

**PUBLIC-PRIVATE PARTNERSHIP
CENTER**

The Philippine PPP Program & the Role of the PPP Center

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Presentation Outline:

The Philippine PPP Program & the Role of the PPP Center

1

The PPP Program: An Overview

2

**PPP Center of the Philippines:
Its Evolving Role and Mandate**

3

**PPP Milestones, Updates and Recent
Developments, Critical Next Steps**



The PPP Agenda



**PPP Program
geared towards
inclusive growth**



**Philippine Development Plan
2011-2016**



**PPP as a strategy
to accelerate
infrastructure
development**

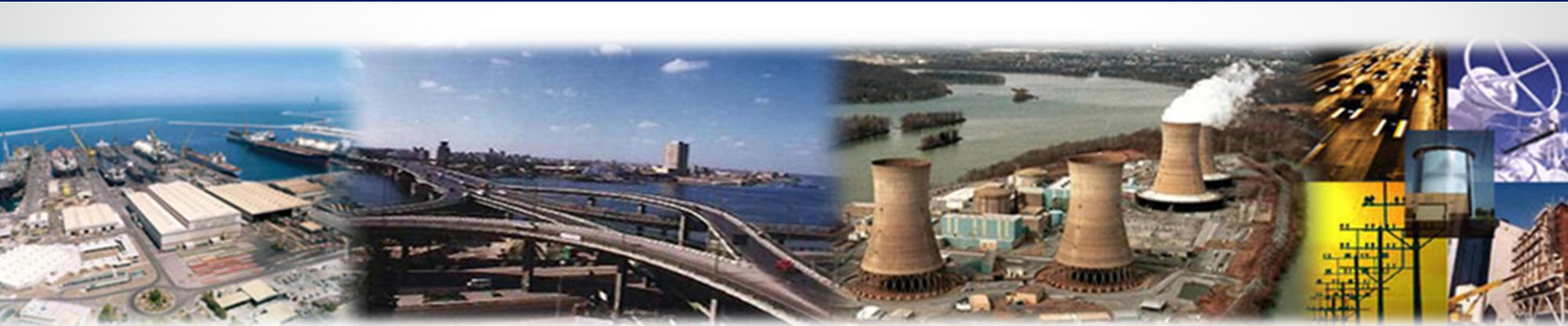
**Private sector
as partner in
development**

Legal Framework

- **RA 7718:** The Amended Build-Operate-Transfer (BOT) Law
- **BOT-IRR:** BOT Law's Implementing Rules and Regulations
- **RA 7160:** The Local Government Code of the Philippines 1991
- **Other Related Laws**
 - Charters of Government Owned and Controlled Corporations
 - Legal Mandates of Implementing Agencies
 - Legal Mandates of Sectoral Regulatory Agencies
 - Other Republic Acts and Executive Issuances



Eligible PPP Projects



- Power Plants
- Highways/Roads
- Railroads & Railways
- Ports
- Airports
- Transport Systems
- Telecommunications
- ICT Systems/Facilities
- Agriculture
- Canals, Dams, Irrigation
- Water Supply
- Land Reclamation
- Solid Waste Management
- Tourism Facilities
- Education
- Health Facilities
- Industrial & Tourism Estates
- Markets, Warehouses, Slaughterhouses
- Housing, Government Buildings
- Other Infrastructure/ Development Projects/ Systems

PPP Modes of Procurement

SOLICITED

- refers to projects identified by an implementing agency or a local government unit of the list of priority projects
- Government undertakings are **allowed**

UNSOLICITED

- **submitted by the private sector**, not in response to a formal solicitation/request issued by an implementing agency or local government unit
- Involves **new concept** or technology and/or is not part of the list of priority projects
- **No direct government guarantee, subsidy or equity** is required
- Should undergo **COMPETITIVE CHALLENGE**



Approving Bodies

LOCAL DEVELOPMENT COUNCIL

Regional Development Council (**local projects costing > P50M-P200M**)

City Development Council (**local projects costing up to P50M**)

