INVESTING IN THE FUTURE OF THE FILIPINO

2019 Annual Report

INVESTING IN THE FUTURE OF THE FILIPINO
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FINANCIAL REPORTS
VISION
The PPP Center shall serve as the champion of public-private partnerships for the country’s inclusive growth and sustainable development.

MISSION
The PPP Center shall facilitate and optimize public-private partnerships in the country for the delivery of public infrastructure and other development services.

CORE VALUES

PROFESSIONALISM
We commit to provide fast, reliable, efficient, competent and effective services that adhere to the principles of good governance and genuine public service.

PRO-ACTIVENESS
As prime movers in public-private partnerships in the country, we strive to achieve positive results through dynamic processes that are anchored on the principles of transparency and accountability.

PASSION FOR EXCELLENCE
We are dedicated to consistently deliver timely and the best quality of public service and to ensure efficient and effective implementation of public-private partnerships in the country.

CLIENT ORIENTATION
We intend to foster long-term partnerships that will enable clients to meet their public-private partnership targets. We will continuously innovate on our processes to maintain an investment climate where our partners could operate on a level playing field.
My warmest greetings to the Public-Private Partnership Center as it publishes its 2019 Annual Report.

The unwavering efforts of your agency in addressing our infrastructure and development needs through public-private partnerships (PPPs) is a testament to this administration’s commitment to bring lasting and significant progress to the entire nation. The Center’s initiative for local PPPs is vital in fostering communities where every Filipino can enjoy a stable, comfortable, and meaningful life.

May you continue to persevere and push for development policies and programs that will result in lasting benefits for our people. Together, let us harness the full potential of the public and private sectors to achieve a more progressive future for the Philippines.

Congratulations and I wish you success in all your endeavors.

_message from THE PRESIDENT OF THE PHILIPPINES

RODRIGO R. DUTERTE
President
Republic of the Philippines
This feat, which was sustained in 2019, is testimony to the government's relentless effort to institute reforms to address both short-term and long-term development requirements in the country's infrastructure sector has been paying off. More infrastructure projects, including those implemented under the public-private partnership (PPP) scheme, have benefited from the streamlined and quicker approval process of the NEDA Investment Coordination Committee (ICC) Technical Board. In 2019, one of the major developments in the PPP scheme was the establishment of the Project Development and Monitoring Facility (PDMF) panel of consultants for resilient PPP projects at the level of local government units (LGUs). In recent years, the PPP Center has been aggressively implementing its Local PPP Strategy in support of the government's thrust to decentralize Metro Manila through increasing employment opportunities and building infrastructure facilities nationwide to promote connectivity across the regional hubs and growth areas. Thus, the PPP Center has been active in building the capacity of local implementing agencies and their counterpart LGUs. This strategy is becoming increasingly crucial, especially with the upcoming implementation of the Mandanas case ruling, which will appreciably increase the stake of LGUs in local development.

To support the Local PPP Strategy, NEDA through its Regional Offices has been hosting the Local PPP Knowledge Corners. These Knowledge Corners serve as information hubs where local stakeholders – LGUs, implementing agencies, the academe, and the private sector – can get accurate and updated information and knowledge on the PPP process in the country. This has also been a strategic partnership between the NEDA and the PPP Center to facilitate the alignment of local PPP programs and projects with the regional plans and projects being formulated by the Regional Development Councils.

Significant strides have been accomplished in the PPP arena as evidenced by the robust pipeline of projects, both at the national and local levels. We are also starting to reap the gains as more PPP projects get completed. Against the backdrop of these accomplishments is the need to further sustain infrastructure development and strengthen related policy frameworks. Thus, in the next three years, the government will pursue the amendments to the Build-Operate-Transfer Law that will positively impact the country’s PPP Program.

It was in 2010 when the government leveraged the PPP scheme to mobilize resources and tap private capital and expertise in implementing big-ticket infrastructure projects. It was also the year when the PPP Center was established to shepherd PPP process in the country. In its 10th year, and with the different achievements and upcoming initiatives in PPPs, I am certain that the PPP Center will look forward to another year of success with more national and local PPP projects added to the pipeline, thus improving our delivery of public services in the final stretch of the Duterte administration — para sa matatag, maginhawa, at panatag na buhay ng mga Pilipino!
The PPP Center strengthened its focus on PPP projects of local government units, state universities, water districts and other local implementing agencies (LIAs). The PPP Center signed Memoranda of Agreement with Ormoc City, Iloilo City, Quezon City, Marikina City, Iloilo Province, and the Municipality of Roxas in Isabela Province. Through these agreements, the PPP Center commits to support capacity building and development of PPP projects. As further support to LIAs, the PPP Center augmented the panel of transaction advisors of the Project Development and Monitoring Facility (PDMF), to include those appropriate for the projects of LIAs. PDMF is now supporting the water supply projects of the cities of Ormoc and Bislig, and the solid waste management project of Iloilo City.

To build the capacities of agencies in implementing joint ventures, the PPP Center conducted three Regional Workshops on PPPs: Joint Venture Arrangements and published, with the assistance of Cities Development Initiative for Asia (CDIA), a Guidebook on Joint Venture for Local Government Units (LGUs).

The New Manila International Airport Project was awarded to San Miguel Holdings Corporation on August 19, 2019. Subsequently, the Concession Agreement was signed on September 18, 2019 between DOTr and San Miguel Aerocity, Incorporated. The operation and maintenance of the existing passenger terminal building of the Clark International Airport was handed over to the new operator, Luzon International Premiere Airport Development (LIPAD) Corporation, on August 16, 2019.

Message from THE EXECUTIVE DIRECTOR
Twenty-six unsolicited proposals (USPs) and eighteen solicited projects were added to the pipeline of PPP projects. These include three airport projects (Ninoy Aquino International Airport (NAIA) Project, Upgrade, Expansion, Operations and Maintenance of Laguindingan Airport, and Bacolod-Silay Airport Project), three rail projects (Cebu Monorail Transit System Project, MRT 7 Airport Access - North Line Project, and MRT 7 Katipunan Spur Line Project), and four road projects (Cavite-Tagaytay-Batangas Expressway (CTBEX) Project, Improvement, Operation, and Maintenance of Kennon Road Project, Quezon-Bicol Expressway Project, and Tarlac - Pangasinan - La Union Expressway Extension Project).

In 2020, and with the covid-19 pandemic, the government’s Build, Build, Build Program will be even more strategic to the country’s economic recovery. The PPP Center shall assist agencies in pursuing new priority projects, such as those in the health and IT sectors. Furthermore, the PPP Center shall continue to assist LGUs on projects to mitigate or adapt to the impacts of climate change.

The above accomplishments would not have been possible without the strong support of our principals- the NEDA, the DOF and DBM, our PPP Governing Board, our fellow members of inter-agency committees working on PPPs, our development partners – Asian Development Bank, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Cities Development Initiative for Asia, Infrastructure Asia, Carnegie Mellon University-Australia, the Department of Foreign Affairs and Trade of Australia, University of Asia and the Pacific, Stratbase ADRI Institute, Tourism Infrastructure and Enterprise Zone Authority, Department of the Interior and Local Government, NEDA Regional Offices, Philippine Competition Commission, League of Cities of the Philippines, and last but not least, the hard work of the PPP Center’s dedicated employees.
workshops on JVAs for Luzon, Visayas and Mindanao. The PPP Knowledge Corner focal persons from the National Economic and Development Authority (NEDA) Regional Offices were also given a series of customized training. New and updated PPP knowledge products were developed and disseminated to these Knowledge Corners to further strengthen them as PPP Center’s institutional partner in the regions.

The PPP Center holds on to its commitment in strengthening and solidifying the enabling policy environment for PPPs in the country. The Center signed a joint memorandum circular with the Department of the Interior and Local Government (DILG) to provide a clear guidance on the different modalities under the PPP for the People Initiative for Local Governments (LGU P4).

Further, the PPP Governing Board, the country’s overall policy making body for all PPP-related matters, released its Suggested Guidelines on Managing Greenfield Solicited Hybrid PPP Projects to guide implementing agencies. For the Board Resolution on PPP Safeguards (Mainstreaming Environmental, Displacement, Social and Gender Concerns) published last 2018, integration initiatives were also undertaken to ensure its enforcement in the specific areas of PPP project development, capacity building, and knowledge management.

As an ISO-certified institution, the PPP Center remains to be dedicated to continually improve its quality management system for good governance, transparency and accountability. One of the testaments to the Center’s dedication is when it received the 2019 Most Outstanding Accounting Office from the Association of Government Accountants of the Philippines for having exemplary met the criteria of accuracy, timeliness, reliability, and compliance to accounting rules and regulations. The Center was also considered as ‘benchmark agency’ by the Presidential Communications Operations Office for its efforts in implementing a system for compliance to the government’s Freedom of Information Program.

Looking ahead towards 2020, the Center will pursue its mandated commitment to the PPP Program and ensure alignment of the same to the current thrust for a robust pipeline of local PPP projects, focused on priority sectors such as water supply and sanitation, solid waste management, vertical infrastructure and transport terminals, health, tourism, climate change mitigation and adaptation, renewable energy, and information and communication technology. The Center will also continue to intensify its local PPP monitoring initiatives which now include (a) projects awarded prior to the institutionalization of the PPP Center in 2010, and (b) projects implemented under the NEDA Joint Venture Guidelines and Local PPP Codes.

The PPP Center extends its warmest gratitude to all of its esteemed institutional partners here and abroad whose support has become critical in the achievement of the Center’s 2019 targets.

A lot remains to be done but we, at the PPP Center, adhering to its core values of Professionalism, Passion for Excellence, Pro-activeness, and Client Orientation (or PPPC), remain confident in meeting its more challenging targets for the years to come, all for infrastructure development and for the future of the Filipinos.
PPP sectors. This expansion resulted in the addition of 44 new PPP projects to the pipeline, with the private sector being a substantial contributor with their submission of unsolicited proposals. These initiatives indicate the confidence of the private sector in the country’s economy and the Philippine PPP program. In turn, the PPP Center advocates the continued enhancement of the PPP framework and process to ensure value for money for the public and a level playing field for our private sector partners.

