



# PPP CENTER'S ASSISTANCE IN STRUCTURING PPP PROJECTS IN RENEWABLE ENERGY & WASTE-TO-ENERGY

Forum on Renewable Energy and Waste-to-Energy PPPs

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Mia Mary Sebastian  
Deputy Executive Director  
PPP Center of the Philippines

# PPP Program for Infrastructure Development

0-10 POINT SOCIOECONOMIC AGENDA

Accelerated  
Infrastructure  
Development

*infrastructure  
spending of 7%  
of GDP by 2022*



Financing and  
Implementation

Delivery  
Mechanisms

## Government Financing

General appropriations,  
corporate funds

## Government Borrowings

Domestic & foreign debt,  
official development  
assistance (ODA)

Private Sector Financing  
**Public-Private Partnership  
(PPP)**



# PPP Center - Mandates



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

## Projects, Policy & Capacity



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



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

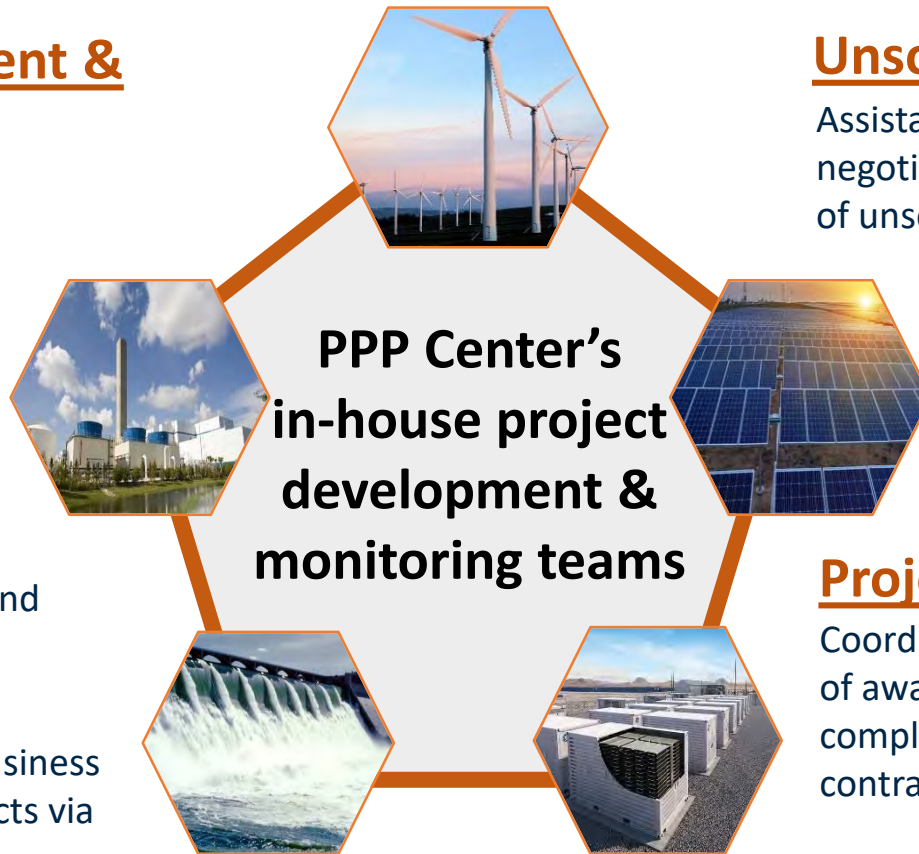


# PPP Center - Support in Projects

## Project Development & Procurement

Assistance in the review and/or development of feasibility studies and tender documents; and advisory services from project approval to procurement.

- ***PDMF***  
Project Development and Monitoring Facility
- ***Business Case***  
In-house conduct of business case for selected projects via Technical Assistance Agreement (TAA)



## Unsolicited Proposals

Assistance in the evaluation, negotiation and management of unsolicited proposals

## Project Monitoring

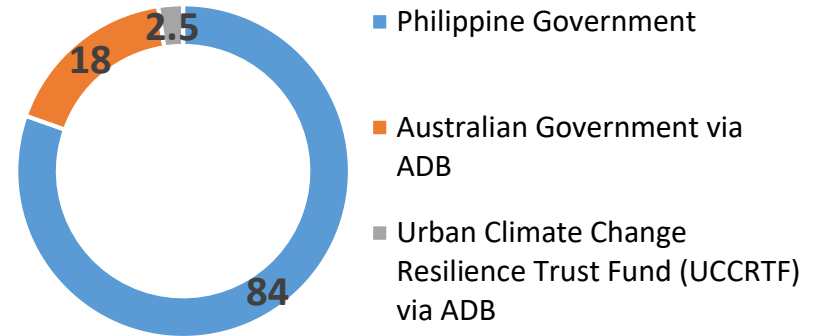
Coordination and monitoring of awarded projects to ensure compliance with the contractually agreed terms