Provincial Development Council (**local projects costing > P20M-P50M**)

Municipal Development Council (**local projects up to P20M**)

INVESTMENT COORDINATION COMMITTEE

National Projects **costing below P300M**

National Projects **costing above P300M**
(for NEDA Board approval)

Negotiated Projects **regardless of amount**
(for NEDA Board approval)

Local Projects **costing above P200M**

NEDA BOARD

National Projects **costing more than P300M** *(upon ICC recommendation)*

Natl. Negotiated Projects **regardless of amount**
(upon ICC recommendation)

Institutional Setup

Contracting Parties/ Implementing Agencies

- National Line Agencies
- Government Corporations
- Local Government Units

Other National Agencies Concerned

- Line Agencies/ Departments (policymaking bodies)
- National Regulatory Bodies
- Sectoral Regulators

Review and Approving Bodies

- Inter-Agency Investment Coordination Committee
- NEDA Board
- Local Government Councils

Coordinating and Monitoring Agency

- Public-Private Partnership Center (PPP Center)



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PPP Center of the Philippines: Its Evolving Roles and Mandate



Institutional Evolution of the PPP Center

Evolving PPP Institutional Role In Critical Phases of Private Sector Engagement

Mid-1980s

- *Asset Privatization Trust*
- *Committee on Privatization*

Late 80s to 90s

- **CCPAP-BOT**
(under the Office of the President)
- **CCPSP**
(under the Office of the President)
- **BOT Center**
(under the Dept. of Trade and Industry)

Present-onwards

- **Public-Private-Partnership Center**
(attached to the *National Economic Planning and Development Authority*)



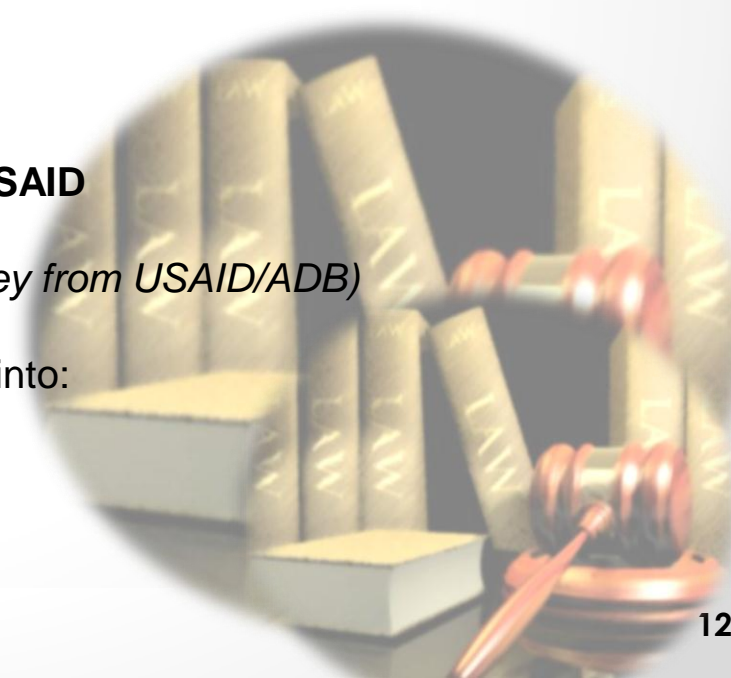
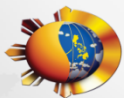
The CCPAP-BOT Center 1993-1998

- The BOT Law mandated the Coordinating Council of the Philippine Assistance Program (CCPAP) to put up a **Build-Operate-Transfer (BOT) Center**
- Responsible for the **coordinating and monitoring of all projects under the BOT Law.**
- Lodged under the **Office of the President** and later moved to the **Department of Finance (DOF)**
- **Provided technical assistance to implementing agencies and local government units in the development, coordination and monitoring of projects** pursued under the BOT Law
- Member of the inter-agency approving body, the **Investment Coordination Committee**
- Small unit of around **20 people grouped into National Projects Group and Local Government Projects Group**
- Had **in-house technical advisors** funded through Technical Assistance from USAID



