

Role of the PPP Center of the Philippines in Engaging the Private Sector



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1. The Philippine PPP Agenda
2. Evolution of the Philippine PPP Unit
3. The PPP Center of the Philippines
4. Status of PPP Projects
5. Key Lessons



The Philippine PPP Agenda

PPP Program is geared towards
INCLUSIVE GROWTH



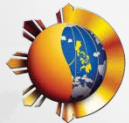
PPP as one of the strategies to
accelerate
**INFRASTRUCTURE
DEVELOPMENT**



Private sector as
**PARTNER IN
DEVELOPMENT**



PPP Center as the
**CHAMPION FOR
PUBLIC-PRIVATE
PARTNERSHIPS**



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Institutional Evolution of the Philippine PPP Unit

Aquino Administration 1986-1992

- *BOT Law (RA 6957)*

Ramos Administration 1992-1998

- *Amended BOT Law (RA 7718)*
- *BOT Center under Office of the President - CCCPAP*

Estrada Administration 1998-2001

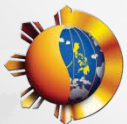
- *Renamed BOT Program to PSP Program*
- *CCPSP under the Office of the President*

Arroyo Administration 2001-2010

- *Reverted to BOT Program*
- *BOT Center under DTI*

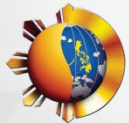
Aquino Administration 2010-Present

- *PPP Center created thru EO 8*
- *PPP Center attached to NEDA*





The PPP Center of the Philippines



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Executive Order No. 8, s. 2010, as amended by Executive Order No. 136 signed on 28 May 2013

- BOT Center renamed as PPP Center
- PPP Center Services:
 - ✓ Provide advisory services
 - ✓ Facilitate development of PPP projects
 - ✓ Manage the Project Development and Monitoring Facility
 - ✓ Provide trainings and capacity development to national implementing agencies and LGUs
 - ✓ Advocate policy reforms
 - ✓ Monitor implementation of PPP projects
- Expanded mandate:
 - BOT Law
 - Joint Venture arrangements
 - Other PPP arrangements
- PPP Center reports directly to the PPP Governing Board

The Role of the PPP Center

PROJECT PREPARATION AND DEVELOPMENT

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

PROJECT REVIEW & APPROVAL/ PREPARATION OF BID DOCUMENTS

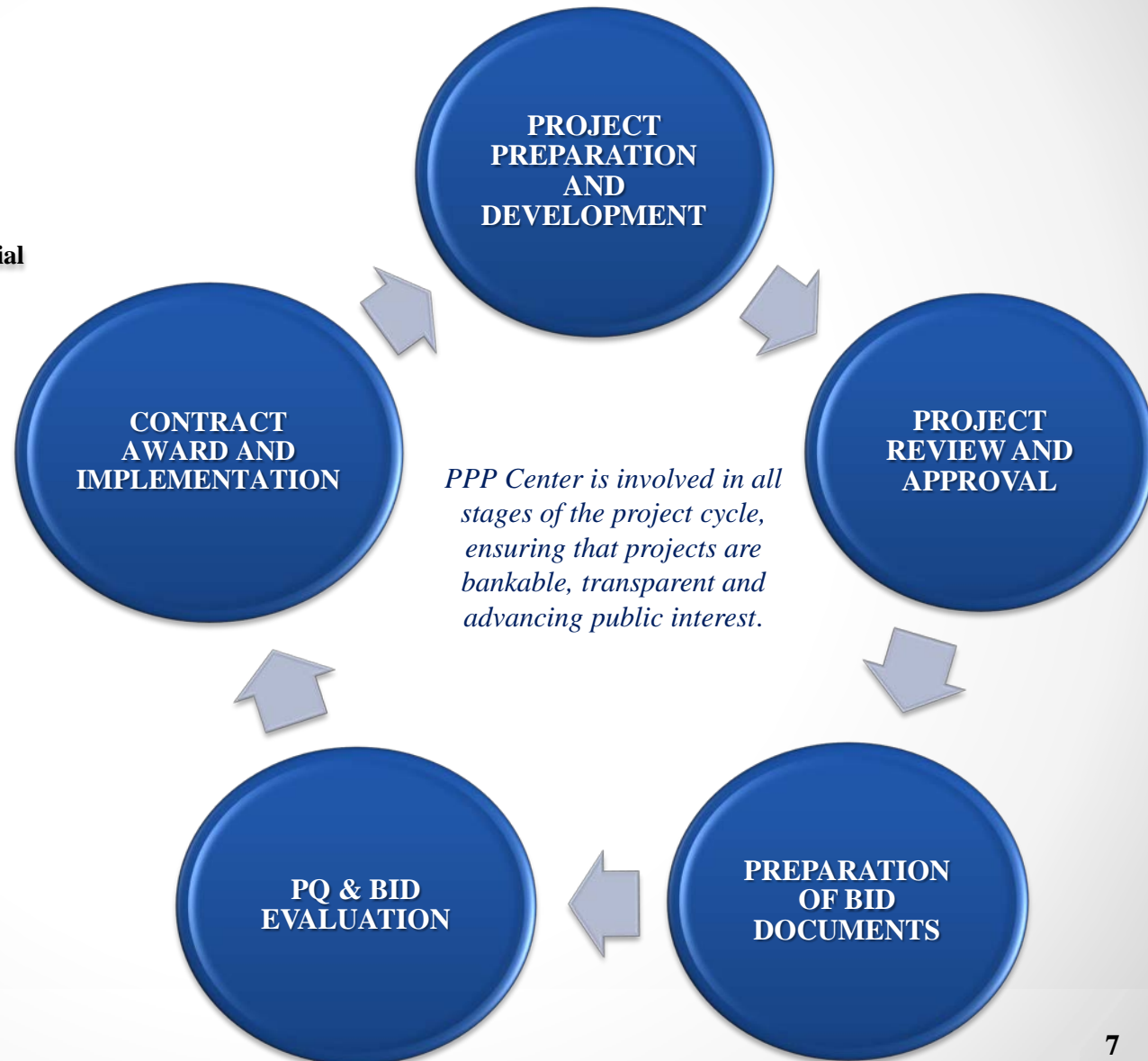
- ✓ Preparation of PPP transaction documents (*bid documents, draft contract, etc*)

