



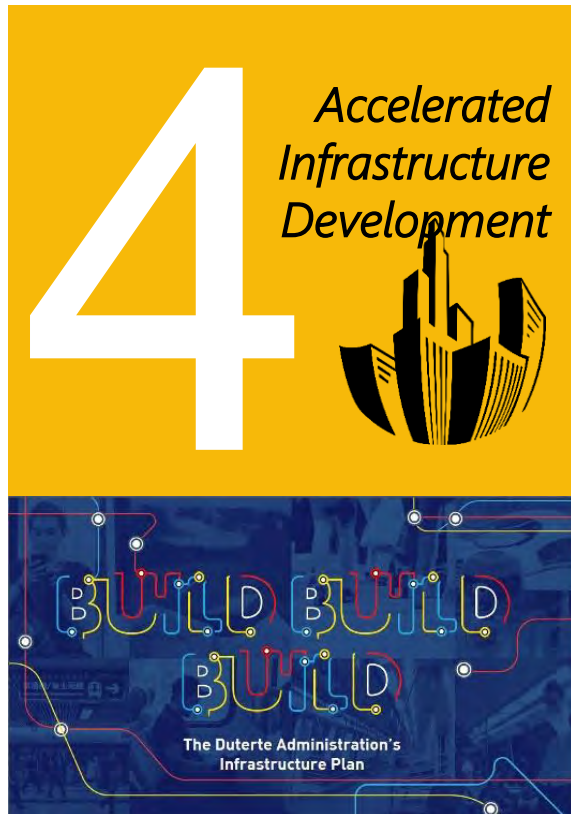
The Public-Private Partnership Program

**BOI-Awareness Seminar to Strengthen the Investor and Stakeholders
March 8, 2018**



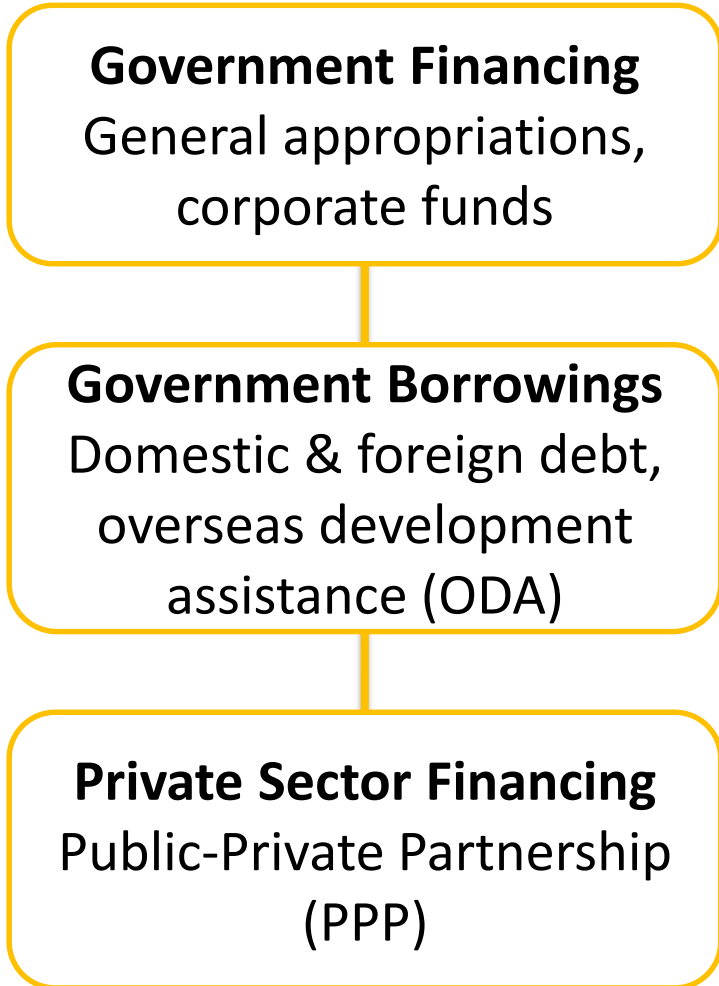
PPP Program for Infrastructure Development

