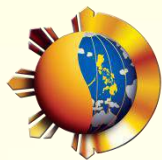


The Philippine PPP Program





INFRASTRUCTURE REQUIREMENTS: ADB STUDY

Based on an ADB study¹, the Philippines needs to invest at least **\$127.1 Billion** for the years 2010-2020 in domestic infrastructure to meet the needs of its growing population and rising incomes

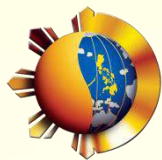


Source: <http://media.philstar.com/images/the-philippine-star/business/business-main/20150302/philippines-employment-construction.jpg>



Source: http://www.joc.com/sites/default/files/field_feature_image/Philippines-highways-shutterstock_11929327-600.jpg

¹ *Estimating Demand for Infrastructure in Energy, Transport, Telecommunications, Water and Sanitation in Asia and the Pacific: 2010-2020*



PHILIPPINE INFRASTRUCTURE SPENDING

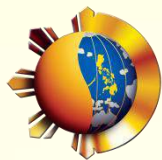
(in Million pesos)

GPH Funding	2010	2011	2012	2013	2014	2015 (GAA)	2016 (NEP)	Total
Foreign Assisted	22,755	28,968	23,420	18,617	16,023	40,769	36,803	187,355
Locally Funded	142,259	146,399	192,314	288,270	330,221	554,999	729,742	2,384,204
Total	165,014	175,367	215,735	306,887	346,245	595,767	766,545	2,571,560

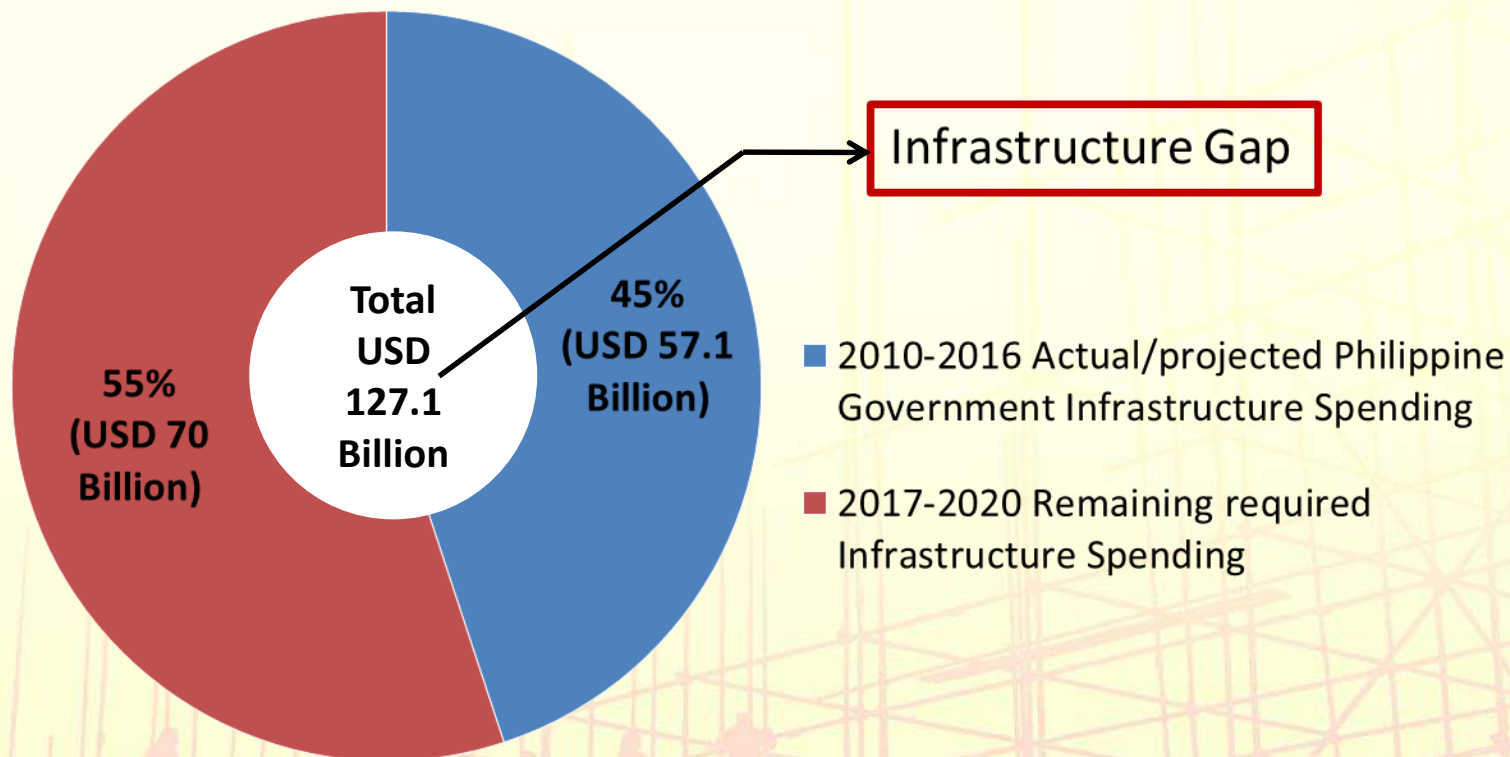
Source: Department of Budget and Management