Since the launch of the PPP Center’s Local PPP Strategy in 2017, the PPP Center has assisted 59 local government units, water districts, state universities and colleges, special economic zones, and tourism enterprise zones, in various regions all over the Philippines. These local implementing agencies have welcomed innovations in pursuing their infrastructure and development requirements via PPP in the target sectors of water supply and sanitation, solid waste management, transportation, and green buildings or vertical infrastructure. The PPP Center has also partnered with the local implementing agencies to develop and implement PPPs in the emerging sectors of tourism, health, renewable energy, flood control, agriculture and food security, open parks and spaces, and government property development.

In order to further enhance the regulatory and investment environment for emerging PPP sectors, the PPP Center, with the support of the Asian Development Bank (ADB), conducted two PPP fora with the following themes: “Fostering Universal Health Care through PPPs” and “Forum on Renewable Energy and Waste-to-Energy PPPs”. As a result of these fora, the PPP Center is now facilitating the development of a pipeline of PPP projects in the health, solid waste management, and renewable energy sectors.

One of the PPP Center’s priorities for the year is the intensified focus in developing PPP projects in a sustainable manner by addressing urbanization issues and the impact of climate change shocks and stresses, particularly at the local level and at regions outside Metro Manila. To support this initiative, the Urban Climate Change Resilience Trust Fund (UCCRTF), through the ADB, approved a technical assistance grant worth US$3 million for the PPP Center. The grant will augment the PPP Center’s capacity building program and the development and procurement of climate change-resilient local PPP projects through its Project Development and Monitoring Facility (PDMF). To provide an available pool of experts for these projects, the PPP Center established a new PDMF Panel of Consultants for Resilient PPP Projects of Local Implementing Agencies.

For 2020, the PPP Center anticipates the continued expansion of PPP projects implemented both at the national and local government levels and in the target and emerging sectors. With PPPs as one of the mechanisms to invest in the future of the Filipinos, the PPP Center will continue to provide assistance in building a robust project pipeline, supporting and formulating an efficient and responsive policy framework, and capacitating government agencies in PPP concepts and projects.

The PPP Center further expanded its assistance to national and local implementing agencies in the various forms of PPPs – contractual arrangements under the BOT Law and joint venture arrangements pursuant to NEDA’s Joint Venture Guidelines, PPP Codes of local government units, and special guidelines issued by government-owned and controlled corporations; solicited projects and unsolicited proposals; and transportation PPPs and emerging

Message from

THE DEPUTY EXECUTIVE DIRECTOR

The Philippine Government continues to ramp up its infrastructure program. A key delivery mechanism for this infrastructure agenda is public-private partnership (PPP). The PPP Center, as the main driver of the implementation of the country’s PPP program and projects, is managing and facilitating an increasing number of PPP projects.

This year, the PPP Center further expanded its assistance to national and local implementing agencies in the various forms of PPPs – contractual arrangements under the BOT Law and joint venture arrangements pursuant to NEDA’s Joint Venture Guidelines, PPP Codes of local government units, and special guidelines issued by government-owned and controlled corporations; solicited projects and unsolicited proposals; and transportation PPPs and emerging

MIA MARY G. SEBASTIAN
Deputy Executive Director

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EXECUTIVE SUMMARY

2019 BY THE NUMBERS

44
NEW PPP PROJECTS ADDED TO THE PIPELINE IN 2019

P53.6 MILLION
TOTAL COMMITTED PDMF FUNDS

3
ROLLED-OUT PROJECTS AS OF 2019

01 Balicasag Island Dive Resort Project
02 Club Intramuros Golf Course Project
03 Lumbo Spring Bulk Water Supply Project

38
PDMF-SUPPORTED PROJECTS SINCE 2010
**89**

**TOTAL CAPACITY BUILDING ACTIVITIES**

**4**

**POLICY INITIATIVES WITH PARTNERS**

**11**

**NEW PARTNERSHIPS/ INSTITUTIONAL INITIATIVES**

**2,269**

**TRAINING PARTICIPANTS**

**60,000**

**ESTIMATED ACTUAL JOBS GENERATED SINCE 2010 FOR 15 PPP PROJECTS**

*Data provided by the Philippine Statistics Authority which only includes the private sector spending for the 18 awarded PPP Projects of National Government Agencies from 2010 to present; and 5 projects awarded before 2010 (i.e. Caticlan Airport, TPLEX, STAR, NLEX Harbor Link, and CAVITEX-C5 Link Expressway).*
2019 saw the remarkable rise of local Public-Private Partnerships (PPPs) in the wake of the Center’s implementation of its Local PPP Strategy involving local implementing agencies (LIAs). The Strategy is a directed initiative where the Center assists local implementing agencies (LIAs) such as local government units (LGUs), water districts, state universities and colleges, special economic zones, and tourism enterprise zones in developing and implementing PPP projects.

In the course of the year, the PPP Center has provided focused technical advisory services to sixteen (16) LIAs in the development, evaluation, and procurement of their PPP projects.

Local LIAs assisted in 2019

1. Bislig City, Surigao del Sur
2. Cebu City, Cebu
3. General Santos City, South Cotabato
4. Iloilo City, Iloilo
5. Panabo City, Davao Del Norte
6. Marikina City, Metro Manila
7. Baggao Municipality, Cagayan
8. Kalibo Municipality, Aklan
9. Naga City, Camarines Sur
10.Ormoc City, Leyte
11. Quezon City, Metro Manila
12. Cagayan State University, Tuguegarao, Cagayan
13. San Pablo City Water District, Laguna
14. Dolores Water District, Quezon
15. Tourism Infrastructure and Enterprise Zone Authority
16. University of the Philippines - Los Baños, Laguna
By December of 2019, local PPP projects in the pipeline reached to twenty three (23) with fifteen (15) solicited projects. There was also a surge of more unsolicited proposals (USPs) at the local level with eight (8) USPs added to the pipeline. Investors have turned their interest outside of Metro Manila bringing with them the resources and expertise to build infrastructure that have long been missing at the regions.

### Pipeline of local PPP projects

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>IMPLEMENTING AGENCY</th>
<th>PROCUREMENT MODE</th>
<th>STATUS AS OF DECEMBER 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehabilitation of Municipal Slaughterhouse, Operation and Maintenance of the Whole Kalibo Meat Plant Project</td>
<td>Municipal Government of Kalibo</td>
<td>Unsolicited</td>
<td>Implementation Stage - Under Pre-Construction</td>
</tr>
<tr>
<td>Quezon City Integrated Solid Waste Management Facility Project</td>
<td>Quezon City Government</td>
<td>Unsolicited</td>
<td>Procurement Stage - Completed Swiss Challenge Process</td>
</tr>
<tr>
<td>Baggao Water Supply Project</td>
<td>Municipal Government of Baggao</td>
<td>Solicited</td>
<td>Procurement Stage - For Determination of Reasonable Rate of Return</td>
</tr>
<tr>
<td>Lumbo Spring Bulk Water Supply Project</td>
<td>San Pablo City Water District and Dolores Water District</td>
<td>Solicited</td>
<td>Procurement Stage - Pre-Qualification of Bidders</td>
</tr>
<tr>
<td>Balicasag Island Dive Resort Development Project</td>
<td>Tourism Infrastructure and Enterprise Zone Authority (TIEZA)</td>
<td>Solicited</td>
<td>Procurement Stage - Pre-qualification of Bidders</td>
</tr>
<tr>
<td>Club Intramuros Golf Course Project</td>
<td>Tourism Infrastructure and Enterprise Zone Authority (TIEZA)</td>
<td>Solicited</td>
<td>Procurement Stage - Pre-qualification of Bidders</td>
</tr>
<tr>
<td>Redevelopment of the Panabo Town Center Project</td>
<td>City Government of Panabo (Davao del Norte)</td>
<td>Unsolicited</td>
<td>Approval Stage - Under Negotiation</td>
</tr>
<tr>
<td>UNLAD BAYAN Local Government Information System Project</td>
<td>Naga City Local Government</td>
<td>Unsolicited</td>
<td>Approval Stage - Under Evaluation by Approving Body</td>
</tr>
<tr>
<td>General Santos Public Market Project</td>
<td>City Government of General Santos</td>
<td>Solicited</td>
<td>Development Stage - Undergoing Studies</td>
</tr>
<tr>
<td>Cebu City Solid Waste Management Project</td>
<td>City Government of Cebu</td>
<td>Solicited</td>
<td>Development Stage - Undergoing Studies</td>
</tr>
<tr>
<td>Iloilo City Central and Terminal Public Markets Project</td>
<td>City Government of Iloilo</td>
<td>Solicited</td>
<td>Development Stage - Undergoing Studies</td>
</tr>
<tr>
<td>Iloilo City Slaughterhouse Project</td>
<td>City Government of Iloilo</td>
<td>Solicited</td>
<td>Development Stage - Undergoing Studies</td>
</tr>
<tr>
<td>Rizal Park Western Section Development Project</td>
<td>Tourism Infrastructure and Enterprise Zone Authority (TIEZA)</td>
<td>Solicited</td>
<td>Development Stage - Undergoing Studies</td>
</tr>
<tr>
<td>UPLB Agro-Industrial Information and Technology Parks Project</td>
<td>University of the Philippines Los Baños</td>
<td>Solicited</td>
<td>Development Stage - Project Conceptualization</td>
</tr>
<tr>
<td>Iloilo City Integrated Solid Waste Facility Management Project</td>
<td>City Government of Iloilo</td>
<td>Solicited</td>
<td>Development Stage - Project Conceptualization</td>
</tr>
</tbody>
</table>
While LIAs have heartily embraced partnering with the private sector for their infrastructure projects, they also recognized that they are on unfamiliar grounds. This is where the PPP Center brings in its expertise—providing technical assistance as early as evaluating project proposals for its viability and soundness and offering access to a PPP Center-managed facility that offers support in project development. In fact, LGUs such as Iloilo City, Municipality of Roxas in Isabela, Province of Iloilo, Quezon City, Marikina City, and Ormoc City have signed a Memorandum of Agreement (MOA) with the PPP Center for a Technical Assistance Advisory (TAA) to jumpstart its PPP projects and gain access to the Center’s Project Development and Monitoring Facility (PDMF).

