



PPP Contractual Arrangements

| PPP Modality | Role of the Private Sector | Role of the Government | Notes |
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| Build-Operate-and-Transfer (BOT) | Finances and constructs; operates and maintains facility for a fixed term; collects fees and charges to recover investments plus profit; transfers facility at the end of cooperation period (maximum of 50 years). | Provides franchise (if required) and regulates activities of BOT contractor; acquires ownership of facilities at the end of cooperation period. | Includes a supply-and-operate scheme, a contractual arrangement whereby the supplier of equipment and machinery for a given infrastructure facility, if the interest of the Government so requires, operates the facility. |
| Build-and-Transfer (BT) | Finances and constructs; turns over ownership of the facility to government after project completion. | Acquires ownership of facility after construction; compensates proponent at agreed amortization schedule. | May be employed in any project, including critical facilities which, for security or strategic reasons, must be operated by the Government. |
| Build-Own-and-Operate (BOO) | Finances, constructs and owns facility; operates and maintains facility in perpetuity (facility operator may be assigned); collects fees and charges to recover investments and profits. | Provides authorization and assistance in securing approval of BOO contract; possesses the option to buy the output/service provided by the BOO operator. | All BOO projects upon recommendation of the NEDA-Investment Coordination Committee (ICC) shall be approved by the President of the Philippines. |
| Build-Lease-and-Transfer (BLT) | Finances and constructs; turns over project after completion; transfers ownership of facility after cooperation/lease period. | Compensates proponent by way of lease of facility at agreed term and schedule; owns facility after cooperation/lease period. | |



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| Build-Transfer-and-Operate (BTO) | Finances and constructs on a turn-key basis; transfers title of facility after commissioning; operates the facility under an agreement. | Owens facility after commissioning. | |
| Contract-Add-and-Operate (CAO) | Adds to an existing facility; operates expanded project for an agreed franchise period. | Collects rental payment under agreed terms and schedule; regains control at the end of lease term. | There may or may not be a transfer arrangement with regard to the added facility provided by the project proponent. |
| Develop-Operate-and- Transfer (DOT) | Builds and operates a new infrastructure; transfers property/ facility at the end of the cooperation period. | Regains possession of property turned over to investor after cooperation period. | Project proponent enjoys some benefits the initial investment creates such as higher property or rent values; akin to BOT with the option to develop adjoining property. |
| Rehabilitate-Operate and-Transfer (ROT) | Refurbishes, operates, and maintains facility; facility is turned over after the franchise period. | Provides franchise to ROT company; regains legal title of property/ facility after franchise period. | Also used to describe the purchase of facility from abroad, importing, refurbishing, erecting and consuming it within the host country. |
| Rehabilitate-Own and-Operate (ROO) | Refurbishes and owns facility; operates facility in perpetuity as long as there is no franchise violation. | Turns over facility and provides franchise to operate; may opt to share in the income of ROO company. | Period to operate is dependent on franchise agreement. |