requirements.

This requires the presence of its legal expertise at every stage of the PPP project cycle, including project assessment, preparation, and implementation phases.

The Legal Service renders legal advice in the formulation, review, and improvement of PPP policies, implementing rules and regulations (IRR), and other related operational policy concerns. To avoid potential litigation arising from PPP contract variations, the Legal Service reviews these contracts and provides the necessary recommendations.

As part of its mandate, the Center prepares and reviews contracts, agreements, transaction documents, and other related documents under the Build-Operate-Transfer Law, the Government Procurement Reform Act, and other related laws. It also renders legal opinions, comments, and advice on PPP project development.

In 2011, the Center provided both technical assistance and legal advice for the following PPP projects of various IAs:

- Reviewed bid documents and made recommendations for the PPP for the School Infrastructure Project of the Department of Education (DepEd).
- Reviewed transaction documents including the Draft Concessionaire Agreement and made recommendations as to term of concession period and amount of liquidated damages, among others, for the Daang Hari-SLEX Project of the Department of Public Works and Highways (DPWH).
- Drafted legal opinion on the LRT Line 1-Cavite Extension Project of the Department of Transportation and Communications (DOTC) and provided comments/suggestions to the Light Rail Transit Authority (LRTA) while preparing its Terms of Reference during the conference/workshop for the Line 1-Cavite Extension Project, held in Tagaytay.
- Reviewed the contract for Consultants' Services (lump-sum) among the Public-Private Partnership



Center, National Economic and Development Authority (NEDA), Government of the Republic of the Philippines (GOP), and Deloitte Touche Tohmatsu India Pvt. Ltd., India. The latter represents the consortium of M/S Deloitte Touche Tohmatsu India Pvt. Ltd., India and Puyat Jacinto & Santos (PJS Law), Philippines. It provides Transaction Advisory Services for the Modernization of the Philippine Orthopedic Center of the Department of Health

- Reviewed the consulting Services Agreement for Consulting Services for the Preparation of Feasibility Study and Bid/Tender Documents for the Vaccine Self-Sufficiency Project (VSSP) Phase II Project.
- A corollary function of the Legal Service is to provide legal advice on the Center's operational matters. Under this function, it reviews internal documents, issuances, communications, and other related documents of the Center's officials and employees.
- In the process of setting up the Center, several critical operational documents were reviewed, including the following:
 - Memorandum of Agreement between Philippine Research, Education, and Government Information Network (PREGINET) and the Public-Private Partnership Center for the purpose of hosting the Center's website.
 - Service Level Agreement for the Provision of Structured Cabling System and Internet Protocol Private Branch Exchange between the Center and the Pronet Systems Integrated Network Solution, Inc.
 - Memorandum of Agreement between the Center and the NEDA Region 1 Office for the Installation of Integrated Personnel Management System (IPMS) with three sub-systems, namely, eDTR, Personnel Information System (PIS), and ePayroll Terms of Reference and bid documents for various in-house projects in support to the Center's Bids and Awards Committee and Technical Working Group, including PPP projects for IAs, specifically for the Vaccine Self-Sufficiency Project (VSSP) Phase II Project, where the Center extended secretariat support to the Special Bids and Awards Committee (SBAC) of the Department of Health.



General Administration and Support Services

The Administrative Service provides financial, human, and physical resources management to ensure effective and efficient processes within the Center.

Human Resources Division (HRD)

Of the 70 Department of Budget and Management (DBM)-approved positions, HRD completed the processing and filling up of 62 positions, including 50 rank-and-file employees, six officials, and six job contractees. Corresponding employee files were created and administered. A series of eight circulars on human resource management and corresponding templates were established. Orientation and briefing sessions for new employees were conducted in accordance with the policies and guidelines of the Civil Service Commission (CSC).

To improve the HR processes, an Integrated Personnel Management System (IPMS) with three subsystems were installed.

These are the eDTR, Personnel Information System, and ePayroll. The IPMS is compliant with the rules and regulations mandated by the CSC and the DBM. Four committees were constituted to help ensure proper implementation of programs and policies on hiring and selection, career development, and collective negotiation between management and the rank-and-file employees.