Iloilo Governor Arthur R. Defensor Jr. is one of the local officials who seek support from the PPP Center to implement their province’s PPP projects. “We have a PPP ordinance that was passed. Now, we want to implement and make use of it and we are asking the help of the PPP Center to guide us”, Governor Defensor explained. (Source: Philippine News Agency, December 14, 2019)

The growing interest in PPPs among LIAs has increased the number of government agencies that are open to tapping private sector participation in their development and infrastructure projects. In turn, we’ve seen an increase in the number of agencies tapping the Center’s services.

“We now find ourselves in a new environment where we very much welcome assisting and developing local PPP projects. These projects are usually what are most needed by the communities. This is very empowering for our local agencies to be able to develop projects...
that have high impact to the community. They want to pursue developmental projects and they view PPPs as good options,” notes Atty. Maria Lerma L. Advincula, Director for Project Development Service.

She added that “the Center remains steadfast in delivering bankable PPP projects, whether it is national or local.” Atty. Advincula also emphasized that the technical assistance and support services provided by the Center have enabled LIAs to develop PPP projects in accordance with pertinent laws, guidelines, and established best practices.

**Initiatives for local PPPs**

The strategy of an expanded approach to include LIAs has gained its impetus from several PPP Center-driven initiatives: access to the PDMF, a defined capacity building program, skillful technical assistance on project development and a vigorous collaboration with strategic partners.

**Local IAs can now access the PDMF**

A significant development in 2019 is the institutionalization of a Local PDMF Committee whose role is to evaluate and approve PDMF applications submitted by LIAs. The Local PDMF Committee is chaired by the National Economic and Development Authority (NEDA) Undersecretary for Regional Development with the Assistant Secretary for Regional Development Group and the NEDA Regional Office Directors as alternate representatives who are expected to provide valuable on-the-ground inputs to the proposed local PPP projects.

“The involvement of the NEDA Regional Development Group in the evaluation of PDMF requests for local projects is important as they can provide localized/on-the-ground perspective in the evaluation of a proposed project for PDMF support vis-à-vis the overall infrastructure and development plans within the Local Government Entities’ respective territories. They also have a broad appreciation of local projects fit for PPP implementation as they are more familiar with the circumstances or situation in a specific area. All these can further encourage Local Government Entities to explore innovative mechanisms in developing infrastructure and development projects at the local level,” shares Atty. Joanne B. Babon, Director for PDMF.

Another milestone for the Center’s PDMF is the creation of a Panel of Consultants for Resilient PPP Projects.
“We wanted to address the IAs’ budget constraints in tapping the PDMF, since engaging high caliber international and national consultants from the existing panel of transaction consultants can be quite costly considering the scale of most local PPP projects. Thus, the PPP Center set up the Panel of Consultants for Resilient Local PPP Projects composed of equally capable international and national consulting firms that are ready to accept relatively smaller scale projects at the local level and will mainly deal with priority projects of local IAs with climate change adaptation/mitigation and disaster risk and urban resiliency components,” explains Atty. Babon.

LIAs can utilize the PDMF and get consulting firms to help them prepare their project feasibility studies, structure their projects, prepare tender documents, and help in managing the bid process until financial close.

Tapping the Center’s PDMF assures the LIAs that their PPP projects are properly structured and are viable to the private sector. It also helps them in addressing the stringent technical needs of a rigorous evaluation and approval process for PPPs. The PPP Center handles the selection process for the consultants. Payment for the consultants are initially paid by the Center through the PDMF and are later reimbursed by the winning bidder or by the LIA itself if by some reason, the project did not push through.

“The revolving nature of the PDMF ensures its sustainability so that other IAs will be able to have access to the fund and jumpstart their own PPP project,” Atty. Babon emphasizes.

Since the enhancement of PDMF accessibility to LIAs, a number of LIAs have approached the Center to tap the PDMF. The cities of Bislig, Iloilo, and Ormoc have all applied for PDMF support for their local PPP projects which include the Bislig City Bulk Water Supply and Septage Project, the Iloilo City Integrated Solid Waste Management (SWM) Facility Project, and the Ormoc City Water Supply System Project.

For 2019, the total available PDMF fund is worth USD 69.64 million dollars, which is comprised of contributions from the Australian Government, Urban Climate Change Resilience Trust Fund (UCCRTF) and the Government of the Philippines (GOP).

In July 2019, the PPP Governing Board approved the inclusion of the evaluation and negotiation of USPs and Joint Venture (JV) proposals among the services to be supported by the PDMF. This added eligible service can assist IAs, especially those that lack technical expertise to have a robust assessment and evaluation of the USPs which will guide them whether to accept or reject the USP.

**Capacitating local IAs on PPPs**

Capacitating stakeholders and partners on PPPs is one of the mandates of the Center.

Capacity building is an integral part in developing the ability of LIAs to craft well-structured PPP projects. It is a strategic component in building a viable pipeline of projects and has contributed to the growing influx of LIAs wanting to do PPPs.

“Capacity building is done in a concerted effort here at the PPP Center. We partner with other teams in delivering trainings for local and national implementing agencies, depending on the needs of the client. Sometimes, it can be as straightforward as an introduction to PPPs and at times, it can be more complex like preparing concept notes, developing project contracts and formulating financial models. It depends on what is being asked of us,” explains Feroisa Francisca T. Concordia, Director for Capacity Building and Knowledge Management Service.
“Right now, there is a huge interest from our LIAs to consider PPPs. That is where we are funneling most of our resources today. The uptake from the LIAs for PPPs as a consequence of our enhanced Local PPP Strategy, particularly for unsolicited Joint Ventures, has become the basis for stronger capacity building collaboration with agencies such as the DILG, DTI and the NEDA Regional Offices, all of whom have the institutional knowledge of the local terrain,” Director Concordia adds.

In 2019, approximately 1,092 officials and staff of LIAs attended 48 capacity building activities that the PPP Center conducted. These activities include Orientation on PPP Concepts and Processes, Workshop on Project Implementation and Contract Management, PPP Project Concept Note Development Workshop, and Regional Orientation-Workshops on PPPs: Joint Venture Arrangements.

<table>
<thead>
<tr>
<th>LIAs capacitated in 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government Units</td>
</tr>
<tr>
<td>Water Districts</td>
</tr>
<tr>
<td>State Universities and Colleges</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

In its bid to make its capacity building initiatives sustainable and directed, the Center pursued various partnerships with established collaborators like the Department of Interior and Local Government (DILG), Board of Investments (BOI), NEDA Regional Offices (NROs), Cities Development Initiative for Asia (CDIA), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), League of Cities of the Philippines (LCP), and Mindanao Development Authority (MinDA). The intent is to reach more LIAs and mainstream PPPs as a viable scheme in delivering their local infrastructure agenda.

“The PPP Center does not have a regional presence. We saw the need to establish these partnerships with these mainstream agencies who are immersed in the local scene. It makes the Center’s Local PPP Strategy sustainable and accessible to their clientele,” Director Concordia adds.

The Center collaborated with the 15 NROs and conducted targeted trainings for the PPP Knowledge Corner focal persons. As the face of the PPP Center in the regions, these focal persons act as the primary source of information and guidance on PPPs for both LIAs and private partners. The trainings increase their understanding and proficiency on PPP concepts and processes providing them with the right knowledge for the role.
With the DILG, the PPP Center extended its support for its Local Public-Private Partnership for the People (LGU P4) initiatives, by providing trainings to select audiences. In August, some 25 DILG line offices underwent training on PPP 101 and project prioritization for LGUs. In September 2019, the Training of Trainers for DILG Regional Project Concept Note Workshop was conducted.

With the popularity of JVs at the local level, the PPP Center focused its efforts in providing LIAs an appreciation of its legal framework and processes as one of their PPP options. The Center partnered with CDIA to capacitate the Center on JVs and published the Guidebook on JV for LGUs which was launched on July 24, 2019. The guidebook offers LGUs instructions and insights on how to do PPPs through JVs from the crafting of a local JV ordinance to the competitive process of selecting a JV partner.

Joint Venture workshops were also held for LGUs, NROs and other PPP stakeholders in various regional locations such as Cagayan de Oro City, Iloilo City and Sto. Tomas City in Batangas. A total of 22 LGUs availed of the trainings. As a complimentary activity, the PPP Center undertook a consultation initiative with its primary partners to seek feedback on the Guidebook on JV to improve this important knowledge product.

Delivering focused technical assistance

One principal function of the PPP Center is to provide IAs technical assistance in developing PPP projects. In order to successfully get these projects off the ground, the Center directs its technical expertise to steer the IAs to efficiently undertake PPPs and galvanize them into action.

A significant degree of work and resources is allocated to developing projects. If capacity building is seen as the starting point of PPP projects, then good project development and management seals the deal for a PPP project’s successful tender. The process begins with the signing of MOA between the LIA and the PPP Center for a TAA, which outlines the scope of work and responsibilities of each party.

As a result of the MOA, the Center acts as the advisor of IAs for PPPs, delivering an array of both technical and legal services that enables its clients to navigate the rigorous requirements of PPPs. The PPP Center provides assistance in the identification and prioritization of projects, development of project concept notes and business cases, review of feasibility studies, management of market sounding and stakeholders’ consultation, preparation of contract and bid documents, conduct of procurement process, and monitoring of the project during implementation.

Identifying the most suitable project is the responsibility of the IAs. This natural progression from learning to doing PPP sets the stage for the Center’s project development.
team to come in and provide the necessary technical assistance for LIAs. The hand-holding approach provides the LIAs a certain level of comfort and confidence that is significant to pushing the project forward. Equally important is the institutional readiness of the LIAs as this largely determines the successful development and eventual tender of the project. Particularly for LGUs, the key metrics for institutional readiness include having a working PPP Code, establishing a dedicated PPP unit or team who will champion and push the project towards completion, and most importantly, having strong support from the local chief executive to pursue and advocate for the project.

“Developing PPP projects involve more than just preparing a feasibility study. To develop PPP projects to completion, it is also important that the project has sustained political support and commitment from the chief executives, as well as that of the Sanggunian,” Atty. Advincula said.

The work towards ensuring the institutional readiness of LIAs is critical as this will determine the success or breakdown of the PPP project. At the PPP Center side, the development team, which is composed of seasoned project managers and financial and legal experts, work hand in hand with the LIAs to structure, develop and tender the project.

