



Negros Occidental Bulk Water Supply Project

Preliminary Market Consultation
May 2023

PPP Center
Project Development Service



Background of the Activity

- The Project is one of the priority projects under the Abanse Negrense seven-point development agenda, and is expected to address the increasing water demand of Negros Occidental by developing surface water and thereby reducing the province's dependency on deep wells
- ADB, through the Southeast Asia Public Management, Financial Sector, and Trade Policy Facility, extended a technical assistance to the PPP Center and the Provincial Government of Negros Occidental to develop the Project through a PPP arrangement
- USAID, through the Safe Water Project, provided support and baseline information such as hydrological studies, among others
- Preparation of PPP project study is underway. Comments from the market are currently being solicited as possible inputs to finalize the PPP project study.



Guidelines

- The preliminary market consultation is being undertaken on a 'no commitment' basis and does not form part of the formal selection process.
- Participation in this activity does not earn pre-qualification of the participants for any future tender process.
- All information that will be shared during the meeting shall be kept confidential and will be used only as input to the PPP project study.



Project Rationale and Objective

Project Rationale

Current Situation in Negros Occidental:

- Groundwater sources are rapidly being depleted and will soon be *fully used up*.
- Based on the Philippine Sustainable Water Masterplan, LGUs and WDs should *shift to surface water sources* in order to have a sustainable water supply system and mitigate depletion of groundwater sheds.
- There are *service problems* occurring such as high turbidity during rainy season, low pressure occurrences during peak-hour demand, poor water quality, etc.
- There is a *need to develop a new water source* to augment the current water supply.

Project Objectives



The Project aims to address the increasing water demand of the Province of Negros Occidental by developing surface water as the source to provide *potable, sustainable, and resilient water supply* and at the same time reducing dependency on groundwater and use of deep wells.

Profile of Negros Occidental



- Outside Metro Manila, Negros Occidental has the **most number of cities** with its highly urbanized capital, Bacolod City, plus 12 component cities and 19 municipalities
- **Land area:** 792,607 hectares (of which 540,386 ha is alienable/disposable)
- **Population:** 3.2 million in 2020 and seen to reach at least 5 million by 2040
- 10 renewable **energy** sources
- **Easily accessible** by air, land and sea transport
- **Competitive** labor cost
- 2.74 million **employed** persons as of 2018 and with active education program for skilled manpower
- **24 Ecozones:** 3 agro-industrial, 19 IT/BPO Center/Park, 2 manufacturing

Profile of Negros Occidental

Major Industries

- Wholesale and retail
- Services
- Manufacturing, construction and real estate development
- Agriculture and aquaculture
- Mining and quarrying

Investment Priorities

- Infrastructure
- Tourism
- Information Technology
- Agri-Business
- Organic Agriculture
- Renewable Energy Resources
- Sugar Industry
- Giftware & Holiday Decor

Emerging Developments

- Commercial developments (e.g. new malls)
- Residential subdivisions, socialized housing
- Government buildings
- Planned townships
- Seaport



P3.4 billion proposed budget
for Negros Occidental flagship
development programs for
2023-2025

