

PUBLIC-PRIVATE PARTNERSHIP (PPP) GOVERNING BOARD
Resolution No. 2018-03-05
March 22, 2018

FOR: All Heads of Departments, Bureaus, Offices, Commissions, Authorities or Agencies of the National Government, Government-Owned and/or Controlled Corporations, Government Financial Institutions, State Universities and Colleges, Local Government Units

SUBJECT: FRAMEWORK ON PPP CENTER'S ASSISTANCE ON JOINT VENTURE AGREEMENTS

1. Introduction

- 1.1. Under Executive Order (EO) No. 8, series of 2010¹, the PPP Center's powers and functions cover all the PPP programs and projects, including all the variants or arrangements under the Republic Act (RA) 6957, as amended by RA 7718 ("BOT Law"), and Joint Venture Agreements (JVAs), among others.²
- 1.2. Specifically, EO No. 8, series of 2010, mandates the PPP Center to, among others: (a) conduct project facilitation and assistance to the national implementing agencies, including Government Corporations³, and local government units (LGUs), in addressing impediments or bottlenecks in the implementation of PPP programs and projects; and (b) provide advisory services, technical assistance, trainings and capacity development in PPP project preparation and development.⁴
- 1.3. Nonetheless, under the existing JVA-related guidelines, such as the 2013 Revised Guidelines and Procedure for Entering JVAs between the Government and Private Entities issued by the National Economic and Development Authority (2013 NEDA Joint Venture Guidelines), the Local Government Code, and the Department of the Interior and Local Government's (DILG) recent DILG LGU P4 Initiative for LGUs (DILG MC No. 2016-120), the roles and responsibilities of the PPP Center with regard to JVAs are neither defined nor delineated.
- 1.4. With the growing relevance of JVAs as a viable project implementation option for Government Entities (Government Corporations and LGUs), and consequently, their increasing need for support in undertaking these agreements, there is a need to clarify and expound on the assistance that the PPP Center can provide, complementary to existing JVA-related guidelines and policies.

¹ Reorganizing and Renaming the Build-Operate and Transfer (BOT) Center to the Public-Private Partnership (PPP) Center of the Philippines and Transferring its Attachment from the Department of Trade and Industry to the National Economic and Development Authority and for other purposes

² Section 2 thereof.

³ For purposes of this issuance, Government Corporations shall refer to government-owned or -controlled corporations (GOCCs), government corporate entities (GCEs), government instrumentalities with corporate powers (GICPs), government financial institutions (GFIs), state universities and colleges (SUCs), created by law, executive issuances, or pursuant to Batas Pambansa Bilang 68, otherwise known as the Corporation Code of the Philippines, as amended, and defined under Republic Act (RA) No. 10149, otherwise known as the Government Corporation Governance Act of 2011, among others.

⁴ Sections 2(a) and 2(b) thereof.

2. Objective

- 2.1 This issuance seeks to provide a framework on the PPP Center's assistance to Government Entities in undertaking JVAs in the context of existing JVA-related guidelines and policies.

3. Guiding Principles for Government Entities in undertaking JVAs

- 3.1. Government Entities shall undertake JVAs in accordance with the guiding principles as provided in relevant issuances, rules, and guidelines, such as the 2013 NEDA Joint Venture Guidelines⁵ and DILG MC No. 2016-120⁶.

4. Roles and Responsibilities of the PPP Center

- 4.1. The PPP Center shall provide project advisory services, trainings and capacity development, assistance in project approval, as applicable, and other technical assistance to the Government Entity in the entire process of undertaking JVAs, which may include, but is not limited to, the following:

4.1.1. Project identification and preparation including the development and/or review of business cases, pre-feasibility studies, and full-blown feasibility studies; project structuring and risk analysis; organizational structuring (e.g. creation of a project team); and securing the needed approval/s of the project.

4.1.2. Competitive selection of private sector entity partner which includes preparation and/or review of selection/tender documents (i.e. prequalification documents and bidding documents, including the draft contract); creation of a selection committee; review and evaluation of eligibility documents of prospective joint venture partners, and thereafter, the evaluation of the technical and financial proposals of eligible private sector partners. This also includes activities until the execution and signing of the JVA between the Government Entity and the private sector entity.

4.1.3. Post-award activities, contract execution, and project implementation monitoring.

4.1.4. Processing of negotiated JVAs or unsolicited JV proposals, including the evaluation of the submission by private sector entities; conduct of negotiation between Government Entity and Private Sector Entity; and conduct of Competitive Challenge Procedure or Swiss Challenge, as may be applicable.

- 4.2. Subject to existing guidelines, infrastructure and development projects structured as a JVA may be eligible for project support under the Project Development and Monitoring Facility (PDMF), including access to its pool of national and international consultants.

- 4.3. The PPP Center may, upon the request of the LGU concerned, also assist in the development of the LGU's Joint Venture Codes/Guidelines.

- 4.4. The PPP Center shall endeavour to partner with other government agencies and development organizations to harmonize and expand assistance on JVAs based on the needs of Government Entities.

⁵ Section 2.0 thereof.

⁶ Section 5.2 thereof.

4.5 The PPP Center shall document lessons learned, develop case studies, and publish knowledge products and other documents related to JVs.

5. Timelines and Procedures of PPP Center's Assistance

5.1. To streamline the process of its assistance to Government Entities undertaking JVs, the PPP Center shall provide applicable timelines and procedures thereof. The same shall be made publicly available for the information and guidance of Government Entities intending to avail of PPP Center's assistance.

6. Management of Project Information Database and Monitoring of JVs

6. 1 In line with EO No. 08, series of 2010, the PPP Center shall include JVs in its project information database for PPP programs and projects⁷. Government Entities are thus requested to provide copy/ies of all JVs undertaken to the PPP Center.

6.2 The PPP Center shall likewise monitor and facilitate the implementation of JVs, in accordance with the PPP Monitoring Framework and Protocols.

7. Effective Date

7.1 This issuance shall take effect immediately upon approval by the PPP Governing Board.

I hereby certify that this issuance was approved by the PPP Governing Board at its meeting held on March 22, 2018.



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⁷ Section 2(f) thereof.