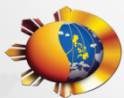
The CCPSP 1999-2002

- Presidential Administrative Order # 67 renamed and reorganized the CCPAP-BOT Center into the **Coordinating Council for Private Sector Participation (CCPSP)** to cover not just BOTs but **other contractual arrangements that involve private sector participation**
- **Coordination and monitoring function expanded** to cover
 - Project Development Assistance to Agencies and Local Government Units
 - Marketing and Promotions of the Program and Projects
 - Training & Institutional Building Support for agencies and local governments
 - Policy Reforms (Advocacy)
- Transferred back to the **Office of the President**
- **Supported by in-house advisors through TA from USAID**
- **Started the Project Development Facility** (*seed money from USAID/ADB*)
- An organization of **around 50 technical staff** grouped into:
 - Transportation, Water, Social and ICT Sectors
 - Project Facilitation and Monitoring Group



The DTI-BOT Center 2002-2010

- Presidential Executive Order 144 reorganized and converted the CCPSP and its technical Secretariat back into the **Build-Operate-Transfer (BOT) Center**
- Attachment from the Office of President moved to the Department of Trade and Industry (DTI)
- Lodged under DTI's **Industry and Investments Group (IIG) along with the Board of Investments and other infrastructure investment promotions agencies** (e.g. *Philippine Infrastructure Corporation, National Development Company, Philippine Economic Zone Authority*)
- An organization of **around 60 technical staff mandated to do the same functions**
 - Project Development Assistance to Agencies and Local Government Units
 - **Marketing and Promotions of the Program and Projects**
 - Training & Institutional Building Support for agencies and local governments
 - Policy Reforms (Advocacy)
- Structured into Sectoral Units (Transportation, Environment/Power, Social Infra, ICT)
- No more Technical Assistance from the development agencies



The PPP Center

Executive Order No. 8 signed on September 9, 2010:

- BOT Center renamed as **PPP Center under NEDA**
- **Expanded mandate** to cover not just BOTs but all other modes of PPPs – concessions, management contracts, etc.
- PPP Center to:
 - Provide **advisory services**
 - **Facilitate development** of PPP projects
 - **Manage** the Project Development and Monitoring Facility
 - **PPP Capacity Building support to** national implementing agencies and LGUs
 - Advocate **policy reforms**
 - **Monitor implementation** of PPP projects
- **Organizationally structured** into Service Units:
 - Project Development Service
 - Capacity Building and Knowledge Management Service
 - Project Development and Monitoring Facility Service
 - Policy Formulation, Evaluation and Monitoring Service
 - Legal Service and Administrative Services



PPP Center Services

PROJECT PREPARATION AND DEVELOPMENT

- ✓ Capacity Development
- ✓ Pre-investment financing (PDMF)
- ✓ Advisory services (legal, technical, financial matters)