Profile of Negros Occidental

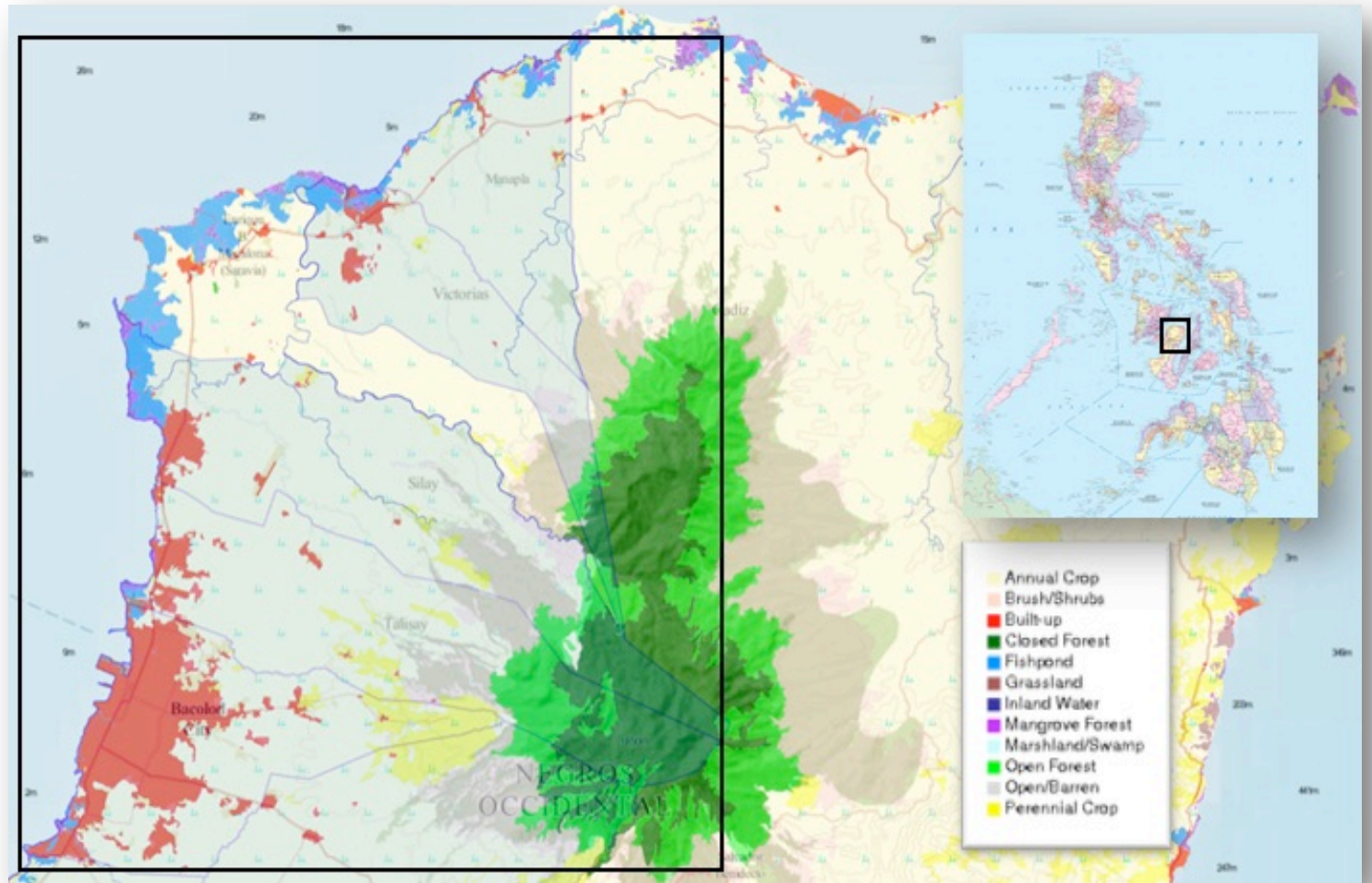
Governance and Legal Context

- ✓ Province of Negros Occidental P4 Code (Ordinance No. 2018-001)
- ✓ PPP cooperation framework with PPP Center
- ✓ Provincial PPP Unit and Project TWG
- ✓ Capacity building activities for Provincial PPP Unit and Project TWG



Project Coverage

Service Area	Water Service Provider (WSPs)	Classification
City of Bacolod	Bacolod City Water District (BACIWA)	"A"
Enrique B. Magalona	Local Government Unit (LGU) of Enrique B. Magalona	n/a
Municipality of Manapla*	Manapla Water District	"D"
City of Silay*	Silay City Water District (SICIWA)	"C"
City of Talisay*	Talisay Water District	"C"
City of Victorias*	Victorias City Water District	"C"

