



# What's Next for PPPs?

**EU-Philippines Business Summit**

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# PPP – What has been achieved?

- **Foundation laid for PPPs to gain momentum**
  - PPP Regulatory Framework
  - PPP Unit established
  - High Quality Transaction Advisers in Project Preparation, Procurement and Monitoring
  - Virtual Data Room for potential bidders
  - Capacity building activities of the PPP Center
  - Promoting the development of capital markets
- **125 PPP projects up to the end of the last administration**

# Philippines' Scores in the "World Bank Benchmarking PPP Procurement 2017"

PHILIPPINES		GNI PER CAPITA (IN USD)
		\$3,540
<b>96</b>	<b>Preparation of PPPs</b>	
	Central Budgetary Authority's approval	Yes Both before tendering and contract signature
	PPP's prioritization consistent with public investment prioritization	Yes Detailed procedure established
	Economic analysis assessment	Yes Specific methodology developed
	Fiscal affordability assessment	Yes Specific methodology developed
	Risk identification	Yes Specific methodology developed
	Financial viability assessment	Yes Specific methodology developed
	PPP vs. Public Procurement comparative assessment	Yes Specific methodology developed
	Market assessment	Yes Specific methodology developed
	Draft PPP contract included in the request for proposals	Yes
	Standardized PPP model contracts and/or transaction documents	Yes
<b>85</b>	<b>Procurement of PPPs</b>	
	Evaluation committee members required to meet specific qualifications	Yes Detailed membership and/or qualifications regulated
	Public procurement notice of the PPP issued by procuring authority	Yes Available online
	Minimum period of time to submit the bids (1-90 days)	Yes 90 calendar days
	Tender documents detail the stages of the procurement process	Yes
	Clarification questions for procurement notice and/or the request for proposals	Yes Answers are publicly disclosed
	Financial model submitted with proposal	Yes
	Proposals strictly and solely evaluated in accordance with published evaluation criteria	Yes
	Procedure when only one proposal is received	Yes Detailed procedure established
	Publication of award notice	Yes Available online
	Notification of the result of the PPP procurement process	Yes Includes grounds for selection
	Regulation of negotiations with the selected bidder before contract signing	Yes
	Publication of contract	No
<b>67</b>	<b>Unsolicited Proposals</b>	
	Assessment to evaluate unsolicited proposals	Yes Consistency with government priorities evaluated
	Competitive PPP procurement procedure for USP	Yes
	Minimum period of time to submit the bids (1-90 days)	Yes 60 calendar days
<b>84</b>	<b>PPP Contract Management</b>	
	System to manage the implementation of the PPP contract	Yes Contract management team; Consultation with PPP procurement experts
	Monitoring and evaluation system	Yes The private partner provides periodic info; The procuring authority gathers info; risk mitigation mechanisms
	Regulation of a change in the structure (i.e. stakeholder composition) of the private partner	Yes Limitation to change the structure of the private partner during an initial period of time; Same qualifications legally required for the replacing entity
	Regulation of modification/negotiation of the PPP contract (once the contract is signed)	Yes Limitation to change the scope and/or object of the contract; Limitation to change in risk allocation; Limitation to change the investment plan or duration of the contract
	Regulation of circumstances that may occur during the life of the PPP contract	Yes Force majeure; Material adverse government action; Change in the law
	Dispute resolution mechanisms	Yes To be regulated by the contract
	Lenders step-in right	Yes Expressly regulated
	Grounds for termination of a PPP contract	Yes Consequences of termination expressly regulated

## Preparation of PPP's

- Focused on government priority infrastructure development projects
- Assessment of economic and financial viability, fiscal impact, risks and risk allocation, value for money backed by market and stakeholder assessments

- Draft contract prepared

## Procurement of PPP's

- Transparency and fairness of the process
- Evaluation criteria for bids

## Unsolicited Proposals

- Not a listed government priority project
- Same rigorous assessments as for solicited
- Restricted to new technology
- Subject to 60 days swiss challenge

## PPP Contract Management

- Project monitoring unit
- Independent consultant
- Performance reporting

# PPP – What's Next?

- Push projects to the next stages
  - Under Procurement
    - 6 Airports
    - 1 Marine transport
    - 2 Rail
    - 1 Water
    - 2 Others
  - For Approval
    - 1 Rail
    - 1 Road
    - 1 Energy
    - 2 Tourism

For the updated pipeline : [http://ppp.gov.ph/?page\\_id=26075](http://ppp.gov.ph/?page_id=26075)

# PPP – What's Next?

- Focus on “Maximizing Value for Money in PPP”
  - *The right project, procured in the right mode, with the right structure, by the right partner and the right government support*
  - *Ensuring value is not destroyed during the implementation phase*
- Further improvements in the regulatory framework
- Improved planning (infrastructure projects driven by sound policies and integrated master plans)
- Streamlining and systematizing of processes
- Improved inter-agency collaboration
- Continued capacity building
- Improved contract management
- Attract more and new investors
- Diversify financing options