10-POINT SOCIOECONOMIC AGENDA



Financing and Implementation

Delivery Mechanisms



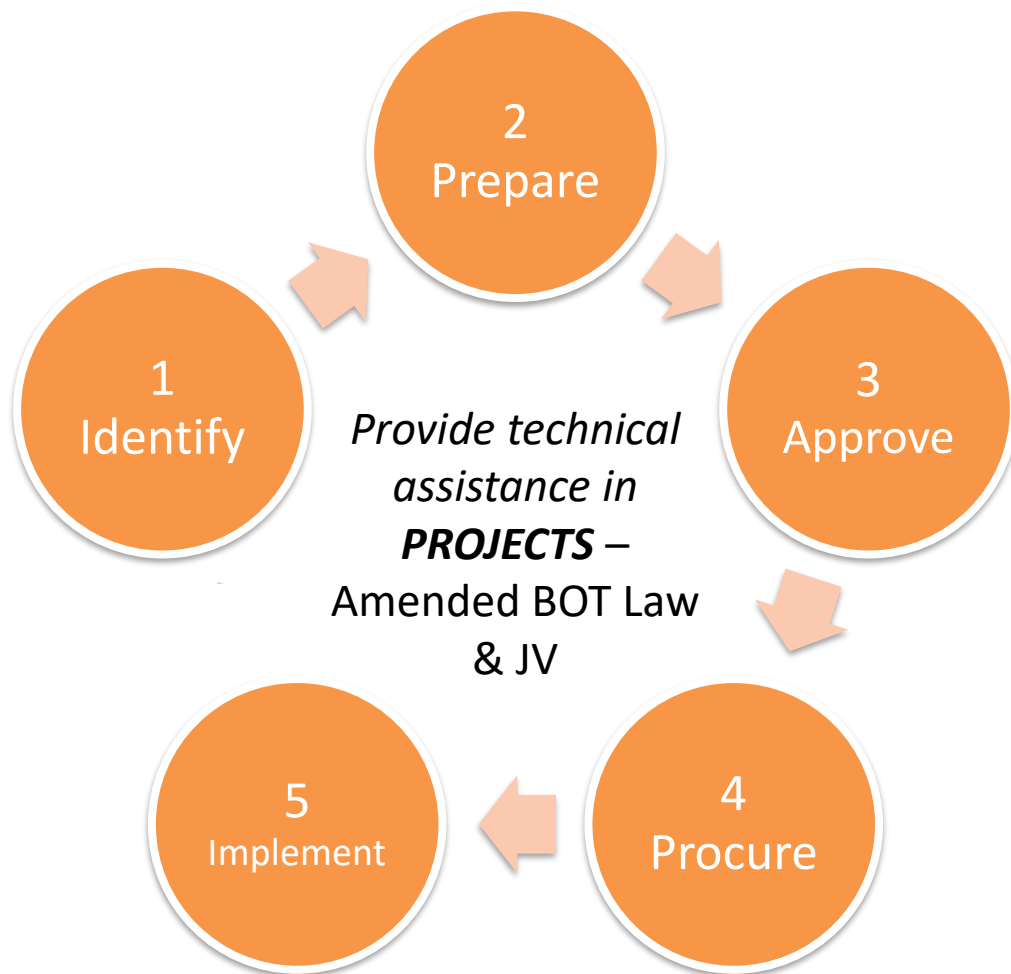
The PPP Center

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

- BOT Center renamed as **PPP Center**
- PPP Center Services:
 - Provide **technical assistance** to Implementing agencies (IAs) in the entire PPP project life cycle
 - **Capacity Building** on PPP
 - Formulate PPP **policies, plans** and **guidelines**
 - Manage the Project **Development and Monitoring Facility (PDMF) Fund**
 - Establish and manage a **central database for PPP projects**
- PPP Center to directly report to the PPP Governing Board chaired by NEDA, vice-chaired by DOF with the following members: DTI, DBM, OES, DOJ, and NCC



PPP Center - Mandates



*Manage **Project Development and Monitoring Facility (PDMF)**, a revolving fund that can be tapped by agencies for hiring of consultants*



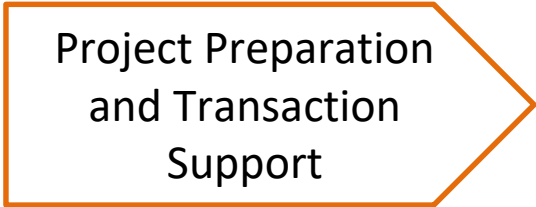
*Advocate for **POLICY** reforms to enhance enabling environment*