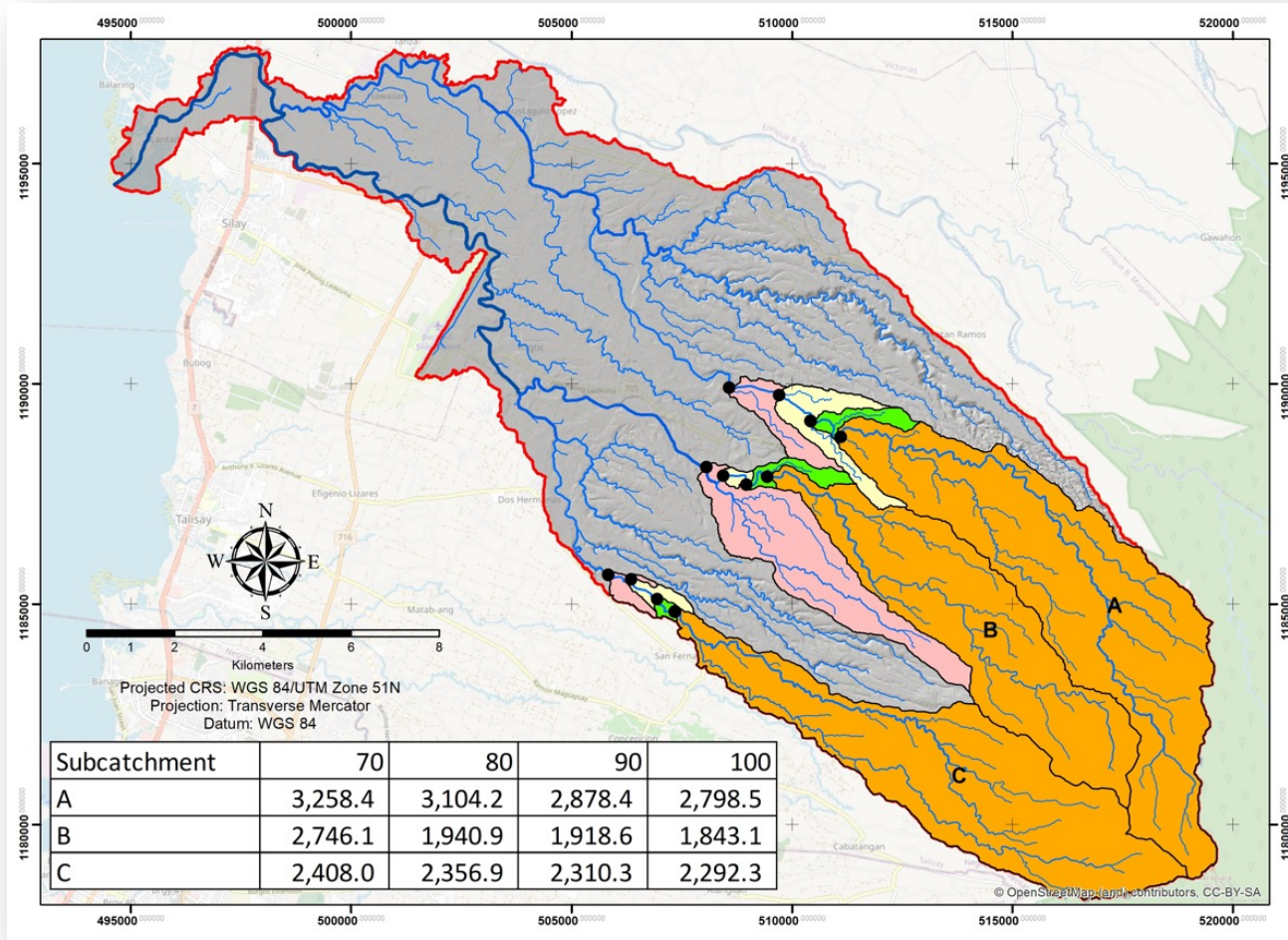


Water Districts are categorized into 4 types, namely: A, B, C, & D. Categorization is based on their service connections and point rating (please refer to the Revised Manual on Local Water District Categorization for details).