USD 57.1 Billion

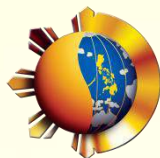
- Actual infra spending from 2010-2014 totaled to **Php 1.2 Trillion** (USD 26.8 billion);
- Planned infra spending for 2015 and 2016 will amount to around **Php 1.4 Trillion** (USD 30.3 billion); and
- Infrastructure spending by 2016 would have reached **Php 2.6 Trillion** (USD 57.1 billion) *(Using conversion rate of US\$1=PhP 45)*



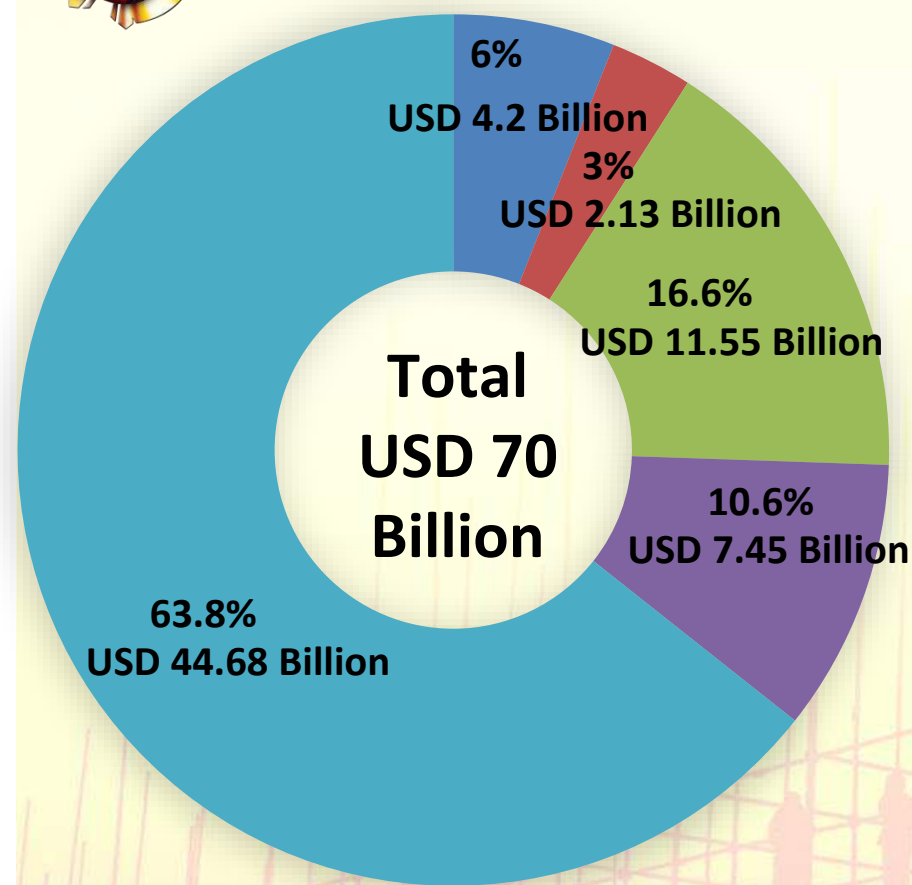
PHILIPPINE INFRASTRUCTURE REQUIREMENT



- USD 57.1 Billion infrastructure spending (actual and projected until 2016) is only 45% of the **USD 127.1 Billion** projects required infrastructure investment according to an ADB study



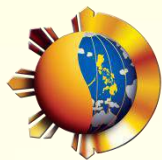
PPP Projects Contribution to Infrastructure Spending Gap



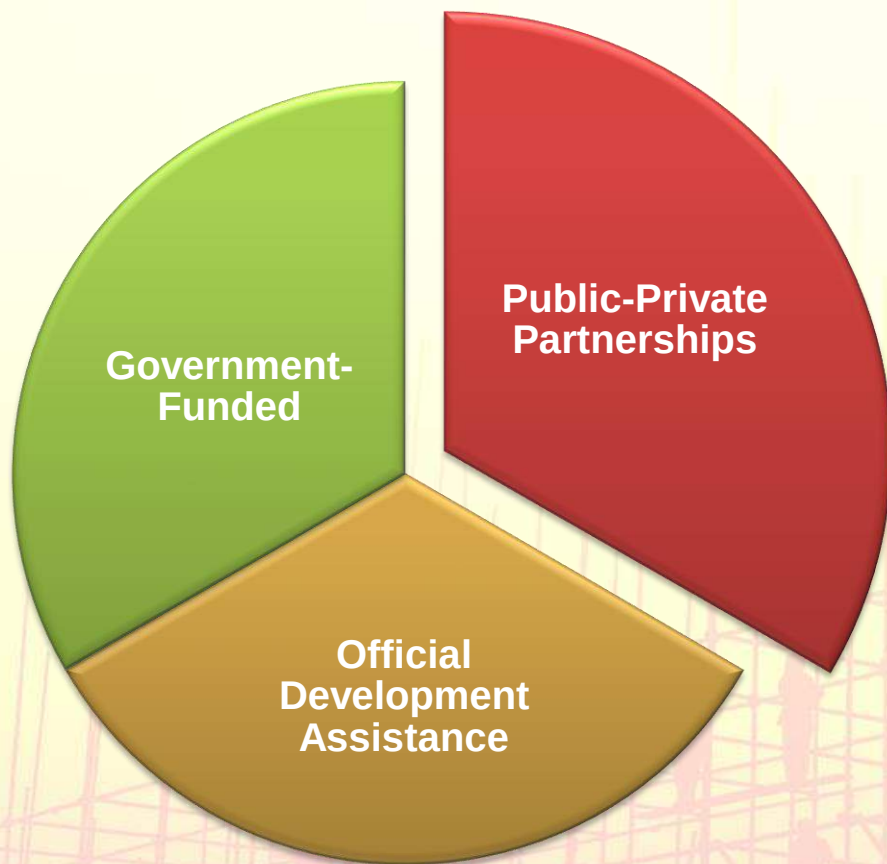
- Awarded Projects
- Projects Under Implementation
- Rolled-out PPP Projects
- Pipeline PPP Projects
- Remaining Required Infrastructure Spending

