

PPPs: Definition, Rationale and Projects

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**PUBLIC SECTOR
PPP PROPONENTS**

**NATIONAL
GOVERNMENT**

**GOVERNMENT
CORPORATIONS**

STATES 

**AUTONOMOUS
REGIONS**

PROVINCES

CITIES

MUNICIPALITIES

BARANGAYS

AVERTING PPP TURF CLASHES



**DIALOGUE AND
CONSENSUS**



SYSTEM OF HIERARCHY



FIRST IS PRIORITY



PRESIDENTIAL ACTION



AWARDED PROJECTS

12 PROJECTS

USD 4.45 BILLION

PHP 200.48 BILLION

(AS OF MAY 2016)



DAANG-HARI-SLEX LINK
ROAD PROJECT



PPP FOR SCHOOL
INFRASTRUCTURE PROJECT
(PSIP) PHASE I



NAIA EXPRESSWAY (PHASE II)
PROJECT



PPP FOR SCHOOL
INFRASTRUCTURE PROJECT
(PSIP) PHASE II



MODERNIZATION OF THE
PHILIPPINE ORTHOPEDIC CENTER
(MPOC) PROJECT



AUTOMATIC FARE COLLECTION
SYSTEM (AFCS) PROJECT



MACTAN-CEBU INTERNATIONAL
AIRPORT (MCIA) PASSENGER
TERMINAL BUILDING PROJECT



LRT LINE 1 CAVITE EXTENSION AND
O&M PROJECT



SOUTHWEST INTEGRATED
TRANSPORT (ITS) SYSTEM



CAVITE-LAGUNA EXPRESSWAY
(CALAX) PROJECT



SOUTH INTEGRATED TRANSPORT
SYSTEM PROJECT



BULACAN BULK WATER
SUPPLY PROJECT



PROJECTS UNDER PROCUREMENT

14 PROJECTS

PHP 556.56 BILLION

USD 12.37 BILLION

(AS OF JANUARY 2016)