# PPP Center - Support in Projects via PDMF

The **Project Development and Monitoring Facility (PDMF)** is a **USD 104.5 million revolving fund** managed by the PPP Center to enhance the investment environment for PPP and to develop a robust pipeline of viable and well-prepared PPP infrastructure projects

*Fund Contribution (in USD million)*



## Project Preparation & Transaction Advisory

### *Solicited mode*

- Conduct of feasibility study
- Project structuring
- Preparation of tender documents
- Management of bid process
- Assistance until financial close

### *Unsolicited mode*

- Evaluation and negotiation of unsolicited proposals
- Assistance in management of Swiss Challenge until financial close

## Probity Advisory

- Examination of bid documents
- Assessment of and advisory on probity issues

## Independent Consultant

- Monitoring of construction and/or O&M
- Certification of compliance with technical requirements and design





# PDMF - Support for Local PPP Projects

Additional  
funding to  
PDMF

PDMF  
Committee  
for Local  
PPP Projects

Local PDMF  
Panel



Additional **USD 2.5M**  
foreign counterpart  
funding to support local  
PPP projects

NEDA Undersecretary  
and Assistant Secretary  
for Regional  
Development and NEDA  
Regional Directors as  
representatives to the  
PDMF Committee to  
provide **local  
perspective** in the  
evaluation of projects  
for funding support

Access to a **pool of  
experts** specializing in  
the development of local  
PPP projects, particularly  
resilient and  
environmentally  
sustainable projects, and  
climate change  
adaptation and disaster  
risk management  
projects



# PPP Center - Support in Capacity Building



Conduct of **trainings and seminars** depending on the development needs and requirements of the implementing agency

- Introduction to PPP concepts or PPP 101
- Concept note formulation
- Project prioritization
- Management of unsolicited proposals
- Financial and economic analysis of PPP projects



# PPP Center - Support in Policies



01

Assistance in the review and formulation of legal framework (BOT Law, Joint Venture Guidelines, PPP or Joint Venture Codes of local governments)



02

PPP Governing Board's policies



03

Sectoral guidelines (e.g. solid waste management)

04

Coordination with government agencies on relevant policy instruments on RE and WtE





# PPP Projects

as of August 2019

	No.	PHP (bn)
National	52	3,640
Local	9	104
Solicited	31	260
Unsolicited	30	3,484

**Awarded and  
for Award** **20**  
PHP 1,040 Billion\*

**Under and  
for Procurement** **4**  
PHP 78 Billion

**Under and  
for Negotiation** **3**  
PHP 21 Billion

**For Approval** **17**  
PHP 2,028 Billion

**Under Evaluation  
and Development** **17**  
PHP 520 Billion



\*Projects started from 2010 onwards (excluding terminated MPOC) and 2 projects developed before 2010 (MRT 7 and Skyway Stage 3)  
\*\*Total cost does not include projects with no estimated costs or those with costs yet to be finalized



# National PPP Projects - Awarded

## Transport-Related Projects



Muntinlupa-Cavite Expressway



NAIA Expressway Phase (II)



Metro Manila Skyway Stage 3



Cavite-Laguna Expressway



NLEX-SLEX Connector Road



PPP for School Infrastructure (Phase I)



PPP for School Infrastructure (Phase II)



Paranaque Integrated Terminal Exchange



Taguig Integrated Terminal Exchange



Mactan-Cebu International Airport



Clark International Airport - EPC and O&M



Bulacan Bulk Water Supply



LRT Line 1 Cavite Extension & O&M



MRT Line 7



Automatic Fare Collection System



Civil Registry System IT (Phase II)



# National PPP Projects - Pipeline

## Transport-Related Projects



- Bulacan International Airport (*unsolicited*)
- 50-Year Integrated Development Plan for Mactan Cebu International Airport (*unsolicited*)
- Upgrade, Expansion and O&M of New Bohol International Airport (Panglao) (*unsolicited*)
- Davao International Airport Development and O&M (*unsolicited*)
- O&M and Facility Upgrade of Kalibo International Airport (*unsolicited*)
- Upgrade, Expansion and O&M of Laguindingan Airport (*unsolicited*)
- Ninoy Aquino International Airport (NAIA) (*unsolicited*)



- Central Luzon Link Expressway (CLLEX) Phase 1 O&M & Phase 2
- Cavite-Tagaytay-Batangas Expressway (CTBEx) (*unsolicited*)
- Cebu Bus Rapid Transit (BRT) O&M