Status (as of 23 October 2015)	No. of Projects	Estimated Cost (in Billion USD)
Awarded Projects	10	4.2
Other Projects Under Implementation	2	2.13
Rolled-out PPP Projects	15	11.55
Project for Awarding	1	0.09
Projects under procurement	14	11.46
Pipeline PPP Projects	13	7.45
Project approved for roll-out	2	2.40
For approval of relevant government bodies	7	3.77
Projects with ongoing studies	4	1.28
TOTAL	40	25.33

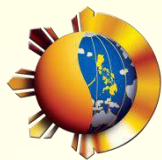
- PPP Projects will contribute **USD 25.33 Billion** or 36.2% of the total remaining required infrastructure spending



OVERVIEW: PH INFRASTRUCTURE PORTFOLIO



Aside from public spending, **PPPs** will bring in private sector capital and expertise to address the infrastructure gap.



THE PHILIPPINE PPP AGENDA

PPP Program is geared towards
INCLUSIVE GROWTH



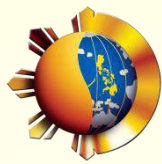
PPP as one of the strategies
to accelerate
**INFRASTRUCTURE
DEVELOPMENT**



Private sector as
**PARTNER IN
DEVELOPMENT**



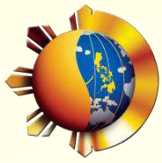
PPP Center as the
**CHAMPION FOR
PUBLIC-PRIVATE
PARTNERSHIPS**



WHAT IS PPP?



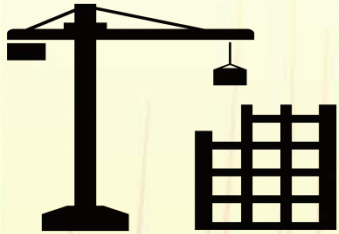
- ✓ A **contractual arrangement** between the Public (Implementing Agency or Local Government Unit) and private partners to accelerate provision and/or implementation of **infrastructure and/or development projects or services**
- ✓ The contractual agreement provides clearly-defined **roles and responsibilities** of the parties/partners.
- ✓ There is allocation of **rewards/revenues/ costs/risks** between public and private partners.