LAGUNA LAKESHORE EXPRESSWAY DIKE PROJECT

PHP 122.8 BILLION
USD 2.73 BILLION



NEW CENTENNIAL WATER SOURCE - KALIWA DAM PROJECT

PHP 18.72 BILLION
USD 416 MILLION



OPERATION & MAINTENANCE OF LRT LINE 2 PROJECT

NO CAPEX



LRT LINE 6 PROJECT

PHP 65.09 BILLION
USD 12.367 BILLION



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



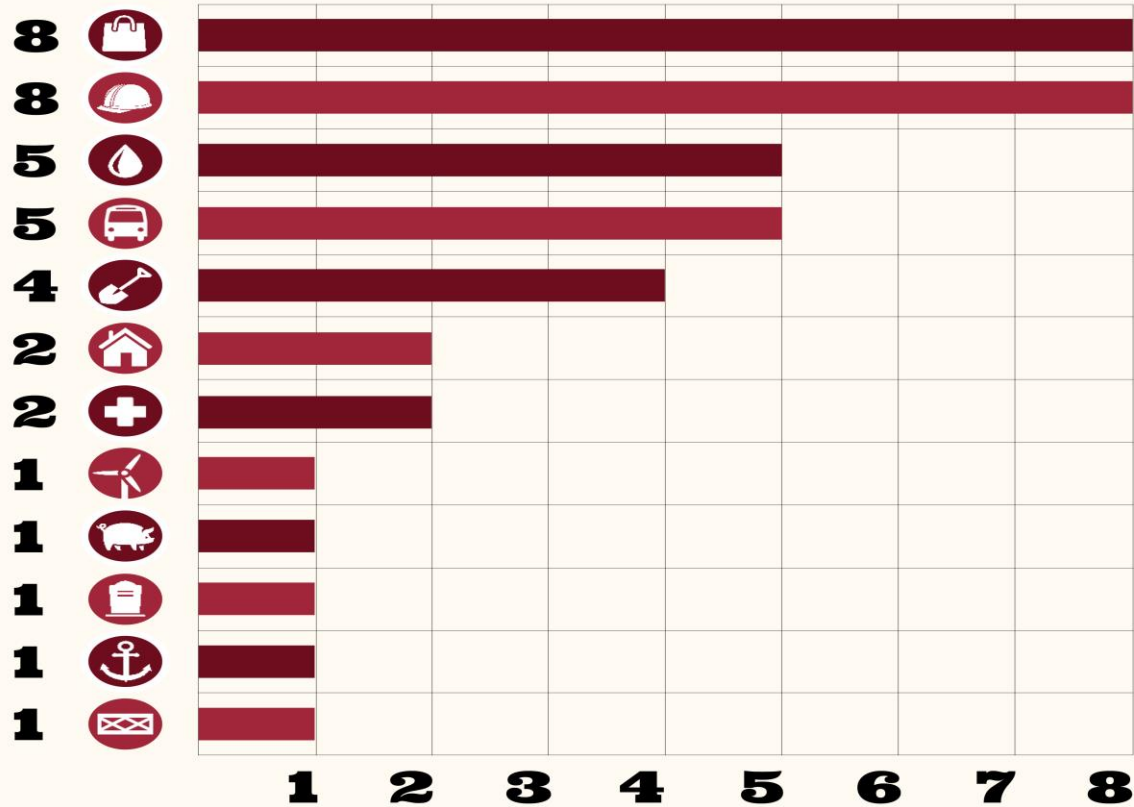
CIVIL REGISTRY SYSTEM - INFORMATION TECHNOLOGY PROJECT (PHASE II)

PHP 1.59 BILLION
USD 35.27 MILLION

27 JV/ PPP Projects by GOCCs/ GIs

1. Water Concession (MWSS)
2. Boracay Water Distribution (PTA)
3. North Bonifacio Land Development (BCDA)
4. Cagayan Airport (CEZA)
5. Land Development (NHA)
6. [Paper Supply (PCSO)]
7. Broadcast City Land Development (IBC 13)
8. Reclamation (PEA)
9. Transmission Concession (NPC)
10. Land Development Privatization (FTI)
11. UP Technohub (Lease)
12. UP Town Center (Lease)
13. Traffic Information Board System (MMDA)
14. Clark Green City (BCDA)
15. SCTEx Concession (BCDA)
1. Bulk Water Supply (Zamboanga City WD)
2. Bulk Water Supply (Davao WD)
3. Bulk Water Supply (Butuan WD)
4. Develop, Rehabilitate and O&M (Lingayen WD)
5. Develop, Rehabilitate and O&M (Lemery WD)
6. Develop, Rehabilitate and O&M (San Carlos WD)
7. Develop, Rehabilitate and O&M (Tarlac WD)
8. Develop, Rehabilitate and O&M (Daraga WD)
9. Develop, Rehabilitate and O&M (San Pedro WD)
10. Develop, Rehabilitate and O&M (Camiling WD)
11. Bulk Water Supply (Tagum WD)
12. Bulk Water Supply (Metro Iloilo WD)

39 LGU PPP PROJECTS



-  Markets
-  Health
-  Property Redevelopment
-  Wind
-  Water
-  Slaughterhouse
-  Terminal
-  Columbarium
-  Reclamation
-  Port
-  Housing
-  Bridge

