



Republic of the Philippines
Public-Private Partnership
Center

The Philippine PPP Program

International Study Visit
Mayor of Bandung, Indonesia
August 12, 2016

The Philippine PPP Program



Outlook: Philippine Infrastructure Spending



Part of the proposed 10 point socio-economic agenda of the incoming administration is to ***accelerate annual infrastructure spending to account for 5% of the GDP with PPPs playing a key role***

On top of public spending, ***PPPs*** will bring in private sector capital and expertise to address the infrastructure gap.

Legal and Regulatory Framework



- **1987 Philippine Constitution**

“The State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments.”

- **RA 6957, as amended by RA 7718:** The Amended Build-Operate-and-Transfer (BOT) Law and its IRR

- **Other Major Laws**

RA 10752 (*Right of Way Acquisition Act*)

RA 8975 (*Expeditious Implementation and Completion of Government Infrastructure Projects by Prohibiting Lower Courts from Issuing Temporary Restraining Orders*)

RA 7160 (*Local Government Code*)

Legal and Regulatory Framework



- Provisions on Foreign Participation in PPP Projects
 - For projects that do not require a public utility franchise, **the facility operator or concessionaire may be foreign-owned**
 - For projects that would require a public utility franchise, the facility operator must be a Filipino or, if a corporation, must be duly registered with the Securities and Exchange Commission (SEC) and owned up to at least 60% by Filipinos.

Institutional Set Up



- **Implementing Agencies**
 - Line Agencies (national government agencies)
 - Government Corporations
 - Local Government Units
- **Review and Approving Bodies**
 - Local Development Councils
 - Investment Coordination Committee (ICC)
 - National Economic and Development Authority (NEDA) Board
- **Coordinating and Monitoring Agency**
 - PPP Center

PPP PROJECTS*

(as of July 26, 2016)

Awarded Projects **14**
USD 6.621 billion

Project for Awarding **1**
USD 515.56 million

Projects under Procurement **13**
USD 9.69 billion

For approval of Relevant Government Bodies **5**
USD 2.26 billion

Projects under Evaluation **2**
USD 11.91 billion

Projects with Ongoing Studies **3**
USD 93.53 million

16

Projects Under
Development

54
PROJECTS

USD 31.09**
BILLION

**Projects started from 2010 onwards (excluding MRT 7 and MMS 3, which were developed before 2010)*

***Amount includes the Modernization of the Philippine Orthopedic Hospital Project, but does not include 18 other projects with no estimated costs yet*

LGU PPPs in the Philippines

- **Legal Framework**

- RA 7160: The Local Government Code of the Philippines
- DILG MC No. 2011-16: Creation of a PPP Subcommittee in the Local Development Council

- **PPP Center Initiatives**

- Capacity Building (PPP 101)
- Development of PPP Manuals and other Knowledge Products
- Partnership with selected Local Capacity Building Institutions (LCBIs)
 - DAP rollout to LGUs in October 2016
- Development of a Local Water PPP Code
- Assistance on Pre-Investment Studies

TYPICAL LGU PPP PROJECTS

- Shopping Center and Public Market
- Government Administrative Center
- Water Supply System



TANAUAN CITY PUBLIC MARKET REDEVELOPMENT PROJECT

The project entails the upgrading and modernization/ redevelopment of the existing Tanauan City Public Market in Batangas. The project includes: 1.) Construction of four (4)-Storey Commercial Building with minimum building footprints of 26,000 sq. m. comprising of ground and second floor commercial building; third and fourth floor for parking and terminal and 2.) Construction of wet and dry market building with a minimum building footprints of 10,000 sq. m.



QUICK FACTS

Implementing Agency

City Government of Tanauan

PPP Structure

DBTO

Cooperation Period

30 years inclusive of construction period of one year

Status

Awarded

BAGGAO WATER SUPPLY PROJECT

The project involves the provision of a Level III potable piped water supply service which will initially serve 24 barangays in the municipality. The project is inclusive of bulk water source development, transmission, and distribution to individual household level connections.



QUICK FACTS

Implementing Agency

Municipality of Baggao, Cagayan

PPP Structure

BOT

Cooperation Period

25 years

Status

For procurement of Transaction Advisors



THE PPP CENTER



Per Executive Order No. 8, s. 2010, as amended **by Executive Order No. 136** signed last 28 May 2013:

- BOT Center renamed as **PPP Center**
- PPP Center Services:
 - Provide **advisory services**
 - **Facilitate development** of PPP projects
 - **Manage** the Project Development and Monitoring Facility
 - **Capacitate** national implementing agencies and LGUs
 - Advocate **policy reforms**
 - **Monitor implementation** of PPP projects
- **Expanded mandate:**
 - BOT Law
 - Monitoring of Joint Venture arrangements
- PPP Center to directly reports to the **PPP Governing Board**

PPP Center Services

Provides project development and advisory services; technical assistance to NGAs and LGUs