THE ROLE OF THE PRIVATE SECTOR



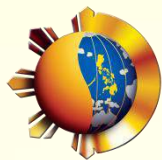
- State's partner in development



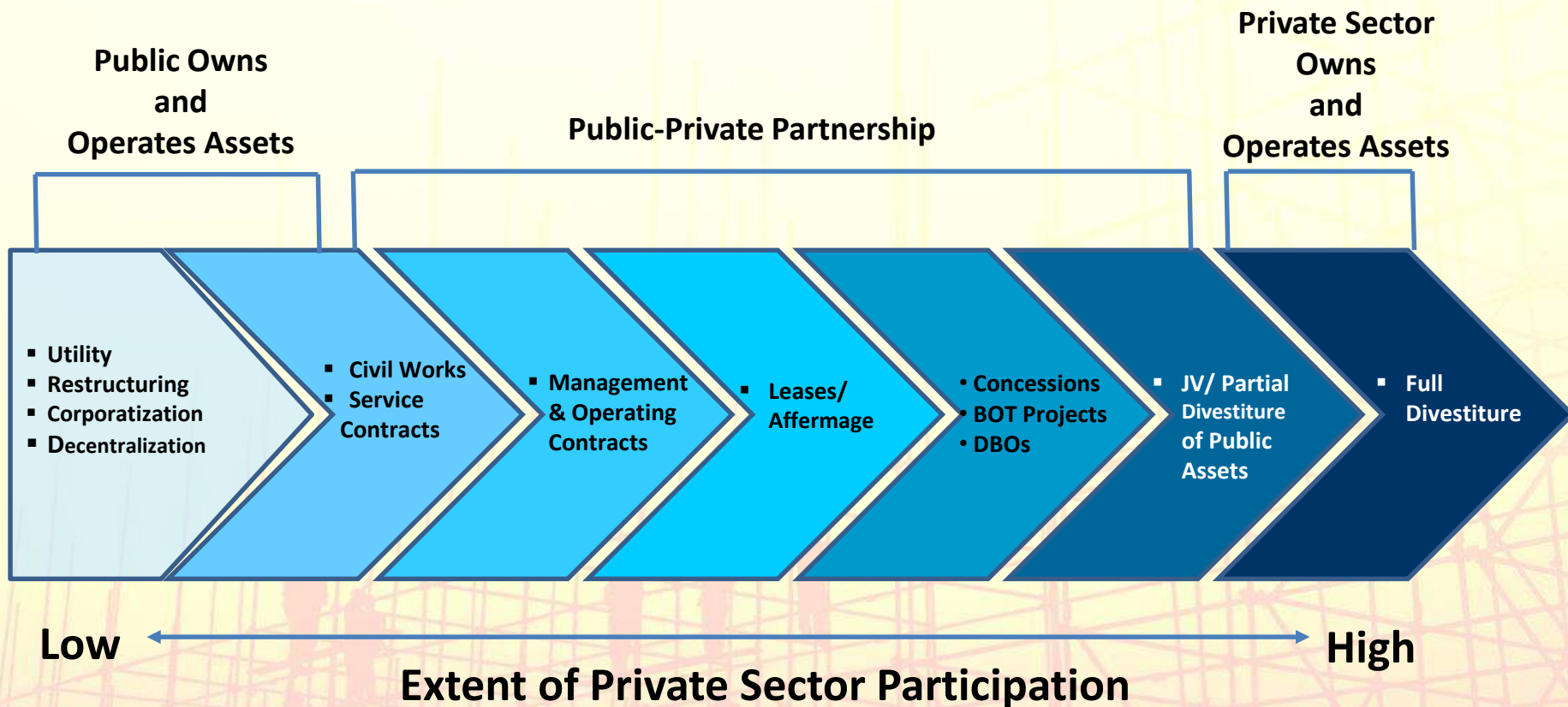
- Offers efficiency gains in technology and innovation that may be too costly for the state



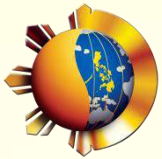
- Can finance, design, construct, and operate the facility, in exchange is authorized to collect fees



RANGE OF PPPs



Source: (Delmon, 2010)



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 Implementing Rules and Regulations (IRR)

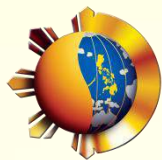
- **Other Major Laws**

RA 8974 (*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*)

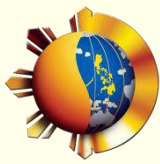




ELIGIBLE TYPES OF PPP PROJECTS



Economic Infrastructure	Social Infrastructure	Others
■ Highways/Roads ■ Railroads & Railways ■ Ports ■ Airports ■ Transport Systems ■ Water Supply ■ Land Reclamation ■ Solid Waste Management	■ Agriculture ■ Canals, Dams, Irrigation ■ Education ■ Health Facilities ■ Prison Facilities	■ ICT Systems/Facilities ■ Tourism Facilities ■ Industrial & Tourism Estates ■ Markets, Warehouses, Slaughterhouses ■ Housing, Government Buildings ■ Climate change mitigation/adaptation infrastructure projects



OVERVIEW OF THE PPP PROCESS

Development Stage

- Project Identification
- Project Preparation (Feasibility Study, Market Sounding Activity)
- Finalization of Project Structure

Approval Stage

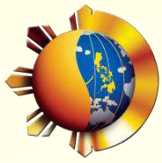
- Project submission to relevant approving bodies
- Project Assessment and Appraisal
- ICC-Cabinet Committee Project Approval/Recommendation
- NEDA Board Approval

Competition Stage

- Prequalification (e.g. Advertisement of Invitation to Prequalify to Bid, Prequalification Conference, Submission of Prequalification Documents)
- Bid Proper (e.g. Pre-bid Conference, Bid Submission, Bid Opening and Evaluation)
- Project Award to Private Partner

Cooperation Stage

- Contract Signing
- Financial Close
- Implementation (e.g. Preparation of Detailed Engineering Design, Construction, Commissioning)
- Turnover of Facility/ Infrastructure Back to Government



OVERVIEW OF THE BIDDING PROCESS

Two-Stage Bidding Process



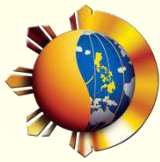
STAGE 1: Prequalification of Bidders (2-3 months)

- 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



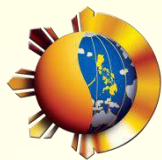
STAGE 2: Bid Proper (5-8 months)

- 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



INSTITUTIONAL FRAMEWORK

- **Contracting Parties/Implementing Agencies**
 - Line Agencies (national agencies)
 - Government Corporations
 - Local Government Units
- **Review and Approving Bodies**
 - Local Government Councils
 - Investment Coordination Committee (ICC)
 - National Economic and Development Authority (NEDA) Board
- **Regulatory Agencies**
 - Toll Regulatory Board (TRB)
 - Metropolitan Waterworks and Sewerage System (MWSS)
 - Energy Regulatory Commission (ERC)
- **Coordinating and Monitoring Agency**
 - PPP Center