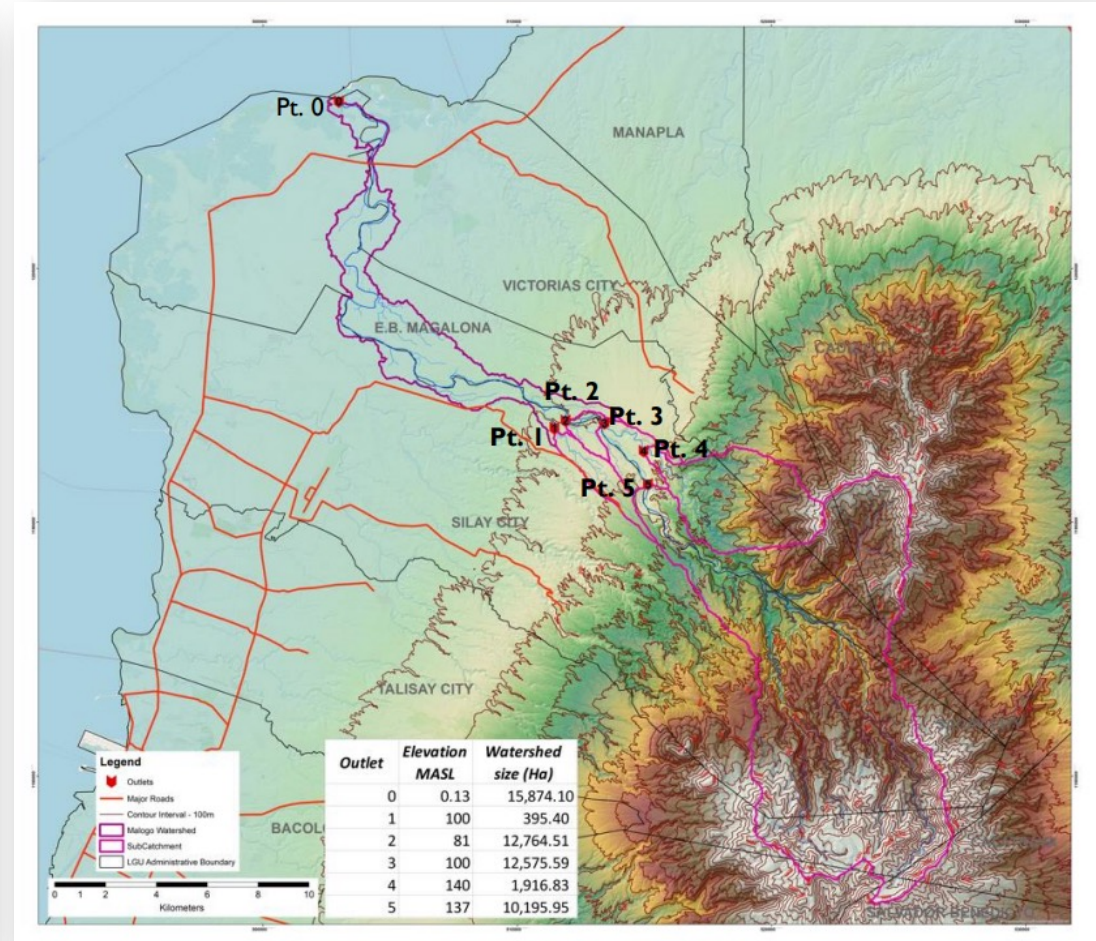
- Based on # of active service connections: A - at least 30,000; B - at least 10,000; C - at least 3,000; D - below 3,000;
- Based on (point-rating or points earned): A - 75 to 100; B - 50 to 74; C - 25 to 49; D - 1 to 24.

