

Second Meeting of the Infrastructure Financing and PPP Network of Asia and the Pacific

PHILIPPINES *Country Investment Climate:* *Rules and Regulations*

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Philippines: Metrics and Outlook



Fastest-growing among major economies in Asia

According to the World Bank's latest edition of Global Economic Prospects, the Philippines is the world's 10th fastest growing economy for 2017. Growth is projected to remain robust at 6.8 percent in 2017 and 6.9 percent in 2018. This growth is led by strong domestic demand, recovery in exports and implementation of planned infrastructure projects which spur additional business activities, create more jobs and increase household consumption and reduce poverty.

Indicators	Q1 2019
GDP Growth	5.6%
GNI Growth	4.9%
Inflation	3.2%
Credit Rating	BBB+
Employment	94.9%
Exports	\$5.51 B
Imports	\$9.01 B
Population	107.4 mil
Median Age	23.1



Increasing foreign direct investment



Strategic access to key markets



Rich skills and talent pool



Infrastructure development



Philippine Development Plan 2017-2022



By 2022, to lay down the foundation for inclusive growth, a high-trust and resilient society, and globally competitive knowledge economy

Achieve upper middle-income status by 2022



Ensure peace and security



Accelerate strategic infrastructure development



Ensure safety and build resilience



Ensure ecological integrity, clean and healthy environment



PPP Program for Infrastructure Development

SOCIOECONOMIC AGENDA

0-10 POINT

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,
overseas development
assistance (ODA)

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



PPP Center of the Philippines



**PUBLIC-PRIVATE PARTNERSHIP
CENTER**



- ✓ 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
- ✓ It reports to the **PPP Governing Board** (an inter-agency body chaired by Planning Department and co-chaired by Finance Department), which is the overall policy-making body for all PPP-related matters