Part of the Center’s technical assistance is to help LGUs put together their own PPP Code, which provides the legal framework and the type of PPP modality for LGUs who wish to undertake PPPs. It establishes the procedures, timelines and requirements that both parties are required to follow in implementing a PPP project allowing for consistency, reliability and transparency. These are legal issuances that should be passed as ordinances by their local councils.

The Center through its capacity building and legal teams have worked with LGUs to craft and issue their PPP Codes. In 2019, the PPP Center assisted sixteen (16) LGUs to formulate their PPP Code and Joint Venture Ordinance.
In 2019, the list of PPP projects has grown to 203, comprised of 145 awarded projects and 58 projects in the pipeline. The 58 projects are on different stages of development, procurement, and approval, of which 25 are solicited projects and 33 are unsolicited projects.

Government’s policy direction of allowing unsolicited PPP projects threw the doors wide open for investors to bring in their expertise and resources into projects that might not have been part of the priority projects of government but were nonetheless necessary in boosting the country’s infrastructure program, particularly in the regions.

Unsolicited proposals

With the influx of unsolicited projects (USPs), the PPP Center continues to provide its technical assistance to implementing agencies (IAs) for their PPP projects. The review process generally starts when the agencies have accepted the proposals from a potential private partner. Together with the IAs, the PPP Center proceeds to review the proposal based on the guidelines that it issued on managing unsolicited proposals under the parameters of the Amended Build-Operate-Transfer (BOT) Law or Joint Venture Code or Guidelines.

In 2019, twenty-six (26) USPs received by both national and local IAs were added to the Center’s pipeline. Most of these USPs involve projects in the transportation sector, while Ongoing construction of the MRT 7 Project, one of the awarded unsolicited PPP projects in the country.

**Unsolicited projects added to the pipeline in 2019**

1. Davao Sasa Port Modernization Project
2. Development, Operations and Maintenance of General Santos Port Project
3. Philippine Charity Sweepstakes Office (PCSO) Corporate Center Project
4. Pasay City Reclamation Project
5. Footbridge Development Project (Quezon City)
6. Iloilo Commercial Port Complex and Port of Dumangas Development Project
7. Integrated Waste Management Project (Marikina City)
there are several USPs in the property development and tourism sectors. “The increasing number of unsolicited proposal projects in our pipeline is a reflection of the private sector’s positive response to the government’s openness to unsolicited proposals. We clearly have a robust private sector that is ready and willing to do PPP projects,” explains Atty. Advincula. With this positive development, Atty. Advincula added that “it was necessary for the Center to be in step with the requirements of [the] IAs.” In 2019, aside from developing solicited projects, the Center has also focused its energy and efforts towards reviewing USPs submitted by the private sector.

“We needed to adapt to the needs of our IAs so that we can provide technical assistance and advisory services for both solicited and unsolicited projects,” said Atty. Advincula. “The Center is dynamic that way,” she added.

### Solicited projects

In 2019, eighteen (18) new solicited projects were added to the pipeline, comprising traditional projects such as roads, ports, rail, and property development. There are also non-traditional projects such as health, water, tourism, and solid waste management that mirror the urgent needs of the IAs.

### Solicited projects added to the pipeline in 2019

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<th>No.</th>
<th>Project Description</th>
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<td>UP Los Baños Agro-Industrial Information and Technology Parks Project</td>
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<td>18</td>
<td>CCP Asset Development Project</td>
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</table>
The Project Development and Monitoring Facility

The PDMF has been instrumental in developing well-structured projects not just for local IAs but also for National Government Agencies (NGAs). Established in 2011, and with a total seed fund of PhP 300M, the PDMF has, since then, assisted an ample number of IAs to get their PPP projects off the ground. The accomplishments of the PDMF are evident in the current pipeline of PPP projects that have successfully been implemented as PPP through the help of the facility. Out of nineteen (19) awarded PPP projects since 2010, eleven (11) are PDMF-funded.

Since its start in 2011, the Center’s PDMF obligated $53,646,340.62 USD for 38 PPP projects of various IAs. For 2019 alone, the PPP Center obligated a total of $1,034,956.80 USD for two (2) projects, the Independent Consultant for the Civil Registry System Information Technology Phase II Project ($214,897.60 USD) and Transaction Advisory Support for the Management of Competitive Challenge Process for the Davao Sasa Port and General Santos Port Projects ($820,059.20).

Total project cost: 2.16 trillion pesos
Evaluating PPP projects

A significant and complex step in the PPP process is the evaluation of PPP projects. Among the functions of the PPP Center is to assist in the appraisal of PPP projects for Investment Coordination Committee (ICC) approval and National Economic and Development Authority (NEDA) Board confirmation. The Center, in its capacity as member of the ICC-Technical Board, reviews the project documents of PPP projects submitted to the ICC, and prepares the Project Appraisal Reports (PARs) on PPP Projects for ICC review and approval.

Part of the task of the Center as evaluator of PPP projects is to identify and raise relevant concerns and comments regarding the proposed PPP projects which will help the ICC – Technical Board in its deliberation and decision-making on whether to endorse a proposed project for approval/confirmation of the ICC. The PPP Center’s concerns and comments typically include completeness of submission, risk allocation, economic viability, financial viability, bankability, value-for-money analysis, technical analysis, compliance to the Amended BOT Law and its Implementing Rules and Regulations (IRR), and compliance to ICC policy. For 2019, the Center reviewed and evaluated 12 USPs.

Creating a responsive policy environment

One of the Center’s successful strategies to make the PPP program more progressive and responsive is to create a policy environment that sustains the gains generated from its experiences. The lessons learned from the program’s inception to the current practices are captured and tailored into policies and issuances that guide, protect and expand the possibilities of enriching the PPP program.

Under the counsel of the PPP Governing Board (PPPGB), adaptive measures have been passed to address gaps in regulation, counter issues related to process and its improvements and generally improving the groundwork for better collaborations between government, its partners and stakeholders.

In July 2019, the PPPGB issued Resolution No. 2019-07-02 entitled Suggested Guidelines on Managing Greenfield Solicited Hybrid PPP Projects. As a backdrop, the adoption of hybrid PPPs as an option to implement PPPs was a policy direction set by the current administration. In a hybrid project structure, the government builds the facility using public funds while the operation and maintenance (O&M) of the project will be taken on by the private sector. The government sees this as one of the viable ways to implement PPP projects under the Build, Build, Build Program.

Unsolicited projects evaluated by the PPP Center

1. New Bohol (Panglao) International Airport Project
2. Ninoy Aquino International Airport (NAIA) Project
3. Davao International Airport Development, Operation, and Management Project
4. Laguindingan Airport Project
5. Davao Sasa Port Modernization Project
6. Modified Light Rail Transit (LRT) 6 Project
7. Davao People Mover Project
8. Fort Bonifacio-Makati Skytrain Project
9. C5 MRT-10 Project
10. Cavite-Tagaytay-Batangas Expressway Project
11. MRT 11 Project
12. 50-year Integrated Development Plan for Mactan Cebu International Airport (MCIA) Project
With that perspective in mind, the PPP Center formulated the Suggested Guidelines on Managing Greenfield Solicited Hybrid PPP Projects. Effectively implementing these projects entails the IAs’ clear understanding of hybrid PPPs and of the critical factors that will ensure their success. The issuance aims to guide IAs on the key considerations in developing and implementing a hybrid PPP project, including how to address various risks inherent in such an arrangement.

The PPP Center also initiated a collaboration with the Department of the Interior and Local Government (DILG) who is a prime partner of the Center in promoting the PPP program, particularly at the local level, which is formally known as PPPs for the People or P4. This collaboration resulted in the DILG-PPP Center Joint Memorandum Circular No. 2019-01 or the Supplemental Guidelines for the Implementation of Public-Private Partnership for the People (P4) Initiatives for Local Governments, which provides LGUs with guidance on the different modalities in implementing their PPP projects.

In addition, the Center collaborated with the Department of Budget and Management (DBM) for the issuance of the Joint Memorandum Circular No. 2018-01 or the Reporting of PPP Project Spending and Contingent Liabilities, which took effect in February 2019 and was issued to standardize the reporting and monitoring of public and private sector spending on PPPs and contingent liabilities arising from PPP projects. The resulting standardized reporting will improve and regularly update the Center’s project database on PPPs, and help improve government’s ability to monitor spending on PPP projects and more proactively assess potential contingent liabilities.

“It is the Center’s advocacy to develop and promote an enabling and relevant PPP legal framework for all the parties involved. Because PPPs can be quite complex and the processes highly detailed we need to provide a viable structure for collaboration and interface. The guidelines and issuance give our partners and stakeholders a sense of stability and certainty in doing PPPs. They know that there are always guidelines that they can look at for direction and prudence,” explains Atty. Phebean Belle A. Ramos-Lacuna, Director for Policy Formulation, Project Evaluation and Monitoring Service.

Working with the PPP Center, the Philippine Competition Commission (PCC) issued PCC Memorandum Circular No. 19-001 on July 2, 2020, which provides the rules to streamline its merger review process for joint ventures formed for solicited PPP projects implemented under the BOT Law and provides competition safeguards as early as project development without interfering with the timelines for the development, approval, and procurement of projects as contemplated under the BOT Law and its IRR, therefore preventing delay in the implementation of solicited PPP projects.
Advocating the PPP Act

The quest for the passage of the PPP Act is a continuing advocacy for the PPP Center. In 2019, at the start of the 18th Congress, the Center reviewed the five (5) PPP bills filed in the Senate and the four (4) PPP bills filed in the House of Representatives. The review was in preparation for extensive discussions with the Committees on Public Works and Highways in both houses. The Center likewise participated in the initiative of the Executive Branch to formulate a unified set of proposed reforms to the BOT Law, which shall be endorsed to Congress once approved by the inter-agency NEDA Infrastructure Committee.

As the infrastructure market and some aspects of the policy environment have changed since the last amendment of the BOT Law 25 years ago, there is a need to update the enabling framework for PPPs in the country.

The passage of the PPP Act will institute reforms to address the concerns of LGUs in undertaking PPP projects, provide adequate measures to protect public interest, and enable efficient and timely delivery of public services.

Tracking awarded projects

In delivering its continuing monitoring work, Filipinos are assured that the planned sharing of responsibilities and risks between government and the private sector partner prescribed in the contracts are being monitored.