PROJECT DEVELOPMENT and LEGAL SERVICES

Capacitates NGAs and LGUs in PPP project preparation and development

CAPACITY BUILDING AND KNOWLEDGE MANAGEMENT SERVICES

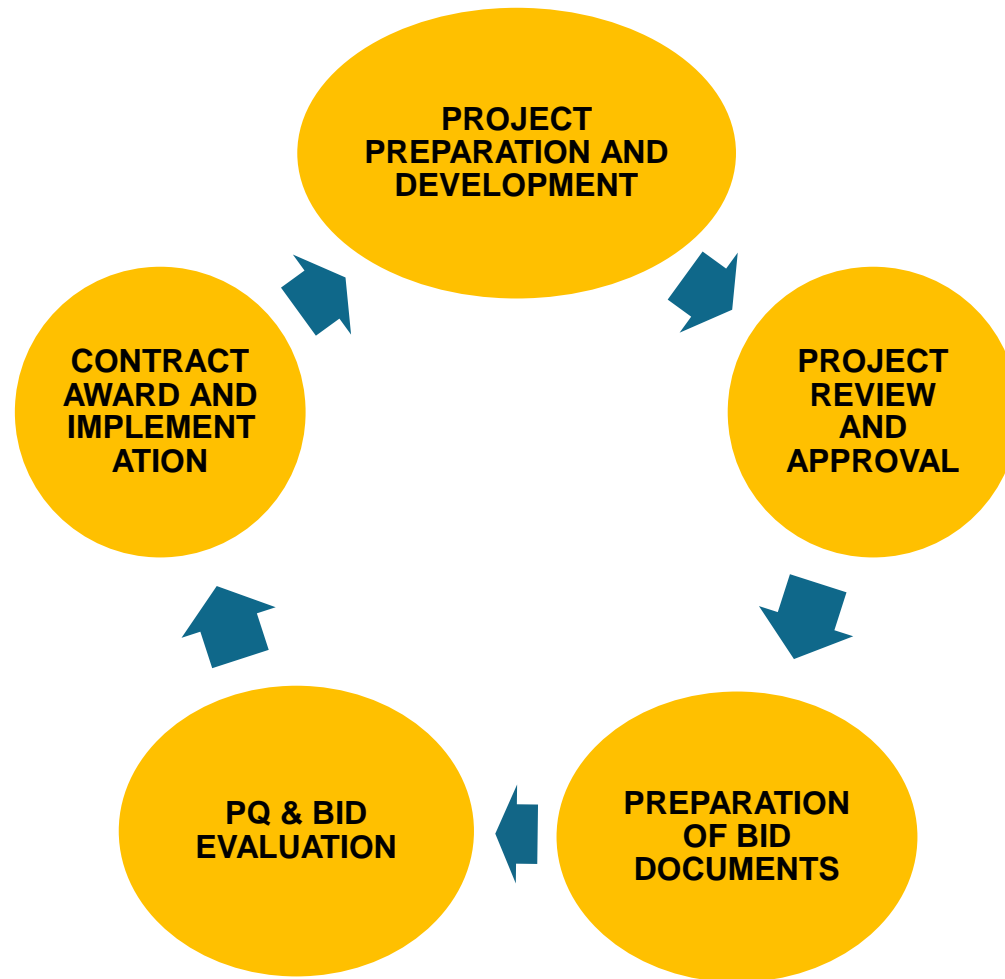
Manages and administers the Project Development and Monitoring Facility (PDMF)

PROJECT DEVELOPMENT AND MONITORING FACILITY SERVICE

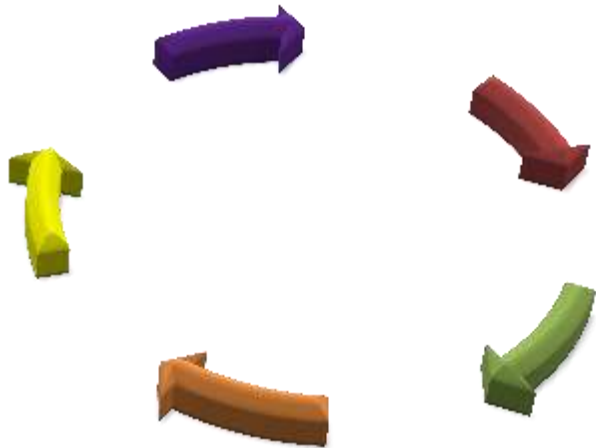
Monitors PPP project implementation and advocates policy reforms for efficient PPP implementation

