





### WHAT ARE PPPs?

Public-Private Partnerships (PPPs) can be broadly defined as a contractual arrangement between the Government and a private partner targeted towards financing, designing, constructing, operating and maintaining infrastructure facilities and services that were traditionally provided by the public sector. It embodies optimal risk allocation whereby risks are allocated to the party best able to manage them at the lowest cost, without compromising the realization of project development objectives.

Projects under the PPP scheme are implemented through the Build-Operate-Transfer (BOT) Law or Republic Act (RA) No. 6957, as amended by RA 7718.

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### WHAT TYPE OF PPP PROJECTS THE GOVERNMENT CAN UNDERTAKE UNDER THE PPP SCHEME?

Highways/roads Railroads/Railways Industrial Canals/Dam/Irrigation/Water Supply Education Transport Systems Ports Airports ICT systems/facilities Agriculture Public Markets/Waterhouses/Slaughterhouses Housing Government Buildings Solid Waste Management/Climate Change Mitigation Land Reclamation Tourism estates/facilities

## WHAT IS THE GOVERNMENT'S BASIS FOR ENTERING INTO PPPS?

Republic Act (RA) 6957 as amended by RA 7718 (commonly known as the Build-Operate-Transfer Law) and its Implementing Rules and Regulations (IRR) is the legal framework when the government enters into PPP.

WHO OWNS THE PPP PROJECTS? In a PPP scheme, the government owns the PPP projects. Even as the private partners build, operate, and maintain the projects, ownership remains with the government.

# WHAT ARE THE ROLES & FUNCTIONS OF THE PPP

The PPP Center facilitates the implementation of the country's PPP Program. It is a government institution that serves as a central coordinating and monitoring agency for all PPP projects in the country.

Together with the various implementing agencies (IAs), the PPP Center champions the PPP Program. The PPP Center provides technical advisory services to IAs in the entire life-cycle of critical infrastructures and development PPP projects - from development, approval and procurement to implementation and monitoring stage, ensuring that the projects are bankable, well-structured and highly beneficial to the public.

The PPP Center manages a funding mechanism known as the Project Development and Monitoring Facility (PDMF) that provides IAs access to world-class consulting firms tasked to provide transaction support and multi-disciplinary expertise required to successfully tender PPP projects. The PPP Center also advocates policy reforms to improve the legal and regulatory framework governing the PPP Program.

## DOES THE PPP CENTER RELEASE CERTIFICATION FOR PRIVATE COMPANIES THAT ARE INTERESTED TO PARTICIPATE IN PPPS?

NO. Private partners can participate without certification. They only need to purchase the pre-qualification documents of the project for them to understand the bidding requirements and participate the project's tender process.

The PPP Center does not have the mandate to assist the private sector in undertaking PPP projects.

## HOWDOESTHEPPPROCESS WORK?

### Development Stage

- Project identification
- Project preparation (feasibility study, market sounding activity)
- Finalization of project structure

### Approval Stage

- Project submission to relevant approving bodies
- Project assessment and appraisal
- Investment Coordination Committee (ICC) -Cabinet Committee Project approval/ recommendation
- National Economic and Development Authority (NEDA) Board approval

#### Procurement Stage

- Pre-qualification (advertisement of Invitation to Prequalify to Bid, prequalification conference submission of pre-qualification documents)
- Bid Proper (pre-bid conference, bid submission, bid opening and evaluation)
- Award and contract signing with the private sector partner

#### Implementation Stage

- Financial close
- Implementation (preparation of Detailed Engineering Design, construction, commissioning)
- Turnover of facility/infrastructure back to government



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