PQ & BID EVALUATION

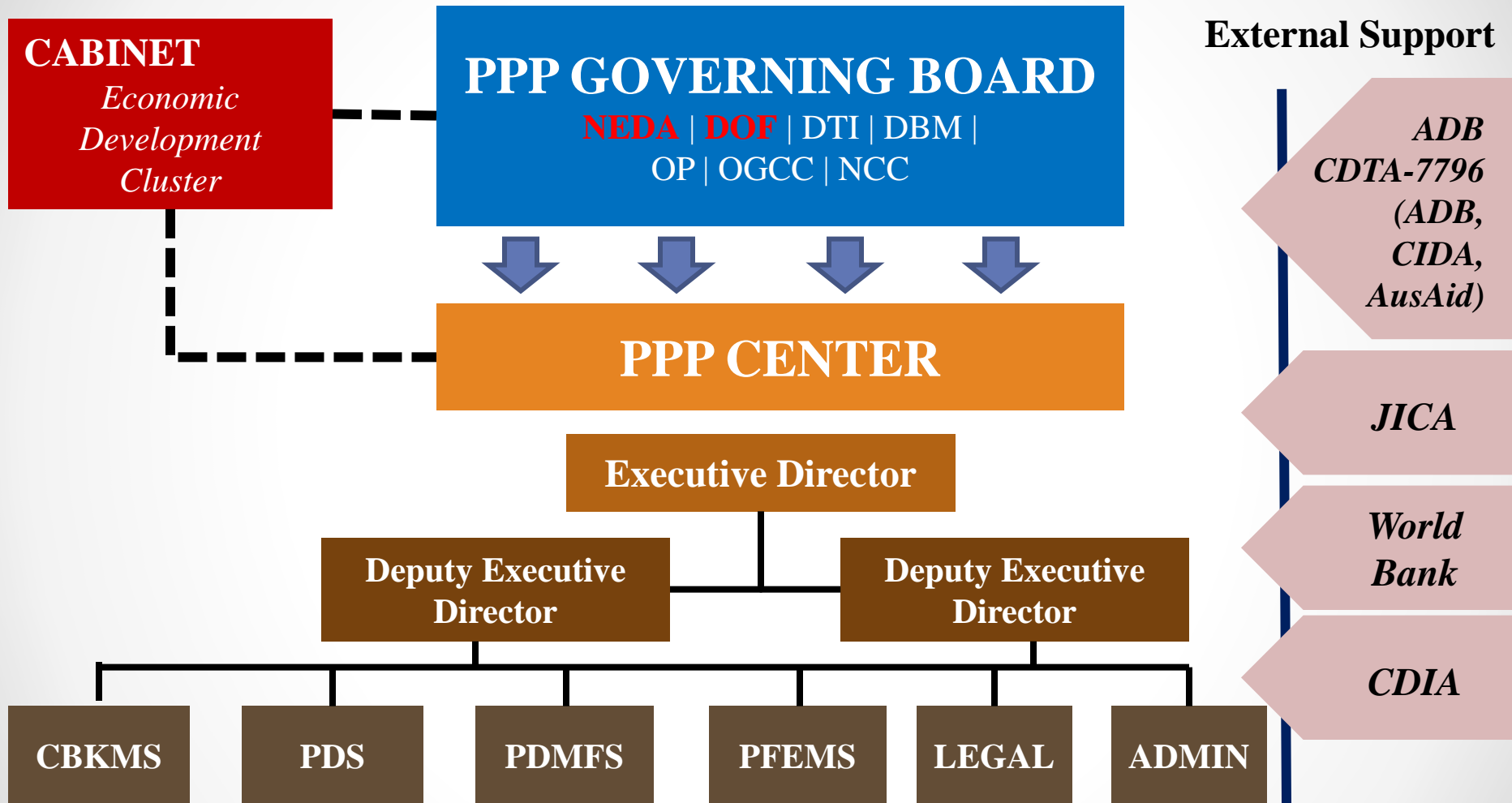
- ✓ Participate as non-voting observer of BAC
- ✓ Provide advice during procurement process