PROJECT REVIEW & APPROVAL/ PREPARATION OF BID DOCUMENTS

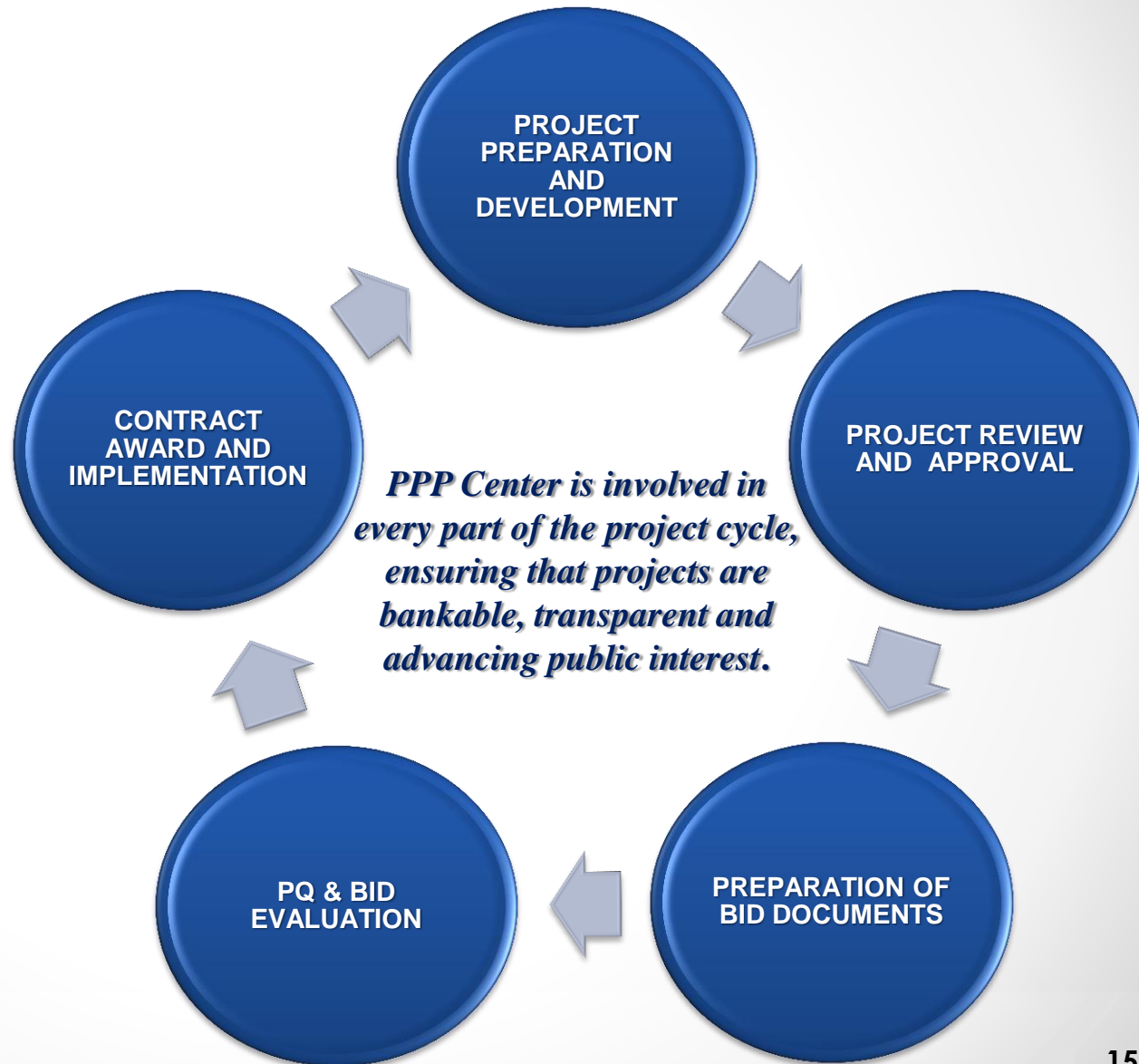
- ✓ Preparation of PPP transaction documents (*bid documents, draft contract, etc*)

PQ & BID EVALUATION

- ✓ Participate as non-voting observer of BAC
- ✓ Provide advice during procurement process

CONTRACT AWARD & IMPLEMENTATION

- ✓ Monitor project implementation and contract compliance





PPP Milestones: Updates & Recent Developments



PPP Milestones:

Updates & Recent Developments

PROJECT DEVELOPMENT & MONITORING FACILITY (PDMF)

- A revolving pool of funds made available to enhance the investment environment for PPP and to develop a robust pipeline of viable and well-prepared PPP infrastructure projects
- Source: USD18 million from AusAID through ADB; USD23 million from GOP
- 15 consortia of Internationally-renowned consulting firms

