



Republic of the Philippines
Public-Private Partnership
Center

THE PHILIPPINE PPP PROGRAM

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Outline

- Overview: The Philippine PPP Program
- Key Elements
- Status



PPP Program Objectives

- Hasten economic development
 - Improve the quality of public assets, and the efficiency of public services
 - Encourage innovation
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Government Options

- Government Appropriations Act (GAA)
- Official Development Assistance (ODA)
- Public-Private Partnership (PPP)

Legal and Regulatory Framework



- **1987 Philippine Constitution**

“The State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments.”
- **RA 6957, as amended by RA 7718:** The Amended Build-Operate-and-Transfer (BOT) Law and its IRR
- **Other Major Laws**
 - RA 10752 (*Right of Way Acquisition Act*)
 - RA 8975 (*Expeditious Implementation and Completion of Government Infrastructure Projects by Prohibiting Lower Courts from Issuing Temporary Restraining Orders*)
 - RA 7160 (*Local Government Code*)

Institutional Framework of the PPP Program

INSTITUTION	ROLE
Implementing Agency (IA)	Owner of the project
NEDA	Ensures the project is aligned with the Philippine Development Plan
DOF	Provides the fiscal position of government; endorses the final contract
Bureau of Treasury	Manages contingent liability
BSP	Implements bank regulations, single borrowers limit
DBM	Ensures budgetary support; availability payment
OSG, OGCC	Endorses final contract
PPP Governing Board	Provides policy direction for the PPP program
PPP Center	Provides technical support for all PPP projects; Provides communication support to IAs

Institutional Evolution of the PPP Center



1986-1992

- BOT Law (RA 6957)



1992-1998

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



1998-2001

- Renamed BOT program to PSP program
- CCPSP under the Office of the President



2001-2010

- Revert to BOT Program
- BOT Center under DTI



2010-June 2016

- The PPP Program
- Renamed PPP Center and attached to NEDA




July 2016-present

- The PPP Program
- PPP Center attached to NEDA



Functions of the PPP Center

1. Facilitate/assist Implementing agencies (IAs) in the entire PPP project life cycle
 2. Capacitate IAs to undertake PPPs
 3. Formulate relevant policies, plans and guidelines for PPPs
 4. Manage the Project Development and Monitoring Facility (PDMF)
 5. Establish and manage a central database for PPP projects
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The PPP Project Life Cycle

DEVELOPMENT STAGE



1. IA identifies PPP project
2. Project Preparation (Feasibility Study, Market Sounding Activity)
3. Project Structure is finalized

APPROVAL STAGE



1. Project is submitted to relevant approving bodies
2. Project Assessment and Appraisal
3. Investment Coordinating Committee (ICC)-Cabinet Committee approves project; recommends to NEDA Board
4. NEDA Board approves project

PROCUREMENT STAGE



1. Prequalification (e.g. Advertisement of ITBP)
2. Prequalification Conference, submission of prequalification documents
3. Bid proper (e.g. Pre-bid conference, bid submission, bid opening and evaluation)
4. Issuance of Notice of Award to winning bidder

IMPLEMENTATION STAGE



1. Financial Close
2. Implementation (Preparation of Detailed Engineering and Design, Commissioning)
3. Turn over of facility back to government



Key Elements

- Project pipeline
- Policy reforms
- Political support
- Capacity building
- Institutions

Philippine

PPP PIPELINE

(as of November 16, 2016)

Awarded Projects **15**
PHP 317.11 Billion

Projects under Procurement **11**
PHP 263.72 Billion

Project for Roll out **2**
PHP 76.03 Billion

For Approval of Relevant Government Bodies **3**
PHP 230.46 Billion

Projects under Evaluation **1**
PHP 5034.00 Billion

Projects with Ongoing Studies **3**
PHP 4.21 Billion

Upcoming Project **1**

Projects Under Development **17**



Project Development and Monitoring Facility (PDMF)

1. USD 100 million revolving facility to ensure fund sustainability
2. Used for the procurement of consultants / transaction advisors for the following services:

Project Preparation and Transaction Support

- Feasibility study and project structuring
- Management of bid process
- Support until financial close

Probity Advisory

- Examination of bid documents
- Preparation of probity plan
- Assessment of and advisory on probity issues
- Process documentation and reporting

Implementation and Monitoring

- Certification of compliance to designs, plans and/or key performance requirements
- Monitoring of construction and/or operations and maintenance

Policy reforms

- Amended the BOT Law Implementing Rules and Regulations (IRR)
- Instituted alternative dispute resolution (ADR) mechanisms in PPP contracts
- PPP Policy Governing Board Circulars
- PPP Project Appraisal Process
- Proposed amendments to the BOT Law
- Promote the development of Capital Markets for PPP

What has been achieved

- Foundations laid to gain momentum
 - improved regulatory framework
 - established PPP units in IAs
 - conducted capacity building to IAs
 - established Virtual Data Room for pre-qualified bidders

What's next

- Push projects to the next stages
- Further improvements in the regulatory framework
- Improved planning (infrastructure projects driven by sound policies and integrated master plans)
- Streamlining and systematizing of processes
- Improved inter-agency collaboration
- Continued capacity building
- Improved contract management
- Diversify financing options

THANK YOU



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