“Contract compliance and performance monitoring is a challenging work for the Center and its partner implementing agencies, as this entails continuous work all the way until the contract is fulfilled. The contracts can have a lifespan of up to 25 to 30 years,” shares Jeffrey I. Manalo, Director for Policy Formulation, Project Evaluation and Monitoring Service.

In the process of monitoring, the Center works in close coordination with both the IA and the private sector partner who are both parties to the PPP project.

While the PPP program started off in 2010, the Center monitors BOT projects dating back to the 1990s under the defunct BOT Center. Considered as PPP projects, the inclusion of these BOT projects provide a more realistic universe of the scale and reach of PPPs in the Philippines.

Aside from monitoring big-ticket PPP projects implemented through the BOT Law and its IRR, the PPP Center also conducted site visits to PPP projects that are implemented under the NEDA JV Guidelines, local PPP Codes, and other relevant enabling laws and charters. The project monitoring team conducted site visit activities for thirty-five (35) PPP projects, as part of the strategy to gather information on PPP projects, and to document best practices and lessons learned.

At the close of the year, the PPP Center is monitoring 145 awarded projects of which 31 are projects undertaken by national government agencies (NGAs), 76 are from government-owned and controlled corporations (GOCCs) and 39 are PPP projects of LGUs. The total cost for the awarded PPP projects is PhP 2.16 trillion.
Bulacan Bulk Water Supply Project
- Stages 1 and 2 were 100% completed on April 25, 2019

Mactan-Cebu International Airport Project
- Rehabilitation of Terminal 1 was 100% completed on August 31, 2019

Civil Registry System – Information Technology Project (Phase II)
- Central outlet operations in the new CRS Building commenced on April 1, 2019

Metro Manila Skyway (MMS) Stage 3 Project
- Quirino South Bound on Ramp was opened to traffic on July 22, 2019
Major milestones of awarded projects

**Clark International Airport Expansion Project - Engineering, Procurement, and Construction (EPC)**
- 93.31% complete as of December 2019

**Clark International Airport Operations and Maintenance Project**
- Handover of the operations and maintenance for the existing passenger terminal building and other airport facilities to Luzon International Premier Airport Development (LiPAD) Corporation was held on August 16, 2019

**Cavite-Laguna Expressway Project**
- Subsections 6, 7 and 8 (Sta. Rosa to Mamplasan) were partially opened to traffic on October 30, 2019

**New Manila International Airport Project**
- Concession Agreement was executed by the Department of Transportation and the San Miguel Aerocity, Inc. on September 18, 2019

**Kalibo Meat Plant Project**
- The Joint Venture Agreement was signed on June 3, 2019 while the groundbreaking ceremony was held on June 13, 2019
Climate change is a potential risk that threatens a major global crisis, thus urgent action is needed. According to the Intergovernmental Panel on Climate Change (IPCC), a United Nations body that assesses the science related to climate change, without a global transformation, the world would reach 1.5°C of warming in the next decade.

Infrastructure plays an essential role in managing the risks and preventing the negative impacts of climate change. The physical impacts of climate change, such as increasing temperatures, extreme weather events and rising sea levels, among others, will affect all types of infrastructure.

Given that infrastructure developments have a long-term nature, it is important to start and determine the next climate change pathways for the generations to come. The government plays a critical role in catalyzing strategic climate-resilient actions, particularly in harnessing private sector engagement. While the public sector takes most of the responsibility to drive climate change solutions, it has become clear that the participation of the private sector is vital in preparing for and responding to the impacts of this condition. The infrastructure development should be designed, built and operated in a way that will adapt to these changing climate conditions.

**Climate-resilient and environmentally friendly PPPs**

In line with the President’s pronouncement setting the direction on climate change, the partnership of both the government and the private sector is important to maximize resources and rise to the challenge of building climate-resilient infrastructure projects that can both sustain the nation’s environment and protect the Filipino communities.

The PPP mode has been utilized to develop climate-resilient projects that support the climate adoption efforts being undertaken by the government, both at the national and local level. To further support the development of climate-resilient PPP projects, the PPP Center...
is promoting the adoption by implementing agencies (IAs) of the PPP Governing Board Resolution No. 2018-12-02, or the “Safeguards in PPP: Mainstreaming Environmental, Displacement, Social and Gender Concerns”.

The PPP Center is exploring the role of green financing for PPPs in the Philippines. While the country is relatively new to green financing, the PPP Center is already taking part in such programs to fund the nation’s PPP program that features climate-resilient projects.

In June 2019, the PPP Center received a USD 3 million technical assistance (TA) grant from the Asian Development Bank (ADB) to build its capacity in developing climate-resilient projects. The grant, financed by the Urban Climate Change Resilience Trust Fund (UCCRTF), will support the agency’s capacity building program and the development and procurement of local climate-resilient PPP projects through its Project Development and Monitoring Facility (PDMF). It will enable local implementing agencies (LIAs) to access a panel of PPP experts with proficiency in climate change resiliency, which will provide assistance in developing and implementing their PPP projects, from the feasibility study stage to approval, procurement, and implementation stages.

As part of its assistance in the preparation of various project concept notes, the PPP Center emphasized the significance of incorporating climate resiliency components in the conceptual design and minimum performance standards and specifications (MPSS) of PPP projects.

In 2019, the PPP Center assisted in the project concept notes for several climate resiliency-related projects such as the Iloilo City Integrated Solid Waste Management, Bislig City Bulk Water Supply and Septage, University of the Philippines – Los Baños Agro-Industrial and Information Technology Park,Ormoc City Water Supply System, Baggao Water Supply, Balicasag Island Dive Resort Development, and Lumbo Spring Water Supply, among others.

In developing the MPSS for the Balicasag Island Dive Resort Project, the PPP Center, together with the Tourism Infrastructure and Enterprise Zone Authority (TIEZA), developed important key mechanisms on the safeguarding of the natural resources in the island. These were incorporated in the required minimum design of the project to ensure that the structure would be more resilient against natural calamities.

In the joint and in-house conduct of business cases by both the PPP Center and IAs, they incorporated urban and climate resiliency principles in the MPSS for the construction and operation of the proposed hemodialysis facilities for Baguio General Hospital and Medical Center (BGHMC) and Cagayan Valley Medical Center (CVMC). This includes considerations on green building design, water recycling mechanisms, and hazard mapping of the facilities and project sites.

**USD 3 million**

**additional funding from the Urban Climate Change Resilience Trust Fund (UCCRTF)**
Center could help support the development of health care PPPs, especially at the local level. This includes the Center’s assistance to implementing agencies in project development through the conduct of business cases and access to funding from the Project Development and Monitoring Facility (PDMF), a revolving fund managed by the PPP Center to develop and prepare viable infrastructure and development PPP projects.

Assistant Secretary Sebastian cited as examples the Center’s technical assistance, through the collaboration with the DOH Public-Private Partnership for Health–Project Management Unit (“DOH-PPP Unit”), for the development of hemodialysis centers at Baguio General Hospital and Medical Center and Cagayan Valley Medical Center, and the funding support for feasibility studies, through the PDMF, provided to the University of the Philippines (UP) for the Philippine General Hospital Diliman Project.

PPP Center Undersecretary and Executive Director Ferdinand A. Pecson, meanwhile, identified the areas where PPPs can support implementing agencies in pursuing their PPP projects in the health sector, and to learn how PPPs can be a viable option to attain the objectives of the UHC Act. “It is not about banning PPP in health care. It is about regulating it properly such that the goals of universal health care are achieved,” he added.

The UHC Act is off to a good start, thanks to joint efforts by both the public and private sector. But a lot of work lies ahead of this partnership. Readiness of the various institutions is important in implementing the UHC Act and its Implementing Rules and Regulations. The DOH-PPP unit, in coordination with the PPP Center, is seen to play an important role in engaging the private and public institutions to actively participate in the realization of the UHC for all Filipinos.

In March 2019, the PPP Center, in collaboration with the ADB, organized a forum on “Fostering Universal Health Care through PPPs”, which was attended by national government agencies, led by the Department of Health (DOH), local government units, hospitals, health care representatives, legislators, and development partners. The participants in the forum discussed ways on how PPPs can be utilized to achieve the objectives of the Universal Health Care (UHC) Act in the country.

DOH Secretary Dr. Francisco T. Duque III highlighted that the UHC Act would shift from targeting better health outcomes to providing health care coverage, financial protection and responsiveness for all Filipinos. Furthermore, the health secretary highlighted the potential of private sector participation in delivering universal health care in the country. “The role of the private sector in the universal health care cannot be overemphasized,” says the health secretary. “The UHC Act provides more opportunities for the private sector to expand their market reach and challenge their creativity in developing value enhancing solutions.”

In his special remarks, Mr. Diwakar Gupta, ADB Vice-President for Private Sector and Cofinancing Operations, acknowledged the contributions of the PPP Center and the strong commitment of the Philippines in making the country a dynamic PPP market in the region. “The Philippines has strengthened the legal, regulatory, and institutional framework, as well as the underlying financial support structure to the degree that the country now scores high (seventh position) in the global ranking of PPP readiness, joining countries like Japan or Korea,” he says.

PPP Center Deputy Executive Director Mia Mary G. Sebastian discussed the ways the PPP Center collaborates with the Asian Development Bank for the Fostering Universal Health Care through PPPs Forum on March 22, 2019.

Addressing universal healthcare requirements

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A well supported human capital is a valuable asset to any organization. In a knowledge-based organization such as the PPP Center, particular attention is given to enriching the skills and experiences of its people. A proficient team bodes for increased productivity and produces innovation.

Director for Administrative Service, Maria Theresa L. Laranang, relates, “The PPP Center has always provided strong support and invested in its human asset to continuously improve the skills, expand the competencies and create experiences that are relevant to emerging needs of the organization, and the employees’ development needs.”

Employees are being sent to local and international trainings, scholarships, and other forms of learning and developments, and knowledge-sharing has been institutionalized. The Center recognized that as an organization that relies heavily on information and knowledge, there is a need to continuously harness the team to be able to manage the challenges.

In 2019, the PPP Center embarked on several institutional initiatives that enriched and amplified the Center’s stature as the main driver of the PPP Program.