The third tranche of salary adjustment was implemented in compliance with the National Budget Circular No. 524, s. 2011.

Various events were planned and conducted including the monthly general assembly, Civil Service anniversary, PPCP anniversary, and Christmas celebration.

General Services Division (GSD)

The GSD was at the forefront of the renovation and refurbishing of the Center's new office building in Quezon City. After renovation, GSD managed the physical transfer and relocation of the office



equipment, furniture, supplies, and records from its former office in Makati.

GSD processed 213 Purchase Requests and 66 Purchase Orders. It also facilitated 20 meetings, prepared 147 Abstracts of Canvass and Award, facilitated 7 public biddings, and provided secretariat services to the Bids and Awards Committee,.

In compliance with the DBM regulations, GSD submitted two Annual Procurement Plans (APPs): one for the period July to December 2011 and another 2012.

Four committees were constituted to help ensure proper implementation of programs. On October 2011, GSD also facilitated the disposal of excess and unserviceable properties through transfer without cost to another government institution. These government properties were donated to the Ano Elementary School in San Carlos City, Pangasinan.

The items for donation were inspected by COA representatives and properly endorsed by the PPPCP Property Disposal Committee.

Control measures were developed and implemented to keep track of transactions, documents, vehicle movement, and vehicle maintenance.

GSD likewise issued 12 Physical Resources Management (PRM)-related Office Circulars, Guidelines, and Special Orders to ensure strict compliance with the requirements of regulatory agencies.

Finance Division

In 2011, the Finance Division established various financial systems and mechanisms to comply with the policies and guidelines set by the DBM and the Commission on Audit (COA). Regular monitoring and evaluation was done, and required reports were dutifully submitted to the DBM and COA.

Financial Statement

Public-Private Partnership Center
Condensed Balance Sheet
 As of December 31, 2011

ASSETS

Current Assets

Cash	62,481.27
Receivables	8,493,691.52
Inventories	717,146.22
Prepaid Expenses	60,341.93
Other Current Assets	27,869.87
	9,361,530.81

Property, Plant and Equipment

Property, Plant and Equipment	19,429,848.79
Less: Accumulated Depreciation	3,927,565.41
	15,502,283.38

TOTAL ASSETS 24,863,814.19

LIABILITIES AND EQUITY

LIABILITIES

Current Liabilities	38,275.59
Equity	
Government Equity	24,825,538.60

TOTAL LIABILITIES AND EQUITY 24,863,814.19

Public-Private Partnership Center
Condensed Statement of Income and Expenses
 For the Year Ended December 31, 2011

ASSETS

Current Assets

Income	52,131,227.35
Less: Expenses	
Personal Services	28,614,104.06
Maintenance & Other	20,915,668.70
Operating Expenses	
	49,529,772.76

Excess of Income Over Expenses (Deficit) 2,601,454.59

Public-Private Partnership Center
Detailed Balance Sheet
 As of December 31, 2011

ASSETS

Current Assets

Cash		
Cash - Disbursing Officer	12,481.27	62,481.27
Petty Cash Fund	50,000.00	

Receivables

Accounts Receivables	6,380.00	
Due From NGAs	750.00	
Due From GOCCs	2,990,988.00	
Receivables - Disallowances / Charges	5,195,821.16	
Advances to Officers and Employees	295,155.58	
Other Receivables	4,596.78	8,493,691.52

Inventories

Office Supplies Inventory	712,991.42	
Other Supplies Inventory	4,154.80	717,146.22

Prepaid Expenses

Prepaid Insurance	48,741.93	
Other Deferred Charges	11,600.00	60,341.93

Other Current Assets

Guaranty Deposits		27,869.87
		9,361,530.81

Property, Plant and Equipment

Office Equipment	1,366,151.73	
Less: Accumulated Depreciation	659,906.91	706,244.82

Furniture and Fixtures	2,444,912.76	
Less: Accumulated Depreciation	1,225,209.11	1,219,703.65

IT Equipment & Software	9,311,400.25	
Less: Accumulated Depreciation	901,211.00	8,410,189.25

Communication Equipment	367,999.40	
Less: Accumulated Depreciation	100,838.46	267,160.94

