

FAQs ON PHILIPPINE PPPs



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1 WHAT ARE PPPs?

Public-Private Partnerships (PPPs) can be broadly defined as a contractual arrangement between the government and a private partner targeted toward financing, designing, constructing, operating, and maintaining infrastructure facilities and services that are 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.

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

Highways/Roads
Railroads/Railways
Industrial and Tourism Estates
Health Facilities
Canals/Dam/Irrigation/Water Supply
Education
Transport Systems
Ports
Airports
Power Generation
ICT Systems/Facilities
Agriculture
Public Markets/Warehouses/Slaughterhouses
Housing
Government Buildings
Solid Waste Management/Climate Change Mitigation
Land Reclamation
Tourism Estates/Facilities
Other Infrastructure/Development Projects

3 WHAT ARE THE GOVERNMENT'S BASES 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), the 2013 NEDA JV Guidelines, Executive Order No. 423 s. 2005, and the Local Government PPP Code/JV Ordinance.

4 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.

5 WHAT ARE THE ROLES & FUNCTIONS OF THE PPP CENTER?

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. It provides technical advisory services to IAs in the entire life cycle of critical PPP infrastructure and development projects—from development, approval, and procurement to implementation and monitoring stages—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.

6 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 in the project's tender process.

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

7 HOW DOES THE PPP PROCESS WORK?

Development Stage

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

Approval Stage

- Project submission to relevant approving bodies
- Project assessment and appraisal
- Project approval by appropriate approving bodies (local development councils, Investment Coordination Committee, NEDA Board)

Procurement Stage

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

Implementation Stage

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