In its bid to strengthen its capacities to provide implementing agencies (IAs) with a more dynamic and effective technical assistance, the PPP Center has been constantly investing in its human capital through local and foreign funded trainings and career development for its various members.
In partnership with the Australia Awards and Alumni Engagement Program – Philippines (AAAEP-P), four (4) employees were admitted to master’s degree programs in Australia.

Meanwhile, through Japanese Government Scholarships, one employee was admitted to pursue a master’s degree program in Japan.

In 2019, the ADB technical assistance program, Strengthening Public-Private Partnerships in the Philippines, supported external training programs to further boost the skills of the Center’s key management staff. Dir. Lerma Advincula of the Project Development Service participated in the Harvard Executive Program on “Infrastructure in a Market Economy: Public-Private Partnerships in a Changing World” and Deputy Executive Director Eleazar Ricote participated in the New Castle University (UK) program on “Climate Change: Vulnerability, Impacts and Adaptation.”

### In-house learning and development (L&D) activities

1. Certified Public-Private Partnership Practitioner (CP3P) Training Program - a certification course
2. Value Formation and Behavior Training
3. Training on RA 9184 & its IRR
4. Basic Life Support/Emergency Preparedness Training
5. Joint Venture Contract Drafting, Negotiation and Management Training
6. Talk on Proactive Self-care
7. Orientation on Expanded Maternity Leave Law
8. No Bake Cake Training Course
9. Seminar on Revised Guidelines on Strengthening Performance Accountability through the Enhanced Career Executive Service Performance Evaluation System (CESPES)
10. HIV/AIDS Orientation Seminar
11. We stand Together with P.R.I.D.E. People Recognizing Individual Diversity and Equality
13. Fire Safety and Earthquake Preparedness Seminar
Sustaining gender and development (GAD) and social safeguards

The Gender and Development (GAD) Committee was reconstituted and reorganized to ensure the effective implementation of the agency’s GAD agenda. Special Order (SO) No. 138, reconstituting the GAD Committee, was issued on September 6, 2019. It reorganized the sub-committees on client-focused activities and organization-focused activities into the GAD Advocacy and Capacity Development Sub-Committee, and Mainstreaming Gender Safeguards in Core PPP Center Activities Sub-Committee, respectively. It likewise transferred the Secretariat role of the Committee from the Human Resources Division to the Corporate Planning and Development Division (CPDD) in order to ensure that gender mainstreaming efforts are aligned with the PPP Center’s regular planning activities.

SO No. 138, moreover, expanded the representation of the different PPP Services in the Committee to take into account units with specialized functions, such as the Project Evaluation Division (PED) and Knowledge Management Division (KMD). Following reconstitution and reorganization of the Committee, male representation in the GAD Committee improved from 26% to 42% of the members.

Part of the efforts that the PPP Center pushed to mainstream gender in PPPs is the dissemination of the PPP Governing Board No. 2018-12-02 - Safeguards in PPPs: Mainstreaming Environmental, Displacement, Social and Gender Concerns to twenty (20) national government agencies (NGAs) and nine (9) local government units (LGUs). Thus, in June 2019, the PPPGB approved the implementation of the Safeguards in PPPs: Mainstreaming Environmental, Displacement, Social and Gender Concerns which was operationalized into Special Order No. 89 through PPP Governing Board No. 2018-12-02. The Center also pursued a more enhanced capacity building program on GAD for its employees which includes improvement in the gender sensitivity training (GST) curriculum for the GAD committee and new employees of the Center. The new curriculum includes an introduction to GAD and an overview of sexual orientation and gender identity expression (SOGIE) concepts.

In 2019, Ms. Loida Ramos of the Project Development Service participated in the training workshop on “Disability Inclusive Development” sponsored by the Embassy of Australia. The workshop tackled inclusive development in the Philippines and targeted interventions to ensure that persons with disabilities are part of the process of decision-making in development and are able to obtain equal opportunities.

Improving agency processes

Innovation adds to the agility of the PPP Center to face up to the changing requirements of the bureaucracy and its stakeholders.

On November 9, 2019, the Center received its International Organization for Standardization (ISO) Certification for the Provision of Technical Assistance and Advisory Service During Development, Structuring, Evaluation and Monitoring of Projects; Policy Formulation; Capacity Building and Knowledge Management; with the Assistance of the Various Support Services of the Center issued by the TUVReinland.

Compliance with the requirements of the ISO 9001:2015 certification for the entire business process of the Center ensures that its quality management systems are responsive and have
in place clear processes and structures with specific tasks and responsibilities identified throughout the entire organization.

“The ISO certification was a long and tedious work. But in the end, it simplified our processes; each one knew the roles, interfaces, and contributions in the organization; and the collaborations among teams are improving,” Director Laranang shares.

Another move to improve and simplify processes in government is the Center’s efforts to adhere to the provisions of Republic Act No. 11032 or An Act Promoting Ease of Doing Business and Efficient Delivery of Government Services, Amending for the Purpose Republic Act No. 9485, Otherwise Known as the Anti-Red Tape Act of 2007, and for Other Purposes. This was a result of the President’s directive to all government agencies during the 2019 SONA to simplify government processes.

With the passage of the law, the Anti-Red Tape Authority (ARTA) was created as the government agency mandated to administer and implement the said law and its Implementing Rules and Regulations (IRR), and to monitor and ensure compliance with the national policy on anti-red tape and ease of doing business in the country. (www.arta.gov.ph)

In November 2019, the Center’s Anti-Red Tape Committee (ARTC) was created through Special Order No. 169 Series of 2019. The ARTC reviewed and recommended the reengineering of systems and procedures to promote efficiency and simplicity of processes following the requirements in the Ease of Doing Business and Efficient Government Service Delivery Act of 2018. These were also done in alignment with the Center’s Quality Management System (QMS), ensuring the consistency between documented procedures in the service operations manuals and the Center’s Citizen’s Charter. In December 2019, the Center published its revised Citizen’s Charter covering both external and internal services being provided by the agency to its stakeholders.

Wins and honoring excellence

In the pursuit of improving and attaining the Center’s goals, the PPP Center was also recognized for its efforts in the field of accounting and human resources.

In October 2019, the Finance Division-ADS was recognized for the 3rd time (2015, 2017, 2018) by the Association of Government Accountants of the Philippines (AGAP) as one of the Outstanding Accounting Offices for having exemplary met the criteria of accuracy and completeness, timeliness in the submission of financial reports, reliability and compliance with accounting rules and regulations set by the Commission on Audit (COA).

Meanwhile, the PPP Center was conferred a Certificate of Recognition for obtaining Maturity Level 2 of the Program to Institutionalize Meritocracy and Excellence in Human Resource Management (PRIME-HRM) in three of its core systems: Recruitment, Selection and Placement, Learning and Development and Rewards and Recognition.

The recognition confirms that the PPP Center’s human resource management systems, practices and competencies are aligned with the agency’s internal requirements and compliant with the Civil Service Commission (CSC) policies. This also affirms the Center’s efforts to enhance its human resource programs for efficiency and effective public service delivery.
As an organization that advocates professionalism and excellence, the Center recognized its outstanding employees through its Program on Awards and Incentives System (PAIS). On May 10, 2019, exemplary achievements by outstanding employees, officials, and units were recognized during the Center’s Gawad Awards for the invaluable contributions that benefited the agency and stakeholders.

Creating and sharing knowledge

As a knowledge-based organization, the PPP Center relies heavily on data and information that have been processed, curated and transformed into new knowledge for distribution. This process is known as knowledge management. These knowledge systems shared in various forms and manner are critical in providing practical information about PPPs to the Center’s clients, particularly in delivering its technical assistance.

The collaborative work that the Center does, the sharing of practical experience and the various lessons learned are necessary in cultivating technical expertise necessary for developing and implementing PPPs.

The PPP Center wrapped up 2019 with various knowledge products published and disseminated to different clients and stakeholders. These materials are products of the various information and data gathered and processed into new knowledge being shared in different media, both digital and traditional.

As part of the Center’s continuing program to improve its human capital, it conducted various knowledge sharing sessions from experts in various fields either related to the infrastructure space or to PPPs in particular.

“The Center is very keen on educating and enriching its people on subjects that will prove to be essential to its work as technical advisor on PPPs to IAs. These sessions keep everyone abreast with the initiatives, experiences and lessons learned gathered from each topic presented,” discloses Jomel Anthony V. Gutierrez, Director for Capacity Building and Knowledge Management Service.

For 2019, we did 18 sessions on various topics that are intrinsic to our jobs as PPP practitioners. More often, the Center has opened its doors to other stakeholders as well, sharing our knowledge to those agencies who wish to learn,” he adds.

With the growing body of knowledge, having a solid and secure database to manage the emergent project-related data is vital to the Center’s mandate as the central repository of all PPP projects. With the IT infrastructure in place, the Center was able to develop in-house systems that have contributed to the efficiency of its processes. Some of these systems are...
the Capacity Building Monitoring System, Legal Databank, and Project Databank and Collaboration System.

The Center also tapped the Asia Pacific Project Preparation Facility (AP3F)-funded Technical Assistance through the Asian Development Bank to develop the Project Information and Management System (PIMS) with support from the Sustainable Infrastructure Foundation (SIF)-SOURCE. The project database being developed by SIF will allow project monitoring, data collection and dissemination of project information across both implementing and oversight agencies for PPPs.

Part of creating and sharing knowledge on PPPs is the Center’s corporate communications initiatives. Bringing the up-to-date and relevant information on PPPs has always attracted the interest and support of the Center’s local and foreign media partners. The Center maintains a digital platform, its ppp.gov.ph website, that has served as a responsive venue for the most updated information on developments about the PPP projects and related topics and events. The PPP Center has also utilized the social media platforms to constantly inform its partners and stakeholders. The agency’s Facebook, Twitter, and LinkedIn accounts are regularly updated to ensure transparent sharing of information on PPP updates and developments.
Strategic collaboration is the lifeline of the PPP Center as the driver of the PPP program. Its successes can also be attributed to the years of alliances and partnerships that help address gaps in resources and policies, provide access to PPP experts and knowledge, and produce opportunities for cooperation and sharing of skills and experiences.