PDMF Panel of Consulting Firms

Manabat San Agustin & Co. • Rebel Group International BV • Deloitte Touche Tohmatsu India Pvt. Ltd. CPCS Transcom Ltd. (Canada) • Ernst & Young Australia Infrastructure Advisory • PricewaterhouseCoopers Services LLP (Singapore) • ICRA Management Consulting Services Ltd. (India) • Hill International SA (Luxemberg) • SMEC International Pty Ltd. (Australia) • IMC Worldwide Ltd. (UK) • MMM Group Limited (Canada) • Ove Arup & Partners Hong Kong Ltd. (China) • PARY & Co Chartered Accountants (India) • Punongbayan & Araullo (Philippines) • Feedback Infrastructure Services Pvt. Ltd. (India)

PPP Milestones:

Updates & Recent Developments

PROJECT DEVELOPMENT & MONITORING FACILITY (PDMF)

24 PROJECTS APPROVED FOR PDMF SUPPORT

6 PROJECTS ROLLED-OUT WITH PDMF SUPPORT (USD 1.14 billion)

6 PROJECTS WITH ONGOING PRE-INVESTMENT STUDIES

12 PROJECTS FOR PROCUREMENT OF TRANSACTION ADVISORS

Scope of services include pre-investment activities of potential PPP projects, including but not limited to:

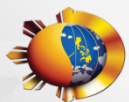
- preparation of project pre-feasibility and feasibility studies
- project structuring
- preparation of bid documents and draft contracts
- transaction advisory
- assistance in the tendering process including bid evaluation and project award through competitive selection

PPP Milestones:

Updates & Recent Developments

ENHANCING LEGAL AND REGULATORY FRAMEWORK

- ❑ **Reviewed and streamlined processes** in evaluation and approval of projects
- ❑ **Amendments to the BOT Law-Implementing Rules and Regulations (IRR)**
 - speedy processing of PPP projects
 - transparency measures in the bidding and award of projects
 - improvements to governance and accountability
 - improvements to unsolicited proposals
- ❑ **Alternative Dispute Resolution (Executive Order No. 78)**
 - efficient tool and an alternative procedure in achieving speedy and impartial justice
 - de-clogging of court dockets
 - more inviting climate for private investments
- ❑ **Setting up of PPP Units in all Implementing Agencies**
- ❑ **Creation of PPP Units/Subcommittees in Local Government Councils**



PPP Milestones:

Updates & Recent Developments

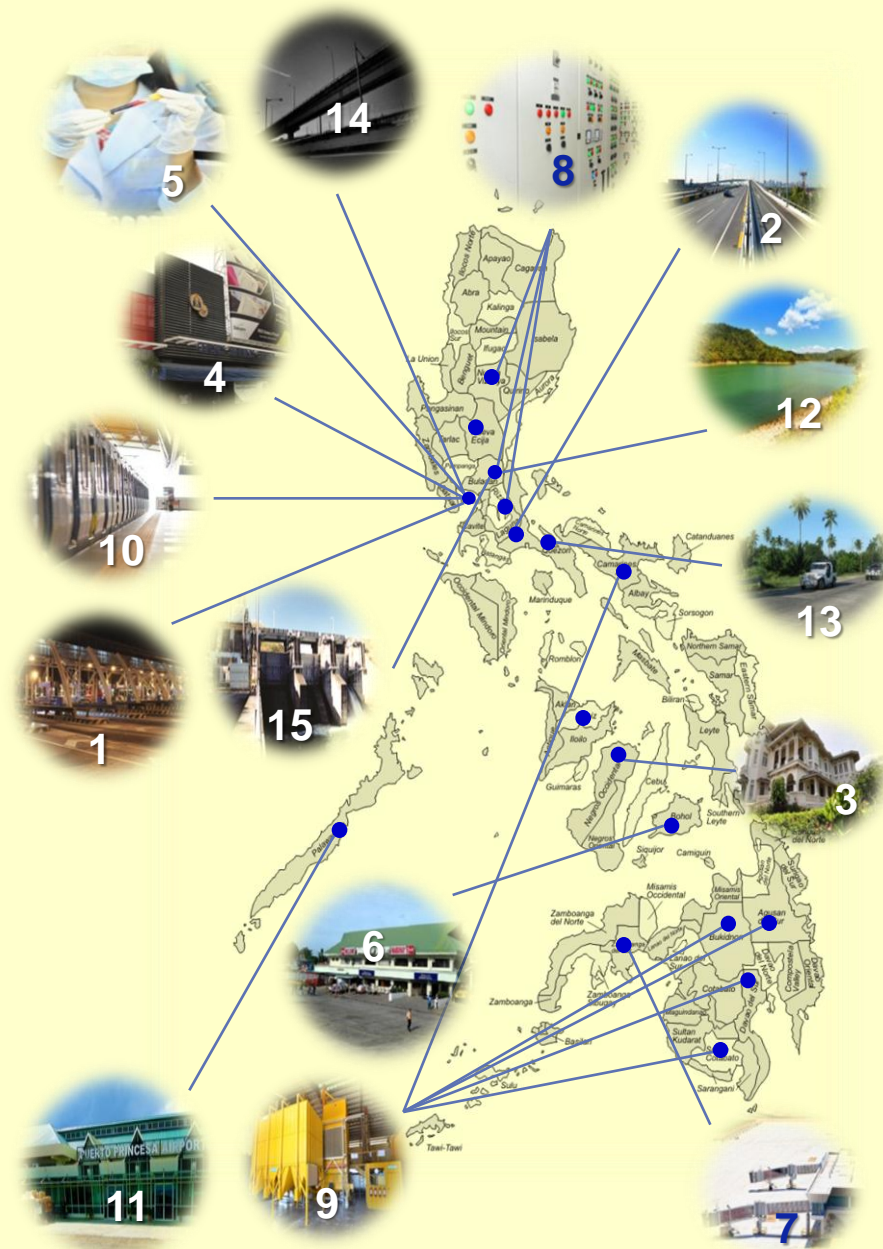
PIPELINE DEVELOPMENT & PROJECTS STATUS

	PROJECT	EST. COST (USD)	PPP STRUCTURE	STATUS
1	Daang Hari-SLEX Link Road Project	46.6M	Build-Transfer-Operate (BTO)	Construction ongoing
2	PPP for School Infrastructure Project (Phase I)	389M	Build-Lease-Transfer	Construction ongoing
3	NAIA Expressway Phase II	368.84M	Build-Transfer-Operate (BTO)	Date of Award: May 14, 2013 Contract Signing: June 2013
4	LRT Line 1 Cavite Extension and O&M	1.38B	Contract-Add-Operate (CAO)	Bid submission on 27-May 2013; Indicative Start of Construction by mid 2014
5	Modernization of Philippine Orthopedic Center	132.56M	Build-Operate-Transfer (BOT)	Bid submission on 26-April 2013; Indicative Start of Construction on December 2013
6	Rehabilitation, O&M of Angat Hydro-Electric Powerplant Auxilliary Turbines 4 & 5	26.86M	Rehabilitate-Operate-Transfer (ROT)	Issuance of Invitation to Bid on 29-March 2013; Indicative Start of Rehabilitation on September 2013
7	Automatic Fare Collection System	41.86M	Build-Own-Operate (BOO)	PQ submission on 12-April 2013; Indicative Start of Installation on 4 th quarter of 2013
8	PPP for School Infrastructure Project Phase II	312.86M	Build-Lease-Transfer (BLT)	Issuance of Invitation to Bid on 20-March 2013; Indicative Start of Construction on September 2013
9	Mactan Cebu International Airport Passenger Terminal Building	239M	Build-Rehabilitate-Operate-Transfer	PQ submission on 05-Apr 2013; Indicative Start of Handover (rehabilitation) and Construction on 4 th quarter 2013

PIPELINE DEVELOPMENT & PROJECTS STATUS

MORE PROJECTS IN THE PIPELINE in varying stages of the project cycle

1. NLEX-SLEX Connector Road
2. Cavite-Laguna Expressway
3. Talisay City Plaza Complex Heritage Restoration and Redevelopment Project
4. Civil Registration System – Information Technology Project Phase II
5. Vaccine Self-Sufficiency Project Phase II
6. Enhanced O&M Panglao Airport
7. O&M of Laguindingan Airport
8. Establishment of Cold Chain Systems
9. Grains Central Project
10. O&M of LRT Line 2
11. O&M of Puerto Princesa Airport
12. New Centennial Water Supply
13. Rehabilitation of Quirino Highway Project
14. Integrated Transport System Project
15. Bulacan Bulk Water Supply Project