Projects, Policy & Capacity



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



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

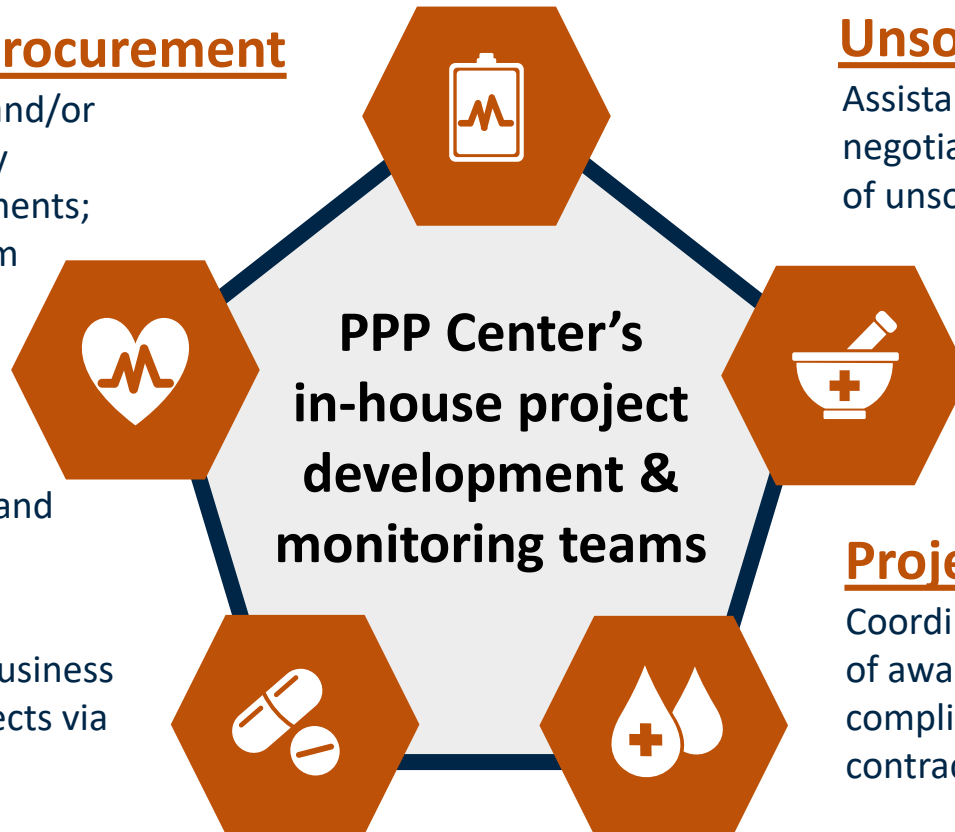


PPP Center - Support in Projects

Project Dev't & 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

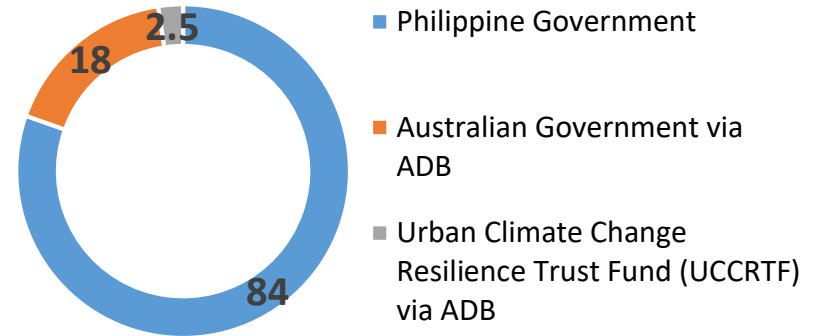
Coordination and monitoring of awarded projects to ensure compliance with the contractually agreed terms



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)



PPTA

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

PA

Probity Advisory

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

IC

Independent Consultant Services

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



PPP Center - Support in Capacity Building



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



POLICIES



01

PPP Governing Board's policies



02

Assistance in the formulation & review of PPP Codes/Joint Venture Ordinances of local government units



03

Sectoral guidelines (e.g. water and sanitation, health, solid waste management, etc.)



PPP Governing Board - Policies



**Appraisal of PPP
Projects**

**Pipeline
Development**

Best Practices

**Viability Gap
Funding**

**Appointment of
Probity Advisors**

**Termination
Payment**

**Guide on Managing
Greenfield Hybrid
PPP Projects**

**Monitoring
Framework and
Protocols**

**Managing Affected
Government
Employees**

**Assessing Value for
Money**

**Public Consultation
and Engagement**

**Framework on PPP
Center Assistance
on Joint Venture
Agreements**

**Guidelines on
Managing
Unsolicited
Proposals**

**Safeguards in PPP:
Mainstreaming
Environmental,
Displacement, Social,
and Gender Concerns**

For more information on these policies, visit <https://ppp.gov.ph/guidelines-and-issuances/>



PPP Projects

as of August 2019

	No.	USD (bn)
National	52	70
Local	9	2
Solicited	31	5
Unsolicited	30	67

**Awarded and
for Award** **20**
USD 20 Billion*

**Under and
for Procurement** **4**
USD 1.5 Billion

**Under and
for Negotiation** **3**
USD 0.4 Billion

For Approval **17**
USD 39 Billion

**Under Evaluation and
Development** **17**
USD 10 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



PPP Projects - Priority Sectors



Transportation



Education



Gov't Buildings



Health



IT Dev't



Water



Sanitation



Solid Waste Management



PPP Projects - Emerging Sectors

TOURISM



RENEWABLE ENERGY

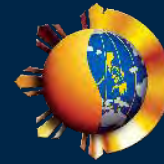


CLIMATE CHANGE



FOOD SECURITY



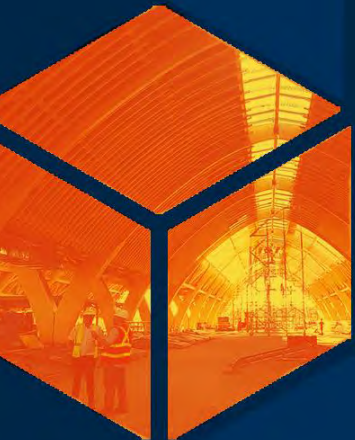


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PPPPinas