*Conduct **CAPACITY BUILDING** activities to improve skills of agencies*

Project Development and Monitoring Facility (PDMF)

USD 102 million revolving facility managed by PPP Center and used by implementing agencies for procurement of consultants



Project Preparation and Transaction Support

- Feasibility study and project structuring
- Management of bid process
- Support until financial close



Probity Advisory

- Independent oversight during bidding process to ensure integrity and fairness
- Assessment of and advisory on probity issues



Implementation and Monitoring

- Independent review and monitoring of activities related to design, construction, operations and/or maintenance

What is a PPP?

- ✓ Contractual arrangement between government and the private proponent to undertake infrastructure or development projects
- ✓ Long term contract (not more than 50 years)
- ✓ Role of private proponent: finance, design, construct, operate, and/or maintain infrastructure or development facility
- ✓ Risk is borne by the party who can best manage it



PPP Benefits



Integrated approach

- Proper alignment of incentives (among contractor, operator and maintenance provider) in a whole-of-life approach
- Single procurement process

Optimized risk allocation

- Allocation of risks to party who can best manage that risk (e.g. risk of cost and time overruns allocated to private partner)

Output specifications

- Specifications are defined via desired project outputs
- Government can tap private partner's innovation and expertise in coming up with most efficient design that adheres to specifications

Revenue potential

- Revenue sharing with private partner
- Revenues from commercial activities

Private sector capacity

- Can address implementing agencies' limited absorptive capacity and government's limited fiscal space



PPP Benefits

Integrated approach

Optimized risk allocation

Output specifications

Revenue potential

Private sector capacity

“PPP creates services, not assets”



- ✓ Efficient service delivery
- ✓ Minimize project's lifecycle cost

PPP Payment Mechanisms

1. **Concession-based PPPs** – private partner is allowed to collect charges, tolls and fees from users
2. **Availability-based PPPs** – implementing agency (IA) will allocate budget or funds as payment to private partner
3. **Non-monetary payments** – private partner may be repaid through non-monetary payments (e.g. grant of commercial development rights, grant of a portion of reclaimed land, subject to constitutional requirements, etc.)
4. **Others** – private partner may be repaid through a combination of different schemes or any other schemes as may be approved by relevant approving bodies

PPP Arrangements



Public sector owns and operates assets

- Utility
- Restructuring
- Corporatization
- Decentralization



Public-Private Partnership (PPP)

- Build-Operate-and-Transfer (BOT)*
- Joint Venture Agreements



Private sector owns and operates assets

- Full Divestiture/Privatization



**RA 6957 as amended by RA 7718 (Amended BOT Law) and its IRR covers the different BOT contractual arrangements and excludes JV Agreements*

PPP Legal Frameworks for LGUs

Amended
BOT Law

- Solicited
- Unsolicited

LGU PPP
Code

- Competitive Selection
- Negotiated JV

PPP Legal Frameworks for GOCCs

Amended BOT
Law

- Solicited
- Unsolicited

2013
NEDA JV
Guidelines

- Competitive Selection
- Negotiated JV



The PPP Process under the BOT Law

Institutional Arrangements

- **Implementing Agencies (IAs)**
 - Line Agencies (national government agencies)
 - Government Corporations (GOCCs)
 - State Universities and Colleges (SUCs)
 - Local Government Units (LGUs)

- **Review and Approving Bodies**
 - Local Development Councils
 - Investment Coordination Committee (ICC)
 - National Economic and Development Authority (NEDA) Board for national projects