CONTRACT AWARD & IMPLEMENTATION

- ✓ Monitor project implementation and contract compliance



Institutional Framework



IMPLEMENTING AGENCIES

National Agencies / Line Agencies, GOCCs, SUCs
Local Government Units / Province, City, Municipality

Two-Stage Bidding Process

STAGE 1: Prequalification of Bidders

- From publication of project advertisement/ invitation to prequalify and bid (ITPB)
- Conduct of Investors Forum and Pre-bid Conference
- Preparation and submission of qualification documents—legal, technical, financial requirements

STAGE 2: Bid Proper

- From issuance of Instructions to Bidders (ITB) to release of Notice of Award (NOA)
- Conduct of Pre-bid Conference, one-on-one sessions with bidders, and responses to bidder queries
- Bidders' due diligence review and submission of bids

BASIS OF THE BID PROCESS

- RA 7718 (Amended Build-Operate-Transfer Law)
- Revised Implementing Rules and Regulations (IRR) of the BOT Law
- Bidding Rules set by the PBAC

- **Contracting Parties/ Implementing Agencies**
 - National Line Agencies
 - Government Corporations
 - Local Government Units
- **Review and Approving Bodies**
 - Inter-Agency Investment Coordination Committee (ICC)
 - NEDA Board
- **Coordinating and Monitoring Agency**
 - Public-Private Partnership Center
- **Other Government Bodies Concerned**
 - Policy-making Bodies (PPP Governing Board)
 - National and Sectoral Regulatory Bodies

PREQUALIFICATION, BIDS AND AWARDS COMMITTEE (PBAC)

- Responsible for all aspects of the pre-bidding and bidding process, including the preparation of tender documents, conduct and evaluation of bids, and interpretation of the rules regarding the bidding, among others

Enhanced Legal & Regulatory Framework

- ✓ Revised BOT Law Implementing Rules and Regulations
- ✓ EO 78 mandating the inclusion of Alternative Dispute Resolution mechanisms in PPP contracts
- ✓ Revised Joint Venture Guidelines
- ✓ PPP Code for Local Government Units

Developed Robust PPP Pipeline

- ✓ **9 awarded projects** with a total value of USD 3.03 Billion
- ✓ **Over 40 projects in the pipeline** in various stages of development amounting to over USD 21 Billion
- ✓ **40 Projects** with Project Development and Monitoring Facility (PDMF) support
- ✓ **22 internationally-renowned PDMF panel** of consulting firms

Improvements in the PPP Process

- ✓ New PPP Appraisal Process
- ✓ Conduct of Market Sounding
- ✓ Conduct of One-on-One meetings with Prequalified Bidders

Building Capacities

- ✓ PPP Manual for LGUs and NGAs
- ✓ PPP Capacity Building Program and Training for national implementing and oversight agencies, LGUs, and government corporations
- ✓ Implementation of the LGU PPP Strategy

Awards

- ✓ PPP Partnership Award for Best Central & Regional Government Promoter (2014)
- ✓ IJ Global Asia-Pacific Grantor of the Year (2015)