POLICY FORMULATION, PROJECT EVALUATION AND MONITORING SERVICES

ROLES OF THE PPP CENTER

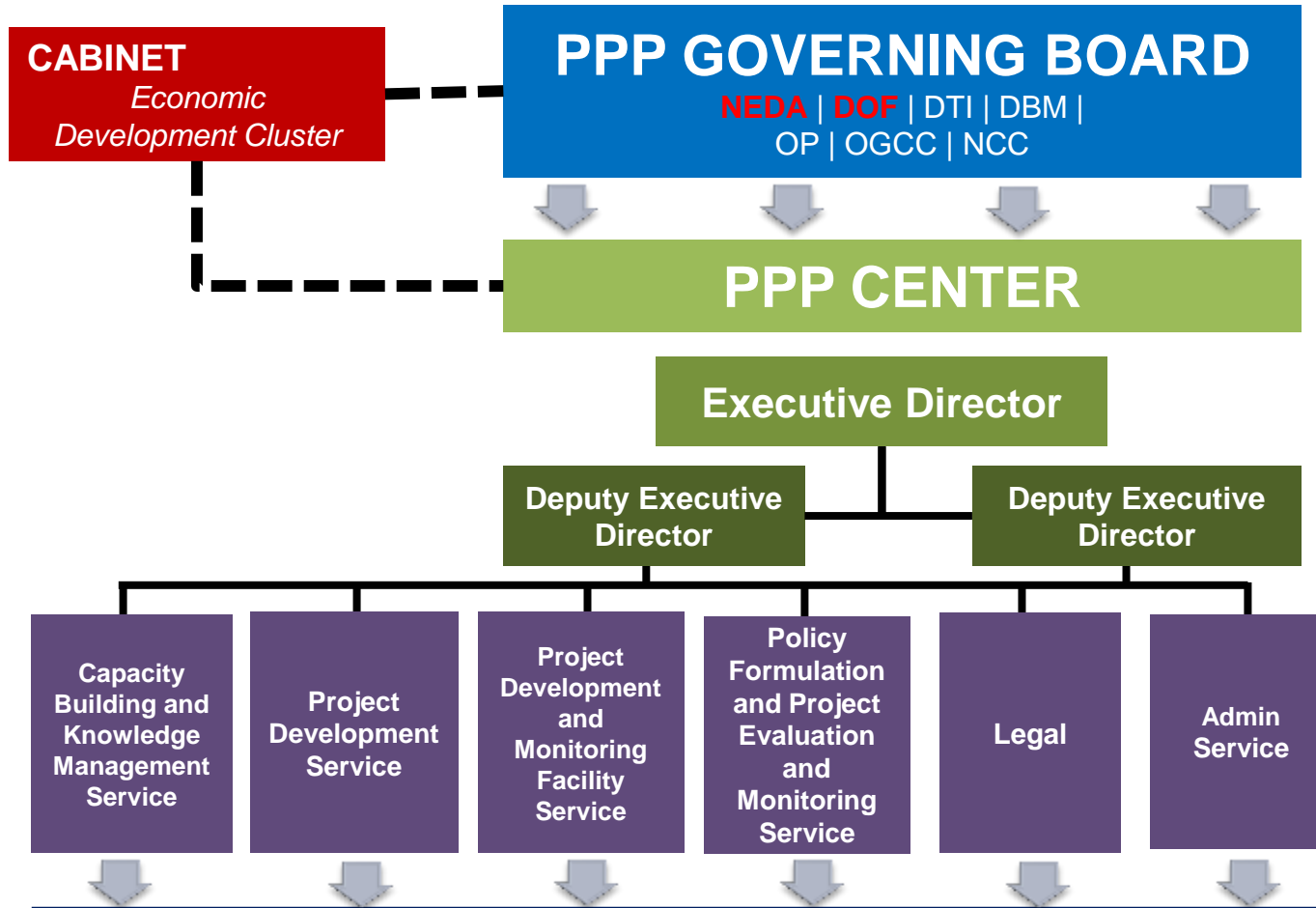


PROJECT DEVELOPMENT AND MONITORING FACILITY (PDMF)

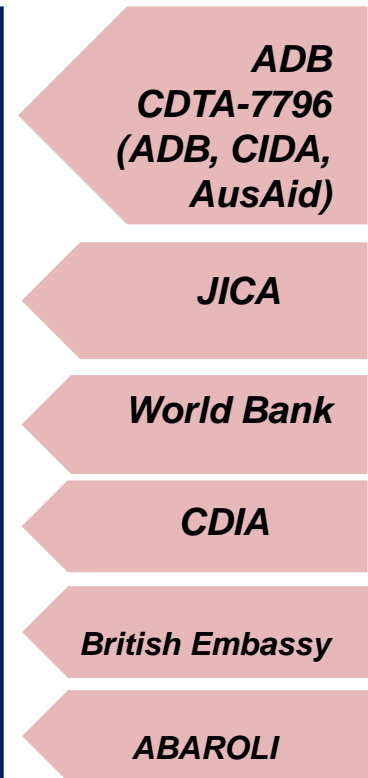


- **Revolving pool of funds** made available to enhance the investment environment for PPP and to develop a robust pipeline of viable and well-prepared PPP infrastructure projects
- **22** consortia of Internationally-renowned consulting firms
 - PDMF Funds | **USD 69.47 million**
USD 18 million from AusAID through ADB
USD 51.47 million from the Philippine Government

PPP CENTER INSTITUTIONAL FRAMEWORK



External Support



IMPLEMENTING AGENCIES

National Agencies / Line Agencies, GOCCs, SUCs
Local Government Units / Province, City, Municipality

WHAT THEY SAY ABOUT THE CENTER



PPP Agency of the Year
The ASSET Triple A Asia
Infrastructure Awards 2015



Best Central Government
PPP Promoter
Partnerships Awards 2014



Asia-Pacific
Grantor of the Year
IJGlobal Awards 2014

QUESTIONS?



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