- **Coordinating and Monitoring Agency**
 - PPP Center



Approval Stage

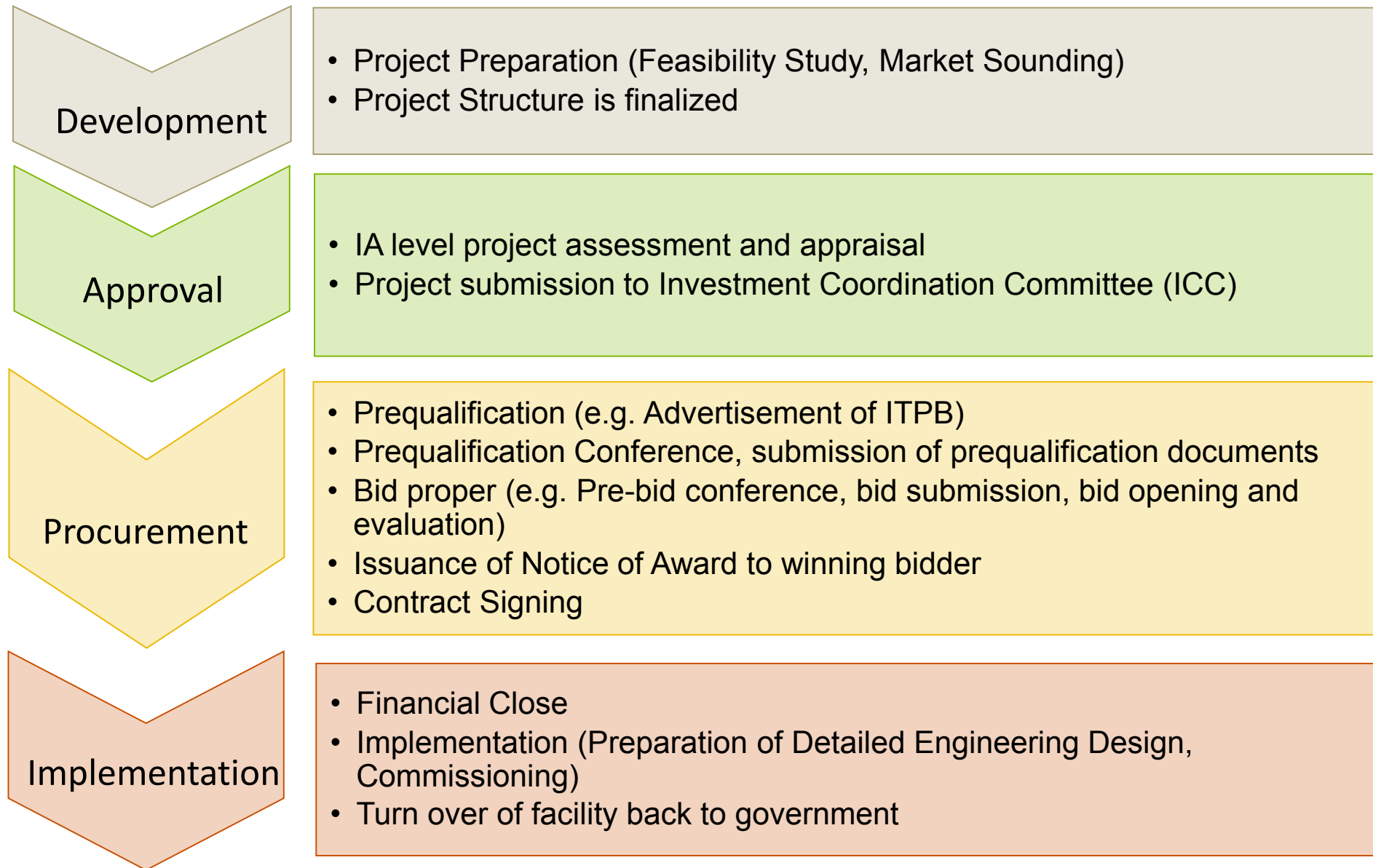
APPROVING BODY	THRESHOLD AMOUNT
I. National Projects	
Investment Coordination Committee (ICC)	PhP300 Million
NEDA Board	>PhP300 Million (upon ICC recommendation)
	<u>Negotiated projects and unsolicited projects</u> regardless of amount (upon ICC recommendation)
II. Local Projects (final approval is vested on Local Sanggunians)	
Municipal Development Council	PhP20 Million
Provincial Development Council	>PhP20 Million - PhP50 Million
City Development Council	PhP50 Million
Regional Development Council	>PhP50 Million - PhP200 Million
ICC	>PhP200 Million