Motor Vehicles	2,133,000.00	
Less: Accumulated Depreciation	1,040,399.93	1,092,600.07

Other Assets		3,806,384.65
		15,502,283.38

TOTAL ASSETS**24,863,814.19****LIABILITIES AND EQUITY****Liabilities**

Due to National Government Agencies - BIR	23,661.03	
Due to GOCC's - GSIS	5,484.56	
Due to GOCC's - HDMF	3,280.00	
Due to GOCC's - PHIC	5,850.00	38,275.59

Equity

Government Equity	24,825,538.60	
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TOTAL LIABILITIES AND EQUITY**24,863,814.19**

Public-Private Partnership Center
Detailed Statement of Income and Expenses
For the Year Ended December 31, 2011

Income		Telephone Expenses-Mobile	316,299.54
Subsidy Income from National Government	52,113,227.35	Internet Expenses	380,025.33
Miscellaneous Income	18,000.00	Advertising Expenses	15,960.00
	52,131,227.35	Printing Expenses	94,252.00
Less: Expenses		Rent Expenses	2,181,223.25
Personal Services		Representation Expense	548,034.43
Salaries and Wages - Regular	10,309,107.77	Subscription Expense	20,982.00
Salaries and Wages - Casual/Contractual	5,908,956.15	Professional Services - Legal Services	7,318.52
Personnel Economic Relief Allowance (PERA)	1,035,568.34	Professional Services - Auditing Services	
Representation Allowance (RA)	906,500.00	Professional Services - Consultancy Services	143,724.00
Transportation Allowance (TA)	883,100.00	Professional Services - Janitorial Services	677,927.58
Clothing and Uniform Allowance	220,000.00	Professional Services - Security Services	375,067.19
Productivity Incentive Allowance	78,000.00	Other Professional Services	541,053.81
Other Bonuses and Allowances		Repairs and Maintenance - Office Building	8,541,933.22
Overtime & Night Pay	38,420.32	Repairs and Maintenance - Office Equipment	12,700.00
Cash Gift	286,250.00	Repairs and Maintenance - Furniture & Fixtures	
Year End Bonus	1,776,363.83	Repairs and Maintenance - Communication Equipment	700.00
Life and Retirement Insurance Contributions	1,982,555.86	Repairs and Maintenance - Motor Vehicles	124,594.80
Pag-ibig Contributions	82,296.14	Donations	939,376.55
Philhealth Contributions	160,987.50	Extraordinary Expenses	210,190.12
ECC Contributions	53,345.62	Miscellaneous Expenses	525,501.41
Terminal Leave Benefits	1,440,964.49	Taxes, Duties and Licenses	5,718.06
Other Personnel Benefits	3,451,688.04	Fidelity Bond Premiums	82,806.25
	28,614,104.06	Insurance Expenses	31,511.43
Maintenance & Other Operating Expenses		Depreciation - Office Equipment	2,538.00
Traveling Expenses-Local	239,828.56	Depreciation - Furniture & Fixtures	777.66
Traveling Expenses-Foreign	356,961.76	Depreciation - IT Equipment & Software	16,050.28
Training Expenses	1,029,997.46	Depreciation - Communication Equipment	163.26
Office Supplies Expense	179,633.46	Depreciation - Motor Vehicles	
Accountable Forms Expense		Other Maintenance and Operating Expenses	1,608,315.66
Gasoline, Oil and Lubricants Expenses	383,309.63		20,915,668.70
Other Supplies Expenses	8,700.00		49,529,772.76
Water Expenses	110,242.63		
Electricity Expenses	899,937.91		
Postage and Deliveries	48,317.50		
Telephone Expenses-Landline	253,995.44		
		Excess of Income Over Expense	2,601,454.59

STATEMENT OF ALLOTMENT/OBLIGATIONS AND BALANCES

As of December 31, 2011

DEPARTMENT: NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY
 AGENCY/BUREAU/OFFICE : PUBLIC-PRIVATE PARTNERSHIP CENTER