**Working with ADB**

Since 2011, the Asian Development Bank (ADB), with co-funding from the Governments of Australia and Canada, has been actively supporting the Government of the Philippines on their reform program to strengthen PPPs through capacity building, policy reform, improving governance and institutional arrangements and expanding private participation in infrastructure via well prepared and bankable PPP projects through a technical assistance (TA) grant on “Strengthening Public-Private Partnerships in the Philippines”.

The Center’s collaboration and partnership with the ADB and the Government of Australia is a continuing effort that has allowed the PPP Center to improve its processes and policies, creating a stronger institution that is both agile and responsive to the demands of its partners and clients.

Consistent with the objective of building the capacity of the PPP Center and in support of the implementation of the PPP Center’s Local PPP Strategy, the TA-supported consultants provided specialized legal, technical and financial advice to the PPP Center in developing business cases on local PPP projects in the health, tourism and vertical infrastructure sectors. They delivered knowledge sharing sessions on various PPP related topics, including on mainstreaming environment and social safeguards in PPP projects, demand forecasting and economic appraisal of projects.

In 2019, the ADB approved an additional US$3 million TA grant to the Philippine government.
through the PPP Center. The grant, financed by the Urban Climate Change Resilience Trust Fund (UCCRTF), will support local development and procurement of local climate-resilient PPP projects through its Project Development and Monitoring Facility (PDMF) and will support the PPP Center’s capacity building program.

The PPP Center, in collaboration with the ADB sponsored two major fora in 2019. The “Forum on Renewable Energy and Waste-to-Energy PPPs” encouraged government agencies, particularly local government units, special economic zones, and government-owned and -controlled corporations, to utilize PPPs as one of the tools to develop innovative solutions in implementing or integrating renewable energy and waste-to-energy in their infrastructure and development projects.

“Public-private partnerships (PPPs) in energy can allow governments to share the burden of financing and management. PPPs can be a valuable means to ensure access to affordable, reliable, sustainable and modern energy,” ADB Vice-President Ahmed Saeed emphasizes. The ADB also sponsored a forum on “Fostering Universal Health Care through PPPs”, which brought together experts and partners to discuss the viability of PPPs in the implementation of the Universal Health Care (UHC) Act. The law provides for health care coverage for all Filipinos.

On September 9, 2019, the PPP Center and Singapore-based Infrastructure Asia signed a Memorandum of Understanding (MOU). The signing ceremony coincided with the state visit of Singaporean President Halimah Yacob to the Philippines. Infrastructure Asia collaborates with the PPP Center to help facilitate the implementation of its Local PPP Strategy by sharing knowledge and international best practices on capacity building and policy formulation, including the development of PPP guidelines on focus areas such as healthcare, water supply, and waste management. Infrastructure Asia will tap key Singapore-based infrastructure players to support these initiatives.

The PPP Center and Singapore-based Infrastructure Asia sign a Memorandum of Understanding (MOU) on September 9, 2019 to provide assistance to local PPP projects.
Building PPP capacity with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

In 2019, the Center also had a partnership with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). A development advisor from GIZ, Mr. Gebhard Ott, was assigned to the agency to lead the initiatives of GIZ in building the capacity of local government units (LGUs) on joint venture (JV) arrangements. The Stakeholders’ Consultation on Local Government JV Arrangements with Local Private Companies on November 22, 2019 served as a venue for the private sector partners to learn more on how to participate in the development of local JV projects in the country. Participants from 19 private companies joined in a discussion on the different legal and regulatory frameworks, basic principles and processes of JVs.

Sharing Philippine PPP experiences

Learning visit programs were also conducted by the Center which aimed to share valuable insights on how the Center champions and manages the Philippine PPP Program and how PPP projects are being monitored and audited among the delegates of the Colombo Plan Staff College of Pakistan and Bangladesh in February and the Federal Democratic Republic of Ethiopia in June.

Promoting PPPs with UNESCAP

The Philippines, through the PPP Center, hosted the 2nd Meeting of the Infrastructure Financing and Public-Private Partnership Network of Asia and the Pacific in collaboration with the United Nations Economic Social Commission for Asia and the Pacific (UNESCAP) and the China Public-Private Partnerships Center (CPPPC) on August 7-9, 2019. Over 60 participants from the Asia-Pacific Region attended to advance the dialogue from the first network meeting in 2018 and further engage the recommendations of the members on the role of the said Network, the establishment of a web portal and project pipeline, and how the Network can strengthen an Asia-Pacific platform of public authorities, financiers, and market stakeholders who plan and implement infrastructure financing projects.
For 2020 and for the new decade, the Center will continue to train its efforts on developing projects that will address the current needs of the Filipino people in various emerging sectors—climate resiliency, health, renewable energy, information and communications technology, agriculture and food security, and tourism.

While the Center focuses on these emerging sectors, it will also maintain its support in the traditional sectors of transportation, water and sanitation, and property development, creating a diverse and attractive portfolio of PPP projects for investors. It will continue to promote PPPs at the local level, partnering with local IAs and empowering them to take that first step in developing their PPP projects. The in-house business case development initiative of the Center will continue to be one of its major offerings to help IAs rollout their PPP projects. It will also encourage more IAs to tap the high-caliber panel of PDMF consultants to assist them in developing and implementing their PPP projects.

There is much to look forward to as the Center enters a new decade in 2020. In September, the PPP Center will be celebrating its 10th year anniversary. As history has witnessed, the past decade is ripe with noteworthy experiences that have helped shaped this institution to what it is at this moment—agile, confident, and more experienced, as it continues to support the directions and plans of the government in its economic agenda, including the Build Build Build Program.

In order to sustain these gains, the Center approaches 2020 with a defined target on what particular sectors to focus on and the collaborations that it will be pursuing to strengthen the gains made in 2019. The Center will continue its commitment to work on the goals it has established in terms of growing the pipeline and the actions it will seek to make the PPP Center more responsive to the needs of the implementing agencies (IAs). The Center will continue to keep its relevance in the bigger economic blueprint of the country with the same grit and aptitude that has made it valuable.
The PPP Act is still one of the most urgent policy reforms that the Center will push to institutionalize the best practices and lessons learned that it has accumulated and implemented in the past years to secure the sustainability of the Philippine PPP Program and Projects. Moreover, following the Local PPP Strategy, the PPP Center is coming up with sector-specific materials to help IAs pursue projects in priority and emerging sectors. In this regard, collaborations to strengthen the capability of the government to undertake PPPs in the identified sectors are expected to be prioritized in the Center’s dealings with external partners. In terms of sector-specific materials, the Solid Waste Management PPP Guide is expected to be published within the second half of 2020. The Guidelines on Dispute Resolution Board for PPPs and Joint Ventures are expected to be presented to the PPP Governing Board for approval in the 3rd Quarter of 2020.

The Center is also eyeing to develop Investment Coordination Committee (ICC) checklist and templates to guide the IAs in conducting assessment of solicited and unsolicited PPP project proposals prior to submission to the ICC. It will also initiate the development of master list for PPP projects that underwent ICC approval.

Collaboration with existing and new development partners will remain one of the agency’s priorities to ensure that the Philippine PPP Program will continue to flourish. Various initiatives have also been set for 2020 with these partnerships. The Asian Development Bank will continue to support the Center on capacitating the institution’s workforce to provide effective and valuable technical assistance to the IAs. Infrastructure Asia is set to help the Center craft policies and other capacity building support for the Center’s local PPP initiatives. The Center’s work with the Department of the Interior and Local Government on the PPP for the People Initiative for Local Governments (LGU P4) will continue to further advocate PPPs around the country.

The Center will continue to improve the way it delivers its services to its clients—enhancing its internal processes and procedures, and adopting innovations borne out of the experiences it has gained and the lessons it has learned. Transparency and accountability will remain a constant in its way of doing things. As the PPP Center continues to champion PPPs in the Philippines, it does not lose sight of its purpose to deliver sound and pragmatic PPP projects. Because ultimately, the work of the Center redounds to securing the nation’s aspiration to invest in the future of the Filipino people.
MANAGEMENT COMMITTEE

FERDINAND A. PECSON  
Executive Director

ELEAZAR E. RICOTE  
Deputy Executive Director

MIA MARY G. SEBASTIAN  
Deputy Executive Director

ATTY. MARIA LERMA L. ADVINCULA  
Director IV  |  Project Development Service

JUSTINE E. PADIERNOS  
OIC-Director III  |  Project Development Service
ATTY. JOANNE B. BABON  
*OIC-Director IV* | Project Development & Monitoring Facility Service

RENO JOSEPH N. CANTRE  
*OIC-Director III* | Project Development & Monitoring Facility Service

JEFFREY I. MANALO  
*Director IV* | Policy Formulation, Project Evaluation & Monitoring Service

ATTY. PHEBEAN BELLE A. RAMOS-LACUNA  
*OIC-Director III* | Policy Formulation, Project Evaluation & Monitoring Service

FEROISA FRANCISCA T. CONCORDIA  
*Director IV* | Capacity Building & Knowledge Management Service

JOMEL ANTHONY V. GUTIERREZ  
*Director III* | Capacity Building & Knowledge Management Service

ATTY. FRANCES YANI P. DOMINGO  
*Director IV* | Legal Service

MARIA THERESA L. LARANANG  
*Director IV* | Administrative Service
### Statement of Financial Position

**Public-Private Partnership Center of the Philippines**

**All Funds**

**As of December 31, 2019**

(In Philippine Peso)