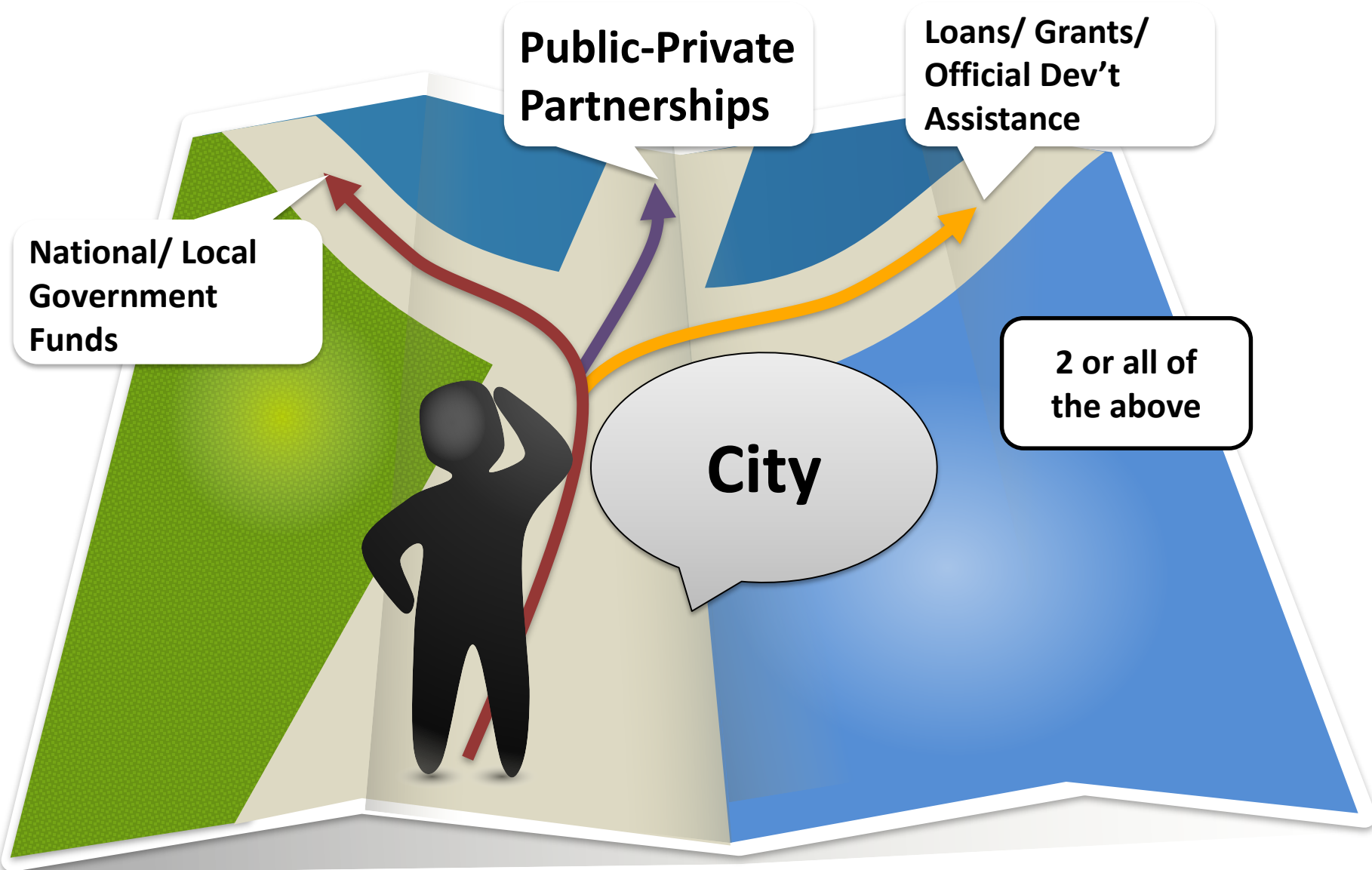
31 LGU JV Projects

1. Cavite Province Housing
2. Camarines Sur Water
3. Camarines Sur Wind Power
4. Iloilo City Ferry Terminal
5. Pasay City Reclamation
6. Paranaque City Reclamation
7. General Tinio Reservoir
8. Calamba Regional Government Center
9. San Juan City Columbarium
10. Nueva Ecija Business Hub
11. Valenzuela City Center
12. Valenzuela City Market
13. Bataan Transport Mall
14. Bataan Capitol Redevelopment
15. Cordova Reclamation
16. Tiwi Water Supply Improvement
17. Davao Port Development
18. Malabon Socialized Housing
19. Manila Dialysis Center
20. Manila Harrison Plaza
21. Manila Quinta Market
22. Manila Sta. Ana Market
23. Manila San Andres Market
24. Manila Trabajo Market
25. Manila Sampaloc Market
26. Manila New Antipolo Market
27. Manila Reclamation
28. Quezon Bulk Water, Hydro Power and Wind Power
29. Cebu-Cordova Bridge
30. San Luis Mini-Hydro
31. Puerto Princesa Waste-to-Energy