Further enhancing the Legal & Regulatory Framework

- Enactment of the PPP Act
- Issuance of Policy Circulars and Guidelines on Pipeline Development, Termination Payments, Viability Gap Funding, Material Adverse Government Actions, and PPP Best Practices
- Contingent Liability Fund for 2015
- Finalization of IRR on EO Alternative Dispute Resolution

Fast-tracking PPP Delivery and Implementation

- Hiring of independent consultants through the PDMF
- Probity advisory for big-ticket projects
- Contract Standardization
- LGU PDMF

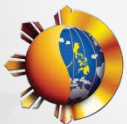
Building Capacities

- Development of PPP Knowledge Management Portal (KMP)
- Establishment of Project Monitoring and Evaluation Protocols
- Institutional Partnerships with Infrastructure New South Wales Australia and JICA

Sustaining the Philippine PPP Program

Proposed New PPP Act – Salient Features

- Institutionalizes PPP Governing Board, PDMF, the PPP Center and Contingent Liability Fund
- Exempts PPP Projects of National Significance from local real property and business taxes
- Separates Agencies' regulatory functions from implementation functions
- Promotes more transparency and efficiency in PPP procurement and contract award
- Strengthens laws to prevent court injunctions and temporary restraining orders on awarded PPP projects



Strengthening Public-Private Partnerships in the Philippines

Co-financed by the Governments of Australia and Canada to increase private sector investment in infrastructure; and improve government capacity to promote, develop, and implement PPP projects.

(1) CAPACITY BUILDING

- Strengthen PPP enabling framework
- Strengthen capacity of the PPP Center
- Institutionalize PPP best practices
- Establish long-term financing and risk guarantee mechanisms

(2) PROJECT DEVELOPMENT MONITORING FACILITY (PDMF)

- Deliver well-structured bankable PPP projects





Status of PPP Projects



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List of PPP Projects

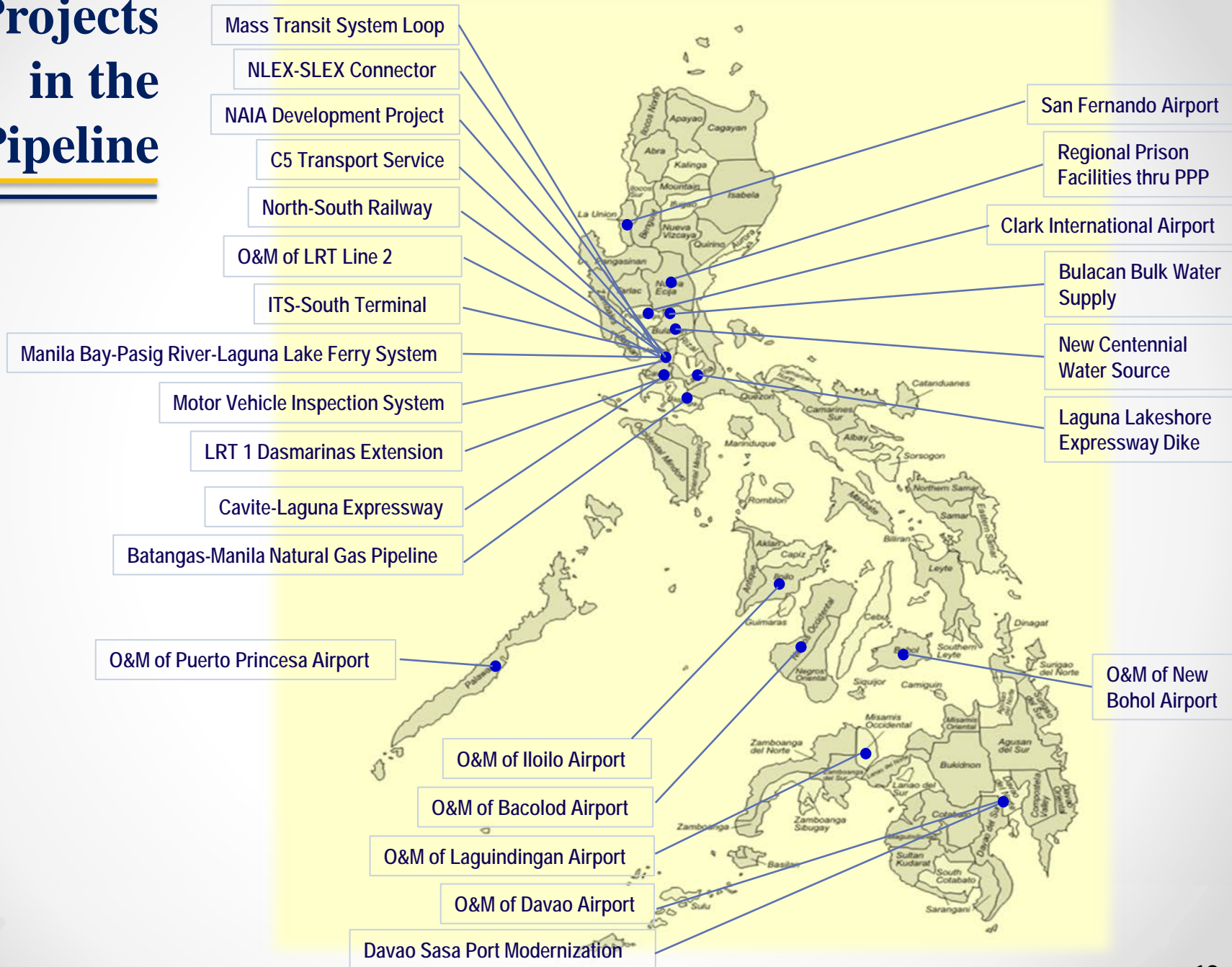
Status	No. of projects	Estimated Cost (PhP billion)	Estimated Cost (US\$ billion)
PROJECTS UNDER IMPLEMENTATION			
Awarded	9	136.36	3.03
Other projects for implementation	2	95.96	2.13
Sub-total	11	232.32	5.16
PPP PIPELINE			
Projects under procurement	14	408.61	9.08
Projects approved for roll-out	2	185.56	4.12
For approval of relevant government bodies	4	457.48	10.17
Projects with ongoing studies	10	2.13*	0.05
For procurement of consultants	6	TBD	TBD
Under conceptualization or development	9	TBD	TBD
Sub-total	45	1,053.78*	23.42*
TOTAL	56	1,286.10*	28.58*