Ongoing/ For Procurement of Transaction Advisor

- El Nido Solid and Liquid Waste Management Facility
- Manila-Makati-Pasay-Paranaque Mass Transit System
- Integrated Luzon Railway Project
- Regional Prison Facilities through PPP
- Plaridel Bypass Toll Road
- Batangas-Manila (BatMan) 1 Natural Gas Pipeline Project

Projects under Development

- Logistics Support for Agri-fishery Products Supply Chain
- LRT-1 Extension to Dasmarinas
- O&M of Ilioilo, Davao, and Bacolod Airport
- Manila Bay-Pasig River-Laguna Lake Ferry System
- Central Spine RORO
- Ferry Passenger Terminal Buildings Development
- Calamba – Los Banos Toll Expressway Project
- C-6 Extension (Laguna de Bay Flood Control Dike Expressway
- PhilHealth Information Technology Project
- Metro Cebu Expressway Project
- Tagum-Davao-General Santos High Standard Highway
- Global City Mass Transit (Monorail System) Project
- Improvement/Modernization of Kennon Road
- Modernization of Region 1 Medical Center Project
- Socialized Housing Project
- Bayabas Small Reservoir Irrigation Project
- Operation and Maintenance of Clark Airport
- C-6 Expressway (South-East, East, and North Sections)
- Manila Heritage and Urban Renewal Project
- Plaridel Bypass Toll Road
- Makati- Manila CCP Complex- Manila Bay City Area Mass Transit System
- Batangas-Manila (BatMan) 1 Natural Gas Pipeline Project
- Tamugan Water Development Project
- Bus Rapid Transit (BRT) – Ortigas Avenue Extension
- Bus Rapid Transit – Quezon Avenue –Espana
- Central Luzon Link Expressway (CLLEX), Phase 2: Cabanatuan-San Jose Section

Other Projects being Monitored by the PPP Center

- Skyway Stage 3
- MRT Line 7

PPP Milestones:

Updates & Recent Developments



Ranking Criteria

- Legal and regulatory framework (25%)
- Institutional framework (20%)
- Operational maturity (15%)
- Investment climate (15%)
- Financial facilities (15%)
- Sub-national adjustment factor (10%)

“In the ASEAN region, Philippines ranked highest in terms of PPP readiness...”

--Infrascope 2011 Study

(By the Economist Intelligence Unit as commissioned by the Asian Development Bank)

Result: Overall Index

1	Australia	92.3
2	UK	89.7
3	Korea, Rep.	71.3
4	Gujarat State	67.6
5	India	64.8
6	Japan	63.7
7	China	49.8
8	Philippines	47.1
9	Indonesia	46.1
10	Thailand	45.3
11	Bangladesh	39.2
12	Pakistan	38.8
13	Kazakhstan	34.3
14	Vietnam	26.3
15	Mongolia	23.3
16	Papua New Guinea	20.8



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PPP Milestones:

Updates & Recent Developments

Partnerships
AWARDS 2013



THURSDAY 23 MAY 2013
PARK PLAZA
WESTMINSTER BRIDGE

**PPP FOR SCHOOL
INFRASTRUCTURE PROJECT**
shortlisted under the category
BEST PATHFINDER.

**It is the lone ASEAN entry to
Partnerships Awards 2013.**

BEST PATHFINDER

Aberdeen Community Healthcare Village, UK

Four Tuscan Hospital PPP, Italy

Hounslow Highways Maintenance PFI, UK

Intercity Express Programme, UK

PPP for School Infrastructure Project (PSIP), Philippines

PPP Programme for Prison Development, Mexico

Sheffield Highway Maintenance PFI, UK

U.S. Route 460 Corridor Improvements Project, USA

Wiri Men's Prison, New Zealand

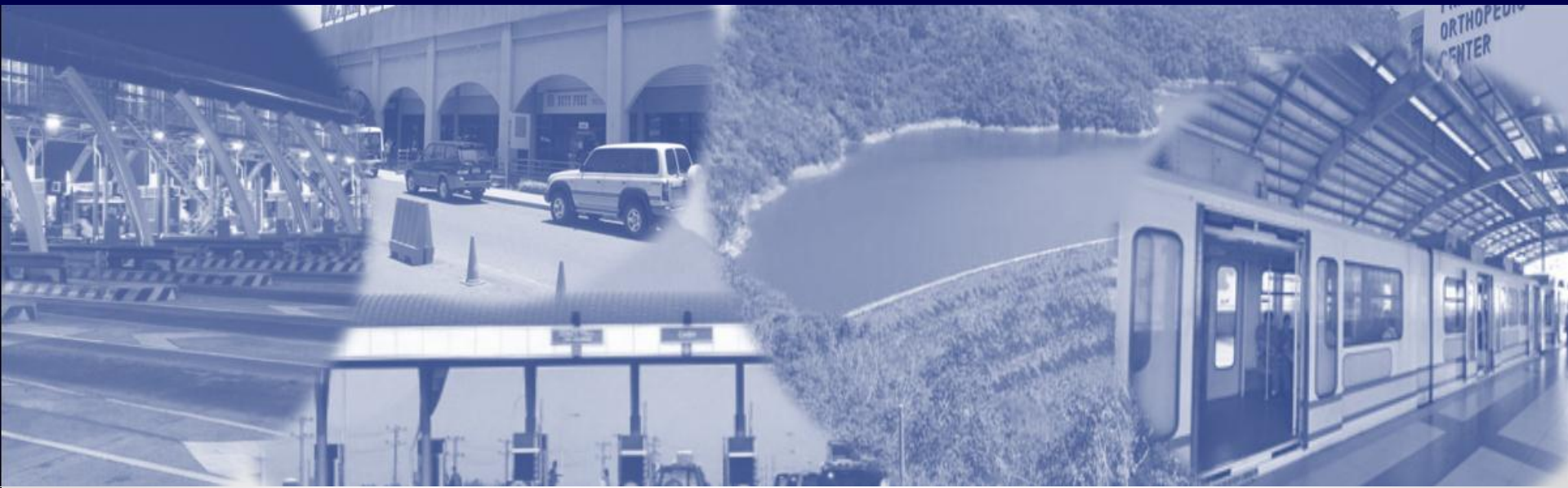


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www.partnershipsbulletin.com/awards/categories.html



Critical Next Steps



Critical Next Steps

1. Project Identification, Selection, and Prioritization Project Management and Improvement Measures

- PPP Strategic Planning Sessions with Implementing Agencies
(ONGOING)
- Utilization of the PDMF for the development of bankable pipeline
- Guidelines on Pipeline Development (Multivariate Analysis/MVA)

2. Legal and Regulatory Framework Enhancements

- Amendments to the BOT Law (PPP Law)
- Amendments to Executive Order No. 8
- Amendments to the Joint Venture Guidelines for GOCCs
- Drafting of the IRR for the EO on Alternative Dispute Resolution
- Sector-specific Policy Guidelines on PPP

Critical Next Steps

3. Project and Contract Monitoring & Evaluation

- Policy Guidelines on Monitoring and Evaluation
- Policy Guidelines on Contract Management

4. Capacity Development Interventions

- PPP Manual for National Government Agencies
- Customized/ sector-specific training interventions for implementing agencies
- Twinning arrangements with development/institutional partners

5. Other Critical Next Steps

- Creation of a contingent liability fund (c/o Department of Finance)
- Communications Management and Media Relations
- Setting up of the PPP Knowledge Portal—a comprehensive and online database of all knowledge and information about the PPP Program and projects





THANK YOU



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