9 LGU Non-JV PPP Projects

1. Mandaluyong City Marketplace (BT/ BOT)
2. Cebu Property Ventures Development (Corporatization)
3. Northern Samar Provincial Hospital Pharmacy (Lease, O&M)
4. Legazpi City Bus Terminal (Lease, BOT)
5. Tarlac City Slaughterhouse (ROT)
6. Tarlac City Common Terminal (DOT)
7. Tarlac City Business Licensing Division Building (BOT)
8. Passi City CityMall (Lease)
9. Batangas Terminal (Lease)

IMPLEMENTATION-FUNDING JUNCTION



Restrictive or Broad

DEFINITION(S) OF PPP

Definitional Realities

1. No universal definition of PPP
 - a) each country will have its own definition
 - b) No one-size-fits-all definition
2. In the Philippines, there is no single law on PPPs.
 - a) National Government
 - I. Only administrative definition
 - II. Various modalities anchored on different laws, rules, guidelines, and resolutions
 - b) Local Government
 - I. Anchored on local autonomy and fiscal autonomy
 - II. LGUs enacted PPP Code or JV Ordinances

NEDA's Definition

A contractual arrangement between the government and the private sector to deliver public infrastructure and/or public services.

PPP Center's Definition

A contractual agreement between **government** and a **private firm** targeted towards **financing, designing, implementing *and* operating infrastructure facilities and services** that were **traditionally** provided by the public sector. It embodies **optimal risk allocation** between the parties – minimizing cost while realizing project **developmental objectives**. Thus, the project is to be structured in such a way that the private sector gets a **reasonable rate of return** on its investment.

Definition under DILG MC 120-2016

At the *policy* level:

PPP is a developmental, innovative, change and partnership strategy aimed at promoting the general welfare, inclusive growth and better quality of life of Filipinos.

At the *project* level:

PPP is a contractual arrangement between the government and the private sector to deliver public infrastructure and/or public services where each party assumes specified functions, bears certain risks, provides contribution, performs particular obligations, and earns benefits and revenues.

DILG MC 120-2016



Republic of the Philippines
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
DILG-NAPOLCOM Center, EDSA corner Quezon Avenue, West Triangle Quezon City
<http://www.dilg.gov.ph>



GUIDELINES FOR THE IMPLEMENTATION OF PUBLIC-PRIVATE PARTNERSHIP FOR THE PEOPLE INITIATIVE FOR LOCAL GOVERNMENTS (LGU P4)

Reference Number: Memorandum Circular No. 2016- 120
Date : September 7, 2016

1. Background

- 1.1 President Rodrigo Roa Duterte stated on his 10-point socio-economic agenda, committed to promote economic and social development, and encourage to accelerate annual infrastructure spending to account for 5% of GDP, with Public-Private Partnerships (PPP) playing a key role.
- 1.2 During the President's first State of the Nation Address (SONA) he identified core projects such as roads, bridges, airports, tourism, harvest facilities, public health, irrigation, rail, ferry system and public wi-fi to maintain the country's robust economic growth, improve traffic management and investment frameworks. He also welcomes unsolicited proposals for infrastructure projects.
- 1.3 The President further declared his commitment to promote economic and social development not only in metropolitan areas, without losing sight of the "truth north" of Public-Private Partnership (PPP) - to promote the general welfare and provide for better quality of life of the people - ensuring that PPPs are undertaken primarily for the benefit of the people ("P").
- 1.4 The PPP program has been the vehicle for private sector participation in the provision of infrastructure and social services. The private sector has always played a significant role in bridging the gaps in the economic and social development of the country.