PARTICULARS	SARO #	Allotment Received	Obligations Incurred	Unobligated Balance of Allotment
(1)		(2)	(3)	(4)
I. General Fund (101)				
A. Current Year (CY) Budget				
Agency Specific Budget		32,647,000.00	32,601,137.52	45,862.48
PS		17,646,400.00	17,646,400.00	-
MOOE		10,549,000.00	10,549,000.00	-
CO	C--11-01654	4,451,600.00	4,405,737.52	45,862.48
Automatic Appropriation				
RLIP (PS)				
Special Account in the General Fund		322,428,000.00	20,375,712.37	302,052,287.63
Miscellaneous Personnel Benefits Fund				
PS	C-11-00497	10,421,000.00	10,421,000.00	-
	C-11-01957	410,000.00	410,000.00	-
Contingent Fund				
MOOE	C-11-00542	11,597,000.00	9,544,712.37	2,052,287.63
	C-11-00493	300,000,000.00	-	300,000,000.00
TOTAL ALLOTMENT, CY BUDGET		355,075,000.00	52,976,849.89	302,098,150.11
PS		28,477,400.00	28,477,400.00	-
MOOE		322,146,000.00	20,093,712.37	302,052,287.63
Regular		22,146,000.00	20,093,712.37	2,052,287.63
PDMF		300,000,000.00	-	300,000,000.00
CO		4,451,600.00	4,405,737.52	45,862.48
B. Prior Year (PY) Budget				
Continuing Appro.-Unobligated Allotment		960,709.00	960,709.00	-
MOOE	A-11-00641	960,709.00	960,709.00	-
CO				
C. TOTAL ALLOTMENT		356,035,709.00	53,937,558.89	302,098,150.11
PS		28,477,400.00	28,477,400.00	-
MOOE		323,106,709.00	21,054,421.37	302,052,287.63
Regular		23,106,709.00	21,054,421.37	2,052,287.63
PDMF		300,000,000.00	-	300,000,000.00
CO		4,451,600.00	4,405,737.52	45,862.48
II. WORKING FUND (171)		25,912,800.00	-	25,912,800.00
PS				
MOOE (PDMF)	305698-1	25,912,800.00	-	25,912,800.00
CO		381,948,509.00	53,937,558.89	328,010,950.11
OVERALL TOTALS				
PS		28,477,400.00	28,477,400.00	-
MOOE		349,019,509.00	21,054,421.37	327,965,087.63
Regular		23,106,709.00	21,054,421.37	2,052,287.63
PDMF		325,912,800.00	-	325,912,800.00
CO		4,451,600.00	4,405,737.52	45,862.48

Officials and Staff

The Management Committees

Rina P. Alzate
Director IV
Project Development &
Monitoring Facility Service



Feroisa Francisca T. Concordia
Director III
Project Development
Service



Atty. Sherry Ann N. Austria
Director IV
Policy
Formulation
& Evaluation
Service



Cosette V. Canilao
Executive Director



Atty. Ferdinand D. Tolentino
Deputy Executive
Director



Lelina A. Quilates
Director IV
Administrative
Service



Atty. Brian C. Viray
Officer-In-Charge
Legal Service



Eleazar E. Ricote
Director IV
Capacity Building
& Knowledge
Management Service



Office of the Executive Director and Deputy Executive Director



Administrative Service



Officials and Staff

Capacity Building and Knowledge Management Service



Legal Service



Project Development and Monitoring Facility Service



Policy Formulation, Evaluation and Monitoring Service



Project Development Service



Vision

The Center shall serve as the champion of public–private partnerships for the country’s inclusive growth and sustainable development.

Mission

The Center shall facilitate and optimize public–private partnerships in the country for the delivery of public infrastructure and other development services.

Core Values

Proactive

As prime movers in public–private partnerships in the country, we strive to achieve positive results through dynamic processes that are anchored on the principles of transparency and accountability.

Client Orientation

We intend to foster long-term relationships that will enable clients to meet their public–private partnership targets. We will continuously innovate on our processes to maintain an investment climate where our development partners could operate on a level playing field.

Professionalism

We commit to provide fast, reliable, efficient, competent, and effective services that adhere to the principles of good governance and genuine public service.

Passion for Excellence

We are dedicated to consistently deliver timely and the best quality of public service and to ensure efficient and effective implementation of public–private partnerships in the country.

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