Eligible Types of PPP Projects

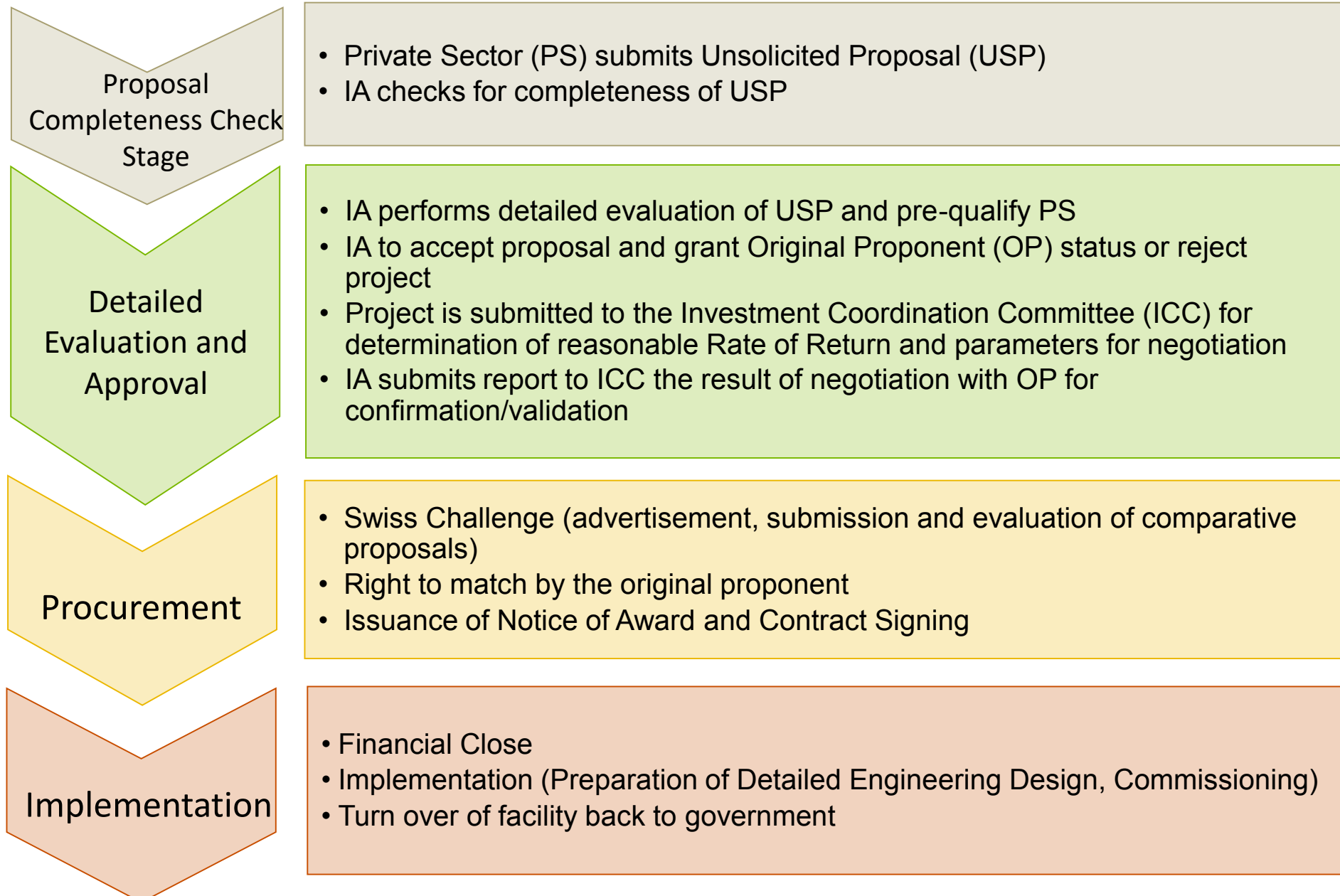


- Highways/Roads
- Railroads & Railways
- Ports
- Airports
- Transport Systems
- Power Generation
- Telecommunications
- ICT Systems/Facilities
- Agriculture
- Canals, Dams, Irrigation
- Water Supply
- Land Reclamation
- Solid Waste Management
- Tourism Facilities
- Education
- Health Facilities
- Industrial & Tourism Estates
- Markets, Warehouses, Slaughterhouses
- Housing, Government Buildings
- Climate change mitigation/adaptation infrastructure projects
- Other Infrastructure/ Development Projects