2. Purpose

- 2.1 To promote local economic development that eventually contribute to the increase on the growth of national economy and create more jobs.
- 2.2 To help local government units (LGUs) in providing basic services to the community and its people especially the marginalized men and women.
- 2.3 To develop, create and strengthen the partnership between the local and private sectors in promoting the general welfare and providing better quality of life of the people.

- BLGD as P4 Unit
- Template PPP Ordinance
- P4 Database
- P4 Training (c/o LGA)
- 10 P4 Core Values

Download from DILG
website or
www.albertocagra.com

71 LGU PPP CODES

49 LGUs PPP CODES REFERRING TO AGRA TEMPLATE

17 PROVINCE

- Cavite
- Camarines Sur
- Northern Samar
- Pangasinan
- Nueva Ecija
- Bataan
- Bohol
- Agusan Norte
- Southern Leyte
- Pampanga
- Zambales
- Tarlac
- Davao Norte
- Quezon
- Cebu
- Aklan
- La Union

22 CITIES

- Butuan
- Olongapo
- Batangas
- Cauayan
- Paranaque
- San Juan
- Pasay
- General Santos
- Quezon City
- Imus
- Passi
- Catbalogan
- Navotas
- Malabon
- Legazpi
- Davao
- Antipolo
- Bayawan
- Puerto Princesa
- Baguio
- San Fernando, La Union
- Makati



10 MUNICIPALITIES

- General Tinio, NE
- Cordova, Cebu
- Cainta, Rizal
- Tiwi, Albay
- Consolacion, Cebu
- Dinalupihan, Bataan
- La Trinidad, Benguet
- Coron, Palawan
- Kalibo, Aklan
- Abucay, Bataan

10 LGU JV ORDINANCES REFERRING TO AGRA TEMPLATE

1 PROVINCE

- Camarines Sur

3 CITIES

- Manila
- Valenzuela
- Caloocan
- San Fernando, La Union

4 MUNICIPALITIES

- Opol, Misamis Or
- Mendez, Cavite
- Tuburan, Cebu
- San Luis, Aurora

10 LGU JV ORDINANCES REFERRING TO 2008 NEDA GUIDELINES

- Cebu Province
- Cebu City
- Lapu-Lapu City
- Mandaue City
- Iloilo City

- Pasay City
- Tacloban City
- Calamba City
- Laguna Province
- Argao, Cebu

1 LGU ORDINANCE BASED ON OWN VERSION

- Albay Province

1 LGU PPP REFERRING TO PPP CENTER TEMPLATE

- General Santos

PPP METAPHORS



Nature of PPPs



Components:

- Project
- Design
- Finance
- Construction
- Operations
- Governance
- Risk-Allocation
- Period
- Performance
- Payments
- Liabilities
- Procedures