<table>
<thead>
<tr>
<th>Note</th>
<th>2019</th>
<th>2018 (As Restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>4</td>
<td>2,229,920,428.69</td>
</tr>
<tr>
<td>Receivables</td>
<td>5</td>
<td>1,411,183,247.60</td>
</tr>
<tr>
<td>Inventories</td>
<td>6</td>
<td>2,510,383.93</td>
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<tr>
<td>Other Current Assets</td>
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<td>8,451,349.86</td>
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<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td>3,652,065,410.08</td>
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<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>8</td>
<td>22,032,349.78</td>
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<tr>
<td>Intangible Assets</td>
<td>9</td>
<td>3,208,694.13</td>
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<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td></td>
<td>25,241,043.91</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>3,677,306,453.99</td>
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<tr>
<td><strong>Liabilities</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
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<td></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td>10</td>
<td>886,605.46</td>
</tr>
<tr>
<td>Inter-Agency Payables</td>
<td>11</td>
<td>7,635,267.28</td>
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<tr>
<td>Intra-Agency Payables</td>
<td>12</td>
<td>3,630,097.90</td>
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<tr>
<td>Deferred Credits</td>
<td>13</td>
<td>19,542.18</td>
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<tr>
<td>Trust Liabilities</td>
<td>14</td>
<td>62,714,501.22</td>
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<tr>
<td>Other Payables</td>
<td>15</td>
<td>1,099,035.22</td>
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<tr>
<td><strong>Total Current Liabilities</strong></td>
<td></td>
<td>75,985,049.26</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
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<td>75,985,049.26</td>
</tr>
<tr>
<td><strong>Total Assets less Total Liabilities</strong></td>
<td></td>
<td>3,601,321,404.73</td>
</tr>
<tr>
<td><strong>Net Assets / Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated Surplus/(Deficit)</td>
<td>25</td>
<td>3,601,321,404.73</td>
</tr>
<tr>
<td><strong>Total Net Assets / Equity</strong></td>
<td></td>
<td>3,601,321,404.73</td>
</tr>
</tbody>
</table>

*This statement should be read in conjunction with the accompanying notes.*
### PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES
### STATEMENT OF FINANCIAL PERFORMANCE
### ALL FUNDS
### FOR THE YEAR ENDED DECEMBER 31, 2019
### (In Philippine Peso)

<table>
<thead>
<tr>
<th>Note</th>
<th>2019</th>
<th>2018 (As Restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service and Business Income 17</td>
<td>4,983,795.43</td>
<td>8,239,458.04</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>4,983,795.43</td>
<td>8,239,458.04</td>
</tr>
<tr>
<td>Less: Current Operating Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services 18</td>
<td>109,949,970.50</td>
<td>98,860,958.41</td>
</tr>
<tr>
<td>Maintenance &amp; Other Operating Expenses 19</td>
<td>70,250,432.89</td>
<td>62,776,078.03</td>
</tr>
<tr>
<td>Financial Expenses 20</td>
<td>4,003.39</td>
<td>2,074.32</td>
</tr>
<tr>
<td>Non-Cash Expenses 21</td>
<td>19,233,173.11</td>
<td>16,381,020.36</td>
</tr>
<tr>
<td><strong>Total Current Operating Expenses</strong></td>
<td>199,437,579.89</td>
<td>178,020,131.12</td>
</tr>
<tr>
<td>Surplus/(Deficit) from Current Operations</td>
<td>(194,453,784.46)</td>
<td>(169,780,673.08)</td>
</tr>
<tr>
<td>Net Financial Assistance/Subsidy 22</td>
<td>200,144,674.30</td>
<td>238,046,454.19</td>
</tr>
<tr>
<td>Other Non-Operating Income</td>
<td>0.00</td>
<td>165.00</td>
</tr>
<tr>
<td>Gains 23</td>
<td>0.00</td>
<td>89,477,576.58</td>
</tr>
<tr>
<td>Losses</td>
<td>(1,687,854.82)</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Surplus/(Deficit) for the period</strong></td>
<td>4,003,035.02</td>
<td>157,743,522.69</td>
</tr>
</tbody>
</table>

*This statement should be read in conjunction with the accompanying notes.*
### Cash Flows from Operating Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipt of Notice of Cash Allocation</td>
<td>216,024,227.11</td>
<td>239,459,182.41</td>
</tr>
<tr>
<td>Collection of Income/Revenues</td>
<td>2,851,083.16</td>
<td>3,892,672.96</td>
</tr>
<tr>
<td>Collection of Receivables</td>
<td>93,420,628.30</td>
<td>57,050,721.44</td>
</tr>
<tr>
<td>Receipt of Inter-Agency Fund Transfers</td>
<td>0.00</td>
<td>6,200,000.00</td>
</tr>
<tr>
<td>Receipt of Trust Liabilities</td>
<td>28,175,079.06</td>
<td>59,259,331.17</td>
</tr>
<tr>
<td>Other Receipts (Refund of Excess Cash Advance)</td>
<td>133,722.59</td>
<td>310,347.38</td>
</tr>
<tr>
<td><strong>Total Cash Inflows</strong></td>
<td><strong>340,604,740.22</strong></td>
<td><strong>366,172,255.36</strong></td>
</tr>
</tbody>
</table>

### Cash Outflows

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remittance to National Treasury</td>
<td>2,670,558.35</td>
<td>752,225.84</td>
</tr>
<tr>
<td>Payment of Expenses</td>
<td>140,782,705.69</td>
<td>141,003,456.47</td>
</tr>
<tr>
<td>Purchase of Inventories</td>
<td>3,161,590.73</td>
<td>260,695.00</td>
</tr>
<tr>
<td>Grant of Cash Advances</td>
<td>24,493.25</td>
<td>1,007.00</td>
</tr>
<tr>
<td>Prepayments</td>
<td>4,117,096.16</td>
<td>6,726,365.59</td>
</tr>
<tr>
<td>Payment of Accounts Payable</td>
<td>1,448,996.37</td>
<td>669,506.91</td>
</tr>
<tr>
<td>Remittance of Personnel Benefits Contributions and Mandatory Deductions</td>
<td>24,136,534.91</td>
<td>22,901,764.41</td>
</tr>
<tr>
<td>Other Disbursements</td>
<td>48,395,539.51</td>
<td>146,082,305.47</td>
</tr>
<tr>
<td>Reversal of Unutilized NCA</td>
<td>19,167,552.81</td>
<td>1,422,695.36</td>
</tr>
<tr>
<td><strong>Total Cash Outflows</strong></td>
<td><strong>243,905,067.78</strong></td>
<td><strong>319,820,022.05</strong></td>
</tr>
</tbody>
</table>

**Net Cash Provided by (Used in) Operating Activities**                   | **96,699,672.44** | **46,352,233.31** |

### Cash Flows from Investing Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase/Construction of Property, Plant and Equipment</td>
<td>9,800,984.03</td>
<td>9,143,305.49</td>
</tr>
<tr>
<td>Purchase of Intangible Assets</td>
<td>0.00</td>
<td>2,646,642.00</td>
</tr>
<tr>
<td><strong>Total Cash Outflows</strong></td>
<td><strong>9,800,984.03</strong></td>
<td><strong>11,789,947.49</strong></td>
</tr>
</tbody>
</table>

**Net Cash Provided by (Used in) Investing Activities**                  | **(9,800,984.03)** | **(11,789,947.49)** |

### Increase / (Decrease) in Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase / (Decrease) in Cash and Cash Equivalents</td>
<td>86,898,688.41</td>
<td>34,562,285.82</td>
</tr>
</tbody>
</table>

### Effects of Exchange Rate Changes on Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents, January 1</td>
<td>2,146,408,917.15</td>
<td>2,109,240,980.57</td>
</tr>
<tr>
<td>Cash and Cash Equivalents, December 31</td>
<td>2,229,920,428.69</td>
<td>2,146,408,917.15</td>
</tr>
</tbody>
</table>

This statement should be read in conjunction with the accompanying notes.
### PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES

#### STATEMENT OF CHANGES IN NET ASSETS/EQUITY

**ALL FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

(In Philippine Peso)

<table>
<thead>
<tr>
<th>Accumulated Surplus/ (Deficit)</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at January 1</strong></td>
<td>3,599,654,808.76</td>
<td>3,442,628,852.08</td>
</tr>
<tr>
<td><strong>Add/(Deduct):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in Net Assets/Equity for the Calendar Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus/(Deficit) for the period</td>
<td>4,003,035.02</td>
<td>157,743,522.69</td>
</tr>
<tr>
<td>Other Adjustments</td>
<td>334,119.30</td>
<td>0.00</td>
</tr>
<tr>
<td>Others</td>
<td>(2,670,558.35)</td>
<td>(717,566.01)</td>
</tr>
<tr>
<td><strong>Total recognized revenue and expense for the period</strong></td>
<td>1,666,595.97</td>
<td>157,025,956.68</td>
</tr>
<tr>
<td><strong>Balance at December 31</strong></td>
<td>3,601,321,404.73</td>
<td>3,599,654,808.76</td>
</tr>
</tbody>
</table>

*This statement should be read in conjunction with the accompanying notes.*

---

### PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES

#### STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

**ALL FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

(In Philippine Peso)

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Note</th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Difference Budget and Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Original</td>
<td>Final</td>
<td>On Comparable Basis</td>
</tr>
<tr>
<td><strong>RECEIPTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services and Business Income</td>
<td>40</td>
<td>40,814.54</td>
<td>40,814.54</td>
<td>40,814.54</td>
</tr>
<tr>
<td>Shares, Grants and Donations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust Receipts</td>
<td>28</td>
<td>28,175,079.06</td>
<td>28,175,079.06</td>
<td>28,175,079.06</td>
</tr>
<tr>
<td>Reimbursement of Project Costs</td>
<td>1,250,724,000.00</td>
<td>1,250,724,000.00</td>
<td>93,376,906.99</td>
<td>(1,157,347,093.01)</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td></td>
<td>1,278,939,893.60</td>
<td>1,278,939,893.60</td>
<td>121,592,800.59</td>
</tr>
<tr>
<td><strong>PAYMENTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>24</td>
<td>98,869,000.00</td>
<td>110,280,006.00</td>
<td>110,017,374.21</td>
</tr>
<tr>
<td>Maintenance and Other Operating Expenses</td>
<td>24</td>
<td>168,052,777.51</td>
<td>165,535,277.51</td>
<td>109,668,617.02</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>24</td>
<td>4,853,110.71</td>
<td>4,853,110.71</td>
<td>4,501,060.72</td>
</tr>
<tr>
<td>Financial Expenses</td>
<td>24</td>
<td>2,086.80</td>
<td>2,086.80</td>
<td></td>
</tr>
<tr>
<td><strong>Total Payments</strong></td>
<td></td>
<td>271,774,888.22</td>
<td>280,670,481.02</td>
<td>224,189,138.75</td>
</tr>
<tr>
<td><strong>NET RECEIPTS/PAYMENTS</strong></td>
<td></td>
<td>1,007,165,005.38</td>
<td>998,269,412.58</td>
<td>(102,596,338.16)</td>
</tr>
</tbody>
</table>

*This statement should be read in conjunction with the accompanying notes.*

---

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