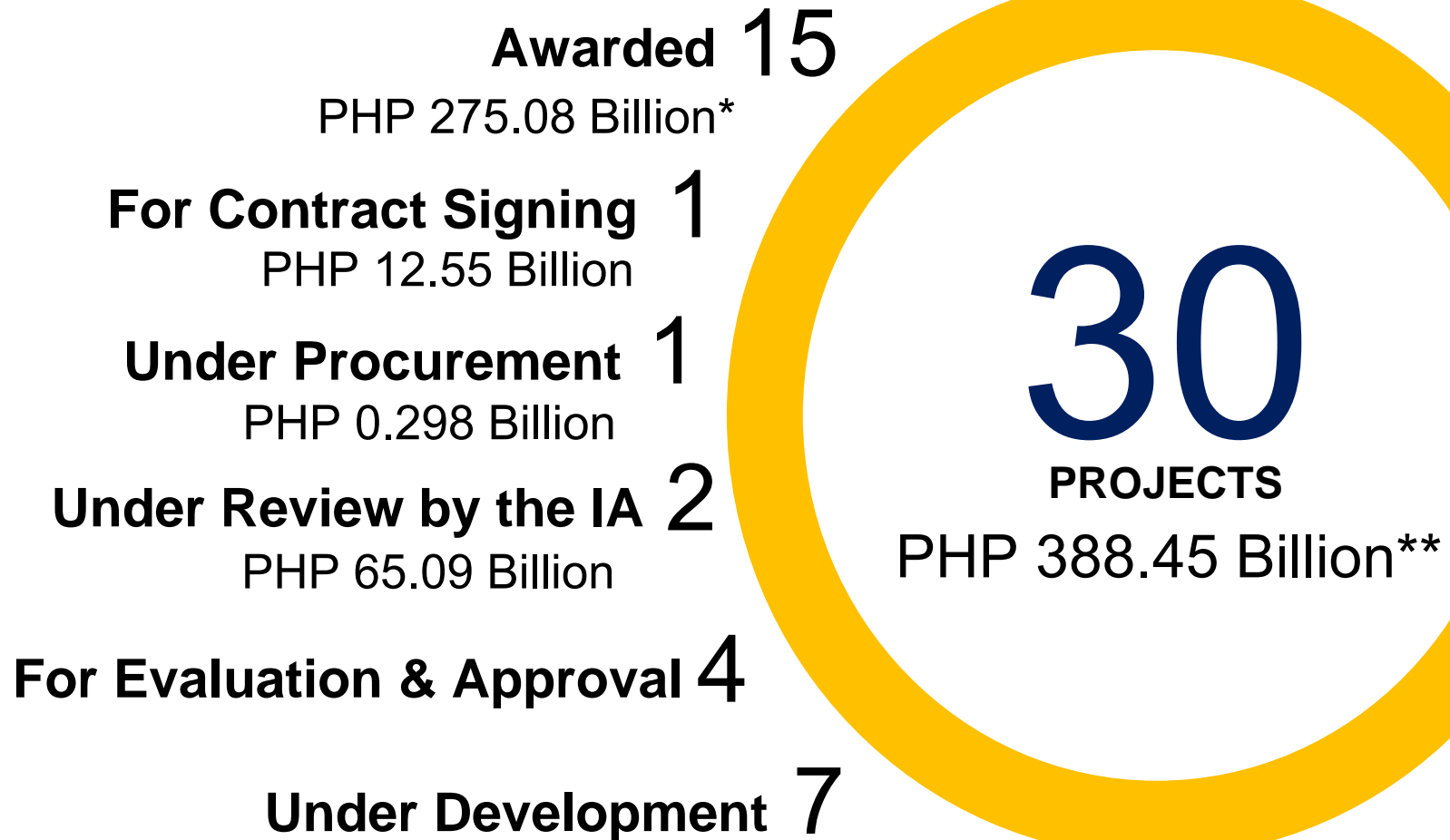
PPP Process – Solicited



PPP Process – Unsolicited



PPP Project Pipeline (as of February 6, 2018)



**Projects started from 2010 onwards*

***Amount does not include 12 other projects with no estimated costs yet*





Thank You!

For further information, please visit:

www.ppp.gov.ph

For inquiries, kindly e-mail:

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Public-private-partnership-
center-of-the-philippines



PPPPinas