Possible Water Sources

IMBANG RIVER, SILAY CITY



MALOGO RIVER, SILAY CITY / EB MAGALONA



Indicative Phasing Plan

Indicative Timeline

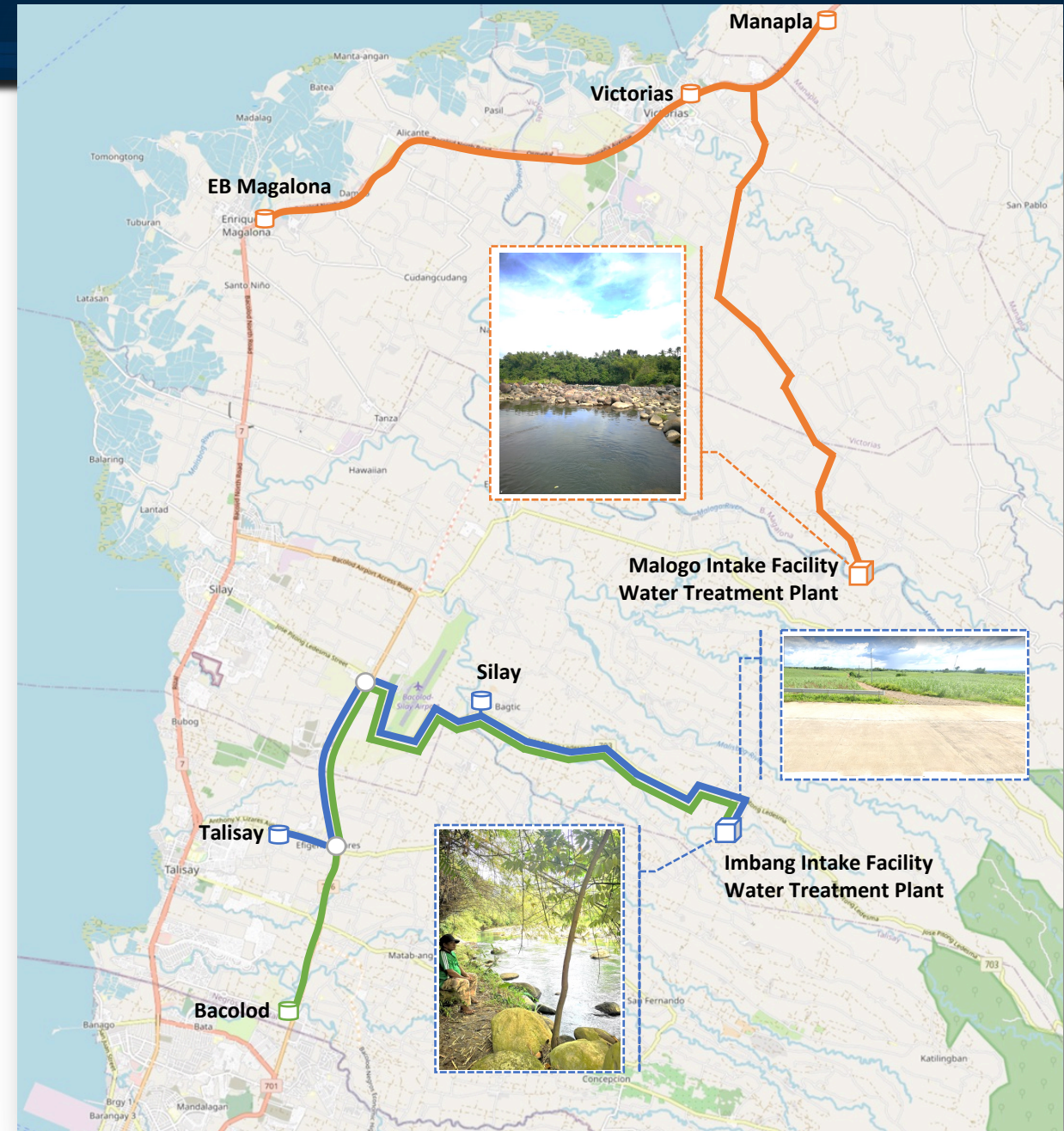
Tender and Award: 2023

PHASE 1

- *Target Coverage: Silay, Talisay, Bacolod*
- *Design and Construction Period: 2024 to 2026*
- *Target Operation Start: 2027*

PHASE 2

- *Target Coverage: Victorias, Manapla, EB Magalona*
- *Design and Construction Period: from 2024 and until delivery of Key Obligations*
- *Target Operation Start: Upon delivery of Key Obligations, but not later than 2030*



Indicative Terms

Indicative Terms	
Implementing agency:	Provincial Government of Negros Occidental
PPP structure:	Joint Venture under the Negros Occidental P4 Code
PPP scope:	<ul style="list-style-type: none">• Financing• Engineering design• Construction• Operation• Maintenance <p>of Project facilities: Intake Facilities, WTP, Transmission Mains, Offtake Facilities, etc.</p>
Obligations of the IA:	<ul style="list-style-type: none">• Provision of land and ROW for the water facilities, including ROW for pipeline, with compliance to social safeguards• Support in seeking Relevant Consents e.g. environmental clearance, etc.• Execution of off-taker agreements with covered WDs and LGUs• Facilitation and serve as point of contact with the WSPs
Repayment scheme:	<ul style="list-style-type: none">• Bulk water charge from off-takers
Cooperation period:	<ul style="list-style-type: none">• 25 years (excluding 3 years construction period)



PUBLIC-PRIVATE PARTNERSHIP
CENTER

THANK YOU FOR YOUR PARTICIPATION

For inquiries, kindly e-mail:

Maria Monica N. Fajardo

Project Development Service

mnfajardo@ppp.gov.ph



PPPCenter.Philippines



@PPP_Ph



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