- East-West Rail (*unsolicited*)
- Fort Bonifacio-Makati Skytrain (*unsolicited*)
- C5 MRT-10 (*unsolicited*)
- LRT 6 Cavite Line A (*unsolicited*)
- Davao People Mover (*unsolicited*)
- MRT-11 (*unsolicited*)
- Cavite LRT Line 6c and Sucat Line 6b (*unsolicited*)



- San Ramon Newport
- Davao Sasa Port Modernization (*unsolicited*)
- Development and O&M of General Santos Port (*unsolicited*)
- Development and O&M of Iloilo Commercial Port Complex and Dumangas Port (*unsolicited*)



- National Development Company (NDC) Admin and Commercial Complex
- Cultural Center of the Philippines (CCP) - Asset Development
- Philippine Charity Sweepstakes Office (PCSO) Corporate Center (*unsolicited*)
- Angat Hydroelectric Power Plant (AHEPP) - Rehabilitation and O&M of Auxiliary 4 & 5



- Philippine General Hospital (PGH) - Diliman O&M
- PGH Manila Cancer Center
- Cagayan Valley Medical Center Hemodialysis Center
- Baguio General Hospital and Medical Center Hemodialysis Center



- Road Transport IT Infrastructure (Phase II)
- PEZA Electronic Payment and Collection System (*unsolicited*)



# Local PPP Projects: Championing PPPs in the Regions

As of August 2019, there are **75 local PPP projects** (38 solicited and 37 unsolicited, either BOT or JV) that are in different stages of development and implementation

## Priority Sectors



**16** Water Supply & Sanitation



**17** Solid Waste Management



**37** Vertical Infrastructure / Government Property Development  
*(e.g. town centers, city halls, public markets)*



**5** Others

## Regions





# Emerging Sectors for Local PPP Projects





# Renewable Energy & Waste-to-Energy PPPs

## ONGOING AND UPCOMING PROJECTS ASSISTED BY THE PPP CENTER



**Quezon City Integrated Solid Waste Management Facility**  
*(finished Swiss Challenge process)*



**Marikina City Integrated Waste Management Project**  
*(original proponent status granted – for negotiation)*



**Cebu City Solid Waste Management Project**  
*(under development)*



**Iloilo City Solid Waste Management Project**  
*(under conceptualization)*



**San Vicente, Palawan Flagship Tourism Enterprise Zone - Power Generation and Distribution Project**  
*(under development)*



**Angat Hydroelectric Power Plant (AHEPP) - Rehabilitation and O&M of Auxiliary 4 & 5**  
*(under development)*



# Key Considerations in RE/WTE PPP Projects



## Value for Money

- Economic benefits (cost savings, direct and indirect benefits)
- Competition during tender or procurement process



## Legal Framework

- BOT Law
- Joint Venture
- Local PPP Code/Ordinance



## Procurement Mode

- Solicited: government can set terms based on its priorities but has to spend time and resources on project development
- Unsolicited: government can save on project development cost but has to spend time and resources in evaluation and negotiation, and deal with information asymmetry



# Key Considerations in RE/WTE PPP Projects



## Project Scope & Structure

- Scale of the project
- Risk allocation
- For RE projects:
  - integrated PPP vs. hybrid or blended financing
- For Solid Waste Management (SWM) / WTE projects:
  - SWM hierarchy (waste reduction, recycling and reuse)
  - bundled vs. unbundled value chain with respect to collection, transportation, storage, treatment, and disposal



## Commercial Considerations

- Investment requirements
- Repayment scheme to the private sector (sale of power, tipping fee, etc.)
- Length of contractual agreement
- Requirement of government subsidies or contractual guarantees
- Renewable energy incentives



# Key Considerations in RE/WTE PPP Projects



## Technical Considerations

- For RE projects:
  - availability of RE resources
  - technical suitability
- For SWM/WTE projects:
  - waste quantity and quality
  - energy output
- Project site
- RE and WTE technologies
- KPIs and performance standards
- Environmental and social factors

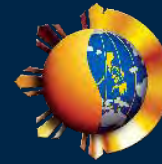


## Power Component

- Sale of power
- Relevant permits, approvals and procurement processes
- Power Supply Agreement
- Qualified third party





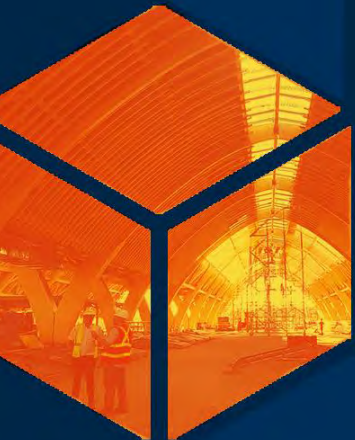


For further information, please visit:

[www.ppp.gov.ph](http://www.ppp.gov.ph)

For inquiries, kindly e-mail:

[info@ppp.gov.ph](mailto:info@ppp.gov.ph)



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