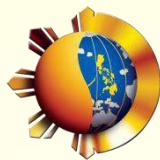


THE PPP CENTER



Per Executive Order No. 8, s. 2010,
as amended by **Executive Order No. 136**
signed last 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
 - **Capacitate** 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 directly reports to the **PPP Governing Board**



INSTITUTIONAL EVOLUTION OF THE PPP CENTER

Evolving Institutional Role in Critical Phases of Private Sector Engagement

Aquino Administration 1986-1992

- *BOT Law (RA 6957)*

Ramos Administration 1992-1998

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

Estrada Administration 1998-2001

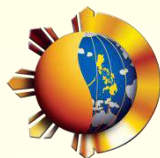
- *Renamed BOT program to Private Sector Participation (PSP) program*
- *Coordinating Council for Private Sector Participation Program (CCPSP) under the Office of the President*

Arroyo Administration 2001-2010

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

Aquino Administration 2010-Present

- *Renamed PPP Center and attached to NEDA*



PPP MILESTONES

Policy Enhancements

Updated the Implementing Rules and Regulations of the current BOT law

Created Dispute Mechanisms in PPP contracts

Established the PPP Governing Board

Enhanced framework for PPPs through the issuance of policy circulars and guidelines

Process Improvements

Streamlined PPP appraisal process

Institutionalized market feedback during project preparation; systematic and transparent bidder interaction during tender process

Capacity Building

Continuous strengthening of capacities of implementing agencies and local government units (LGUs)

Building a Robust Pipeline

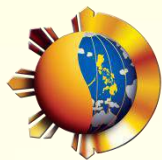
Established the Project Development and Monitoring Facility (**PDMF**)

22 internationally-renowned PDMF panel of consulting firms

40 Projects with Project Development and Monitoring Facility (PDMF) support

10 awarded projects with a total value of USD 4.20 Billion

42 projects in the pipeline amounting to USD 19.00 Billion



PPP ON-GOING INITIATIVES

Policy Enhancements

Further enhancement of the legal and regulatory framework for PPPs through the enactment of the PPP Act and the issuance of several policy circulars and guidelines

Institutionalization of the Contingent Liability Fund; and other process & policy reforms

Policy Framework

Standardize policies and systems in engaging private sector in the water sector

Develop the Philippines' capital markets for infrastructure financing

Process Improvements

Fast-track and improve hiring of independent consultants through the PDMF

Standardize PPP contracts

Establish more streamlined project monitoring and evaluation protocols

Hiring of probity advisors for big-ticket project

Capacity Building

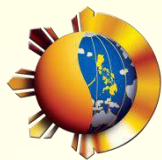
Further develop communication strategies and knowledge management (KM) through the PPP KM Portal

Continuous institutional partnerships with development partners to build capacities of PPPC, oversight agencies, implementing agencies, and LGUs

Building a Robust Pipeline

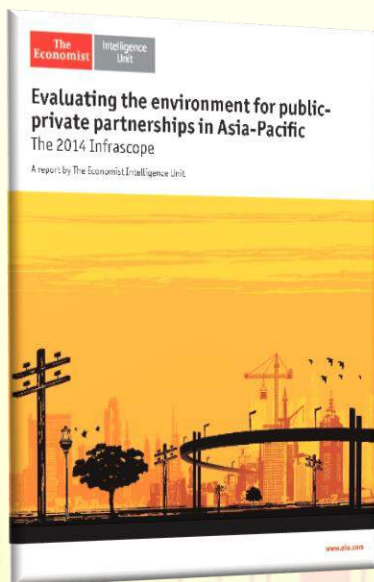
Building pipeline of LGU projects through PDMF

Assistance to LGUs thru partnering with educational institutions



RECOGNITIONS

PH: Most-improved in Asia-Pacific for PPP Readiness INFRASCOPE 2014



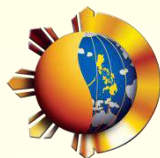
Analysis of a benchmark index and learning tool that assesses the readiness and capacity of countries in the Asia-Pacific Region to carry out sustainable, long term PPP

Ranking Criteria:

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

OVERALL SCORE	
Rank	Score
1	Australia 91.8
2	United Kingdom 88.1
3	Republic of Korea 78.8
4	Japan 75.8
5	India 70.3
6	India - Gujarat state 68.0
7	Philippines 64.6
8	People's Republic of China 55.9
9	Indonesia 53.5
10	Thailand 50.4
11	Pakistan - Sindh province 49.9
12	Bangladesh 49.3
13	Kazakhstan 41.4
14	Pakistan 41.0
15	Mongolia 39.7
16	Armenia 38.0
17	Papua New Guinea 33.5
18	Viet Nam 33.1
19	Kyrgyz Republic 29.5
20	Tajikistan 28.7
21	Georgia 26.2

	Overall Index	Regulatory Framework	Institutional Framework	Operational Maturity	Investment Climate	Financial Facilities	Sub-national Adjustment
Score	64.6	68.8	66.7	54.5	75.3	63.9	50.0
Rank	7	4	4	9	7	8	6