*This does not include projects with no estimated costs yet.

Awarded Projects

Project	Project Cost (USD billion)	Status
1. Daang Hari-Slex Link Road Project	0.04467	Construction ongoing, 96% complete as of 25 May 2015
2. PPP for School Infrastructure Project (PSIP) Phase I	0.36511	8,870 classrooms (95.36%) completed and delivered as of 15 May 2015
3. NAIA Expressway Phase II	0.35249	Construction ongoing, 43.2% complete as of 03 May 2015
4. PSIP Phase II	0.08582	1,020 classrooms (23%) completed as of 30 April 2015
5. Modernization of the Philippine Orthopedic Center	0.19311	Ongoing procurement of Independent Consultant (IC); awaiting delivery of project site
6. Automatic Fare Collection System Project	0.03822	Ongoing pre-operation activities
7. Mactan-Cebu International Airport Passenger Terminal Building Project	0.38933	Ongoing pre-operation activities; Ongoing IC procurement
8. LRT Line 1 Cavite Extension and O&M	1.44222	Ongoing pre-construction activities; Ongoing IC procurement
9. Integrated Transport System – Southwest Terminal Project	0.05556	Contract signed on 24 April 2015; Ongoing IC procurement
TOTAL	2.96653	

Projects in the Pipeline



Projects under Procurement

- Integrated Transport System – South Terminal Project
- Cavite-Laguna Expressway
- Bulacan Bulk Water Supply Project
- LRT Line 2 O&M
- Laguna Lakeshore Expressway Dike Project
- New Centennial Water Source – Kaliwa Dam
- Airport O&M and Development Projects (Panglao, Laguindingan, Davao, Bacolod, Iloilo, Puerto Princesa)
- Regional Prison Facilities through PPP
- Davao Sasa Port Modernization Project

Projects for Rollout

- North-South Railway Project – South Line
- NLEX-SLEX Connector Road

Projects for NEDA Board Approval

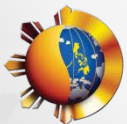
- Motor Vehicle Inspection System Project
- Mass Transit System Loop Project
- LRT Line 6 Project
- C5 Modern Bus Transit System

Projects with F/S nearing completion

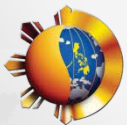
- San Fernando Airport
- Batangas-Manila Natural Gas Pipeline
- Manila Bay-Pasig River-Laguna Lake Ferry System
- Clark International Airport
- NAIA Development Project



- ✓ Project preparation facility
 - Crucial in building credible PPP pipeline
 - Supports program-based approach (instead of deal-based approach)
- ✓ Strong support/buy in of oversight and implementing agencies
- ✓ Capacity building for concerned government entities



THANK YOU!



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