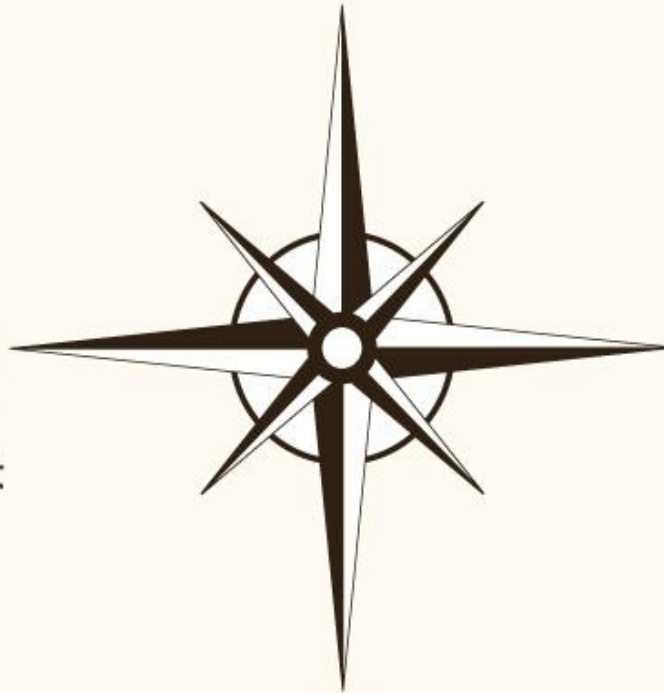
PPP MENU

- 1 FUNDING OPTION**
.....
.....
- 2 PPP MODALITY**
.....
.....
- 3 RISK ALLOCATION**
.....
.....
- 4 PPP PROJECT**
.....
.....
- 5 TARIFF MECHANISM**
.....
.....
- 6 PPP PERIOD**
.....
.....
- 7 ROLE OF GOVERNMENT**
.....
.....
- 8 PPP VALUE DRIVERS**
.....
.....
- 9 GOVERNMENT SUPPORT**
.....
.....
- 10 FINANCIAL PARAMETER**
.....
.....
- 11 PPP SELECTION PROCESS**
.....
.....
- 12 IMPLEMENTING AGENCY**
.....
.....

PPP'S TRUE NORTH



Better Quality of Life



Hard and Soft
Projects

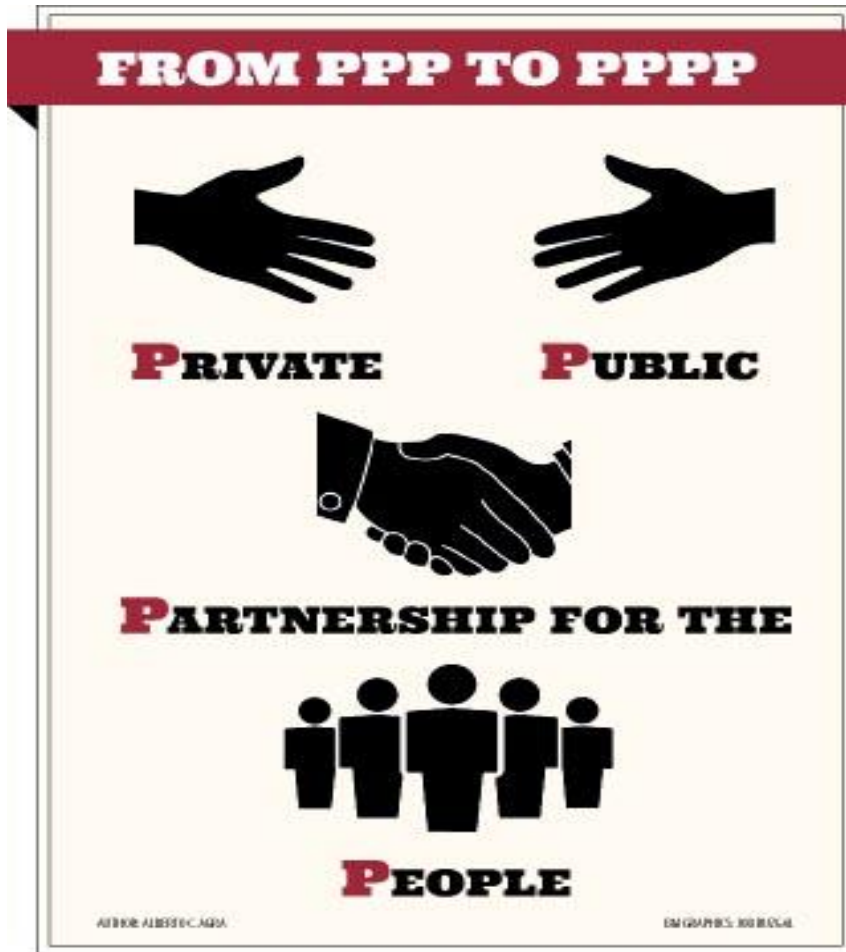


Sustaining