RECOGNITIONS

**PPP CENTER:
Best Central Government
PPP Promoter
PARTNERSHIPS AWARDS 2014**

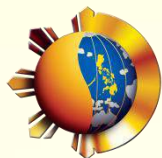


**PPP CENTER:
Asia-Pacific
Grantor of the Year
IJ GLOBAL
AWARDS 2014**



**PPP CENTER:
PPP Agency of the Year
The ASSET Triple A Asia
Infrastructure Awards**

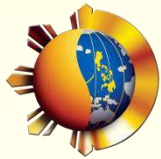




LIST OF PPP PROJECTS

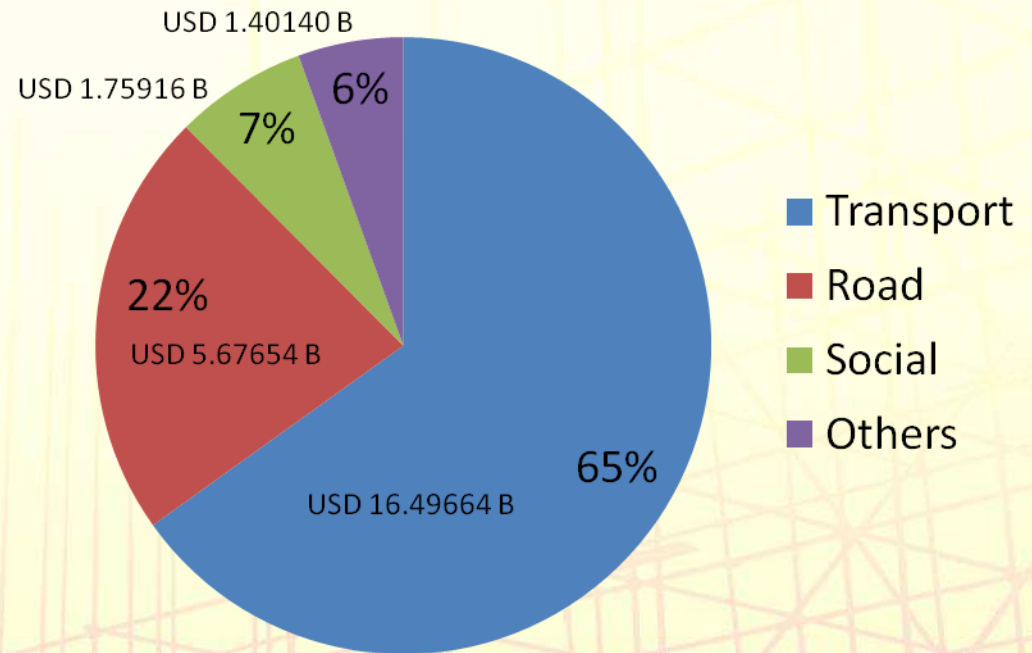
STATUS	NO. OF PROJECTS	ESTIMATED COST (in billion USD)
PROJECTS UNDER IMPLEMENTATION		
Awarded	10	4.20
Other projects for implementation	2	2.13
PROJECTS IN THE PIPELINE		
Project for Awarding	1	.09
Projects under procurement	14	11.46
Project approved for roll-out	2	2.4
For approval of relevant government bodies	7	3.77
Projects with ongoing studies	4	1.28
For procurement of consultants	7	TBD
Under conceptualization or development	7	TBD
Sub-Total	42	18.99*
TOTAL	54	25.33*

**This does not include 16 projects with no estimated costs yet*



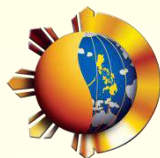
PPP PROJECTS BY SECTOR

Sector	No. of Projects	Estimated Cost (in Billion USD)
Transport	24	16.49664
Airport	9	5.67964
Rail	7	9.17511
Transport	7	1.21989
Port	1	0.42200
Road	12	5.67654
Social	8	1.75916
Education	3	0.45093
Health	4	0.19311
Prisons	1	1.11511
Others	10	1.40140
Tourism	3	0.07406
Water	2	0.95831
Energy	2	0.32714
IT	2	0.04190
Agriculture	1	TBD
TOTAL	54	25.33374

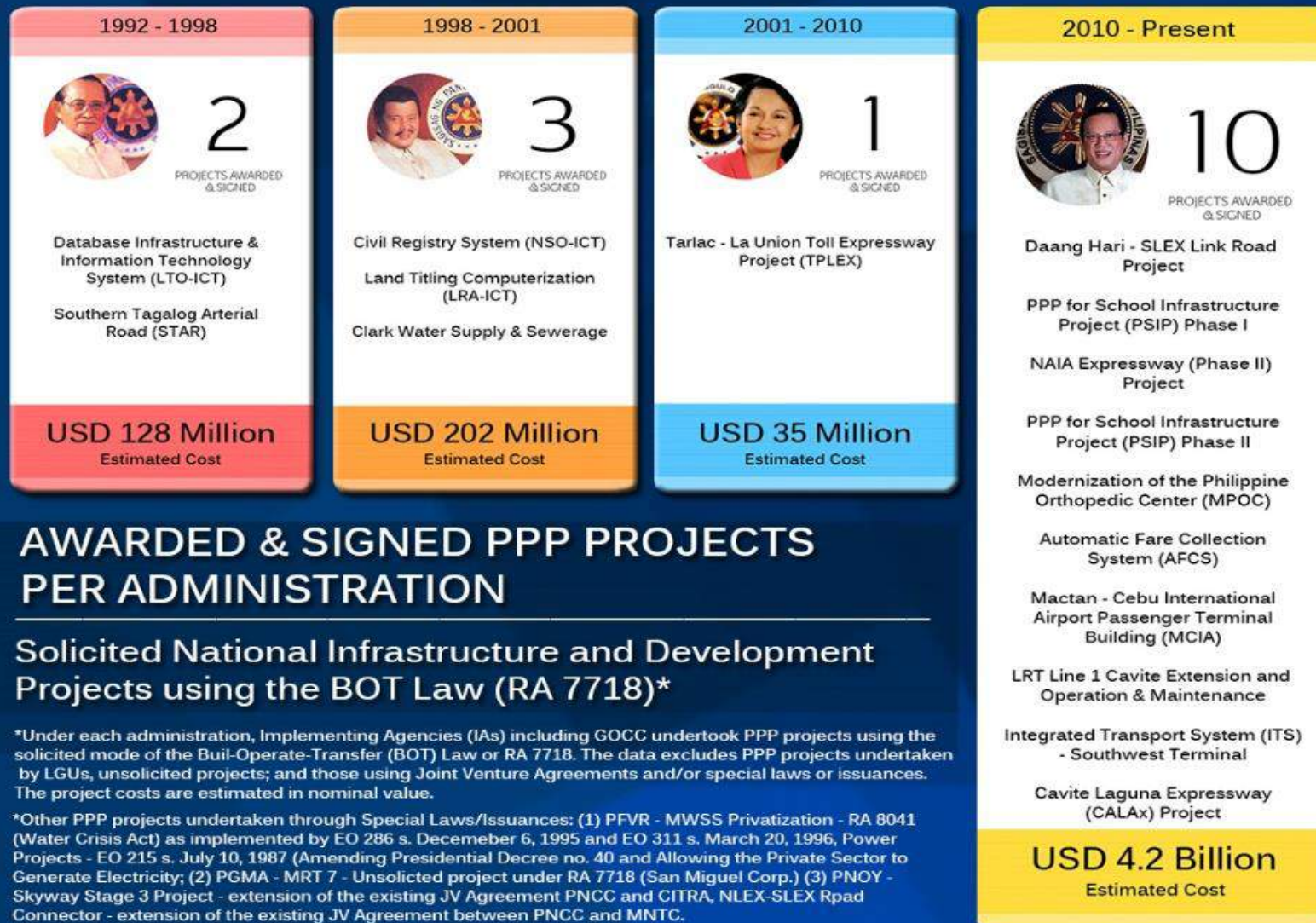


Economic infra projects (transportation and road) to achieve inclusive growth account for almost **90%** of the PPP list of projects

Transport sector consists of **USD 16.5 Billion** or 65% of the total **USD 25.3 Billion** list of PPP projects



AWARDED PROJECTS



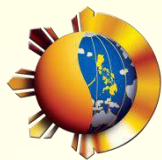
AWARDED & SIGNED PPP PROJECTS PER ADMINISTRATION

Solicited National Infrastructure and Development Projects using the BOT Law (RA 7718)*

*Under each administration, Implementing Agencies (IAs) including GOCC undertook PPP projects using the solicited mode of the Build-Operate-Transfer (BOT) Law or RA 7718. The data excludes PPP projects undertaken by LGUs, unsolicited projects; and those using Joint Venture Agreements and/or special laws or issuances. The project costs are estimated in nominal value.

*Other PPP projects undertaken through Special Laws/Issuances: (1) PFVR - MWSS Privatization - RA 8041 (Water Crisis Act) as implemented by EO 286 s. December 6, 1995 and EO 311 s. March 20, 1996, Power Projects - EO 215 s. July 10, 1987 (Amending Presidential Decree no. 40 and Allowing the Private Sector to Generate Electricity); (2) PGMA - MRT 7 - Unsolicited project under RA 7718 (San Miguel Corp.) (3) PNOY - Skyway Stage 3 Project - extension of the existing JV Agreement PNCC and CITRA, NLEX-SLEX Road Connector - extension of the existing JV Agreement between PNCC and MNTC.

As of June 2015



AWARDED PROJECTS

Comparison between Independent Power Producer (RA 7648) vs. Public-Private Partnership (BOT Law)

RA 7648

RA 7718

Republic Act 7648
Electric Power Crisis Act of 1993



LEGAL
BASIS



Republic Act 6957,
as amended by Republic Act 7718
Build-Operate-Transfer Law

Negotiated Contract
(Sec. 3, RA 7648)



PROCUREMENT
PROCESS



Competitive Public Bidding
(Sec. 6, RA 7718)

None



FEASIBILITY
STUDY



Yes

Solely made by the President



APPROVAL
PROCESS



PPP project undergoes review &
evaluation through this process:

- Technical Working Group
- endorsement by Investment
Coordination Committee (ICC)
to NEDA Board
- NEDA Board Approval

- Includes:
- Sovereign Guarantee
 - Foreign Exchange Risk
 - Market risk
 - Take or pay undertaking



GOVERNMENT
GUARANTEES



Risk Sharing between Government
and Private Partner



PUBLIC-PRIVATE PARTNERSHIP CENTER
OF THE PHILIPPINES

As of October 2015

Awarded PPP Projects

Muntinlupa-Cavite Expressway (MCX)



PPP for School Infrastructure Project (PSIP) Phase I



Automatic Fare Collection System (AFCS) Project



PPP for School Infrastructure Project (PSIP) Phase II



Mactan-Cebu International Airport (MCIA) Passenger Terminal Building Project



Start of Operation:
**24 JULY
2015**

9,223
classrooms
completed &
delivered

Beep Cards
are being
used in all
three lines
(LRT 1/LRT 2/MRT 3)

1,500
classrooms
completed &
delivered

Construction of
second terminal
ongoing.
Installation of
self-check in
kiosk & other
physical
improvements
in place



Awarded PPP Projects

LRT Line 1 Cavite
Extension and
O&M Project



NAIA Expressway
(Phase II) Project



Southwest Integrated
Transport System (ITS)
Project



Cavite Laguna
Expressway (CALAX)
Project



Modernization of the
Philippine Orthopedic
Center (MPOC) Project



Handover
of existing
system to
Light Rail

Manila Corp.
last Sept 12

2015

On-going
pre-construction
activities

Construction
On-going
52.97% complete

Contract Signed:
24 APRIL
2015

On-going
pre-construction
activities

Procurement
of Independent
Consultant

Contract Signed:
10 JULY
2015

On-going
pre-construction
activities

Procurement
of Independent
Consultant

On-going
pre-construction
activities

Procurement
of Independent
Consultant





PROJECTS UNDER PROCUREMENT

14 PROJECTS

PHP 515.87 BILLION

USD 11.46 BILLION

(AS OF OCTOBER 2015)



LAGUNA LAKESHORE
EXPRESSWAY DIKE PROJECT

PHP 122.8 BILLION
USD 2.73 BILLION



BULACAN BULK WATER
SUPPLY PROJECT

PHP 24.4 BILLION
USD 542.22 MILLION



NEW CENTENNIAL WATER
SOURCE - KALIWA DAM PROJECT

PHP 18.72 BILLION
USD 416 MILLION



OPERATION & MAINTENANCE
OF LRT LINE 2 PROJECT

NO CAPEX



NEW BOHOL (PANGLAO)
OPERATIONS, MAINTENANCE
& DEVELOPMENT PROJECT

PHP 2.34 BILLION
USD 52 MILLION



LAGUINDINGAN AIRPORT
OPERATIONS, MAINTENANCE &
DEVELOPMENT PROJECT

PHP 14.62 BILLION
USD 324 MILLION



DAVAO AIRPORT
OPERATIONS, MAINTENANCE &
DEVELOPMENT PROJECT

PHP 40.57 BILLION
USD 901 MILLION



BACOLOD AIRPORT
OPERATIONS, MAINTENANCE &
DEVELOPMENT PROJECT

PHP 20.26 BILLION
USD 450 MILLION



ILOILO AIRPORT
OPERATIONS, MAINTENANCE &
DEVELOPMENT PROJECT

PHP 30.40 BILLION
USD 675 MILLION



REGIONAL PRISON FACILITIES
THROUGH PPP PROJECT

PHP 50.18 BILLION
USD 1.115 BILLION



DAVAO SASA PORT
MODERNIZATION PROJECT

PHP 18.99 BILLION
USD 422 MILLION



NORTH-SOUTH RAILWAY PROJECT
(SOUTH LINE)

PHP 170.70 BILLION
USD 3.79 BILLION



ROAD TRANSPORT INFORMATION
TECHNOLOGY INFRASTRUCTURE
PROJECT (PHASE II)

PHP 298 MILLION
USD 6.63 MILLION



CIVIL REGISTRY SYSTEM -
INFORMATION TECHNOLOGY
PROJECT (PHASE II)

PHP 1.59 BILLION
USD 35.27 MILLION



PROJECTS FOR ROLL-OUT

2

PROJECTS

PHP 107.98
BILLION

USD 2.39
MILLION



LRT LINE 6 PROJECT

PHP 65.09 BILLION
USD 1.45 BILLION



LRT LINE 4 PROJECT

PHP 42.89 BILLION
USD 953 MILLION

NAIA DEVELOPMENT PROJECT

PHP 74.56 BILLION
USD 1.656 BILLION



NLEX-SLEX CONNECTOR ROAD PROJECT

PHP 23.20 BILLION
USD 515 MILLION



BATANGAS-MANILA (BATMAN) 1 NATURAL GAS PIPELINE PROJECT



MOTOR-VEHICLE INSPECTION SYSTEM (MVIS) PROJECT

PHP 44.55 BILLION
USD 989.89 MILLION



PLARIDEL BYPASS TOLL ROAD PROJECT

PHP 9.39 BILLION
USD 208.60 MILLION



NEW NAYONG PILIPINO ENTERTAINMENT CITY PROJECT

PHP 1.70 BILLION
USD 37.81 MILLION



PHILIPPINE TRAVEL CENTER PROJECT

PHP 1.58 BILLION
USD 35.2 MILLION



FOR APPROVAL OF RELEVANT GOVERNMENT BODIES

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PROJECTS

PHP 169.70
BILLION

USD 3.771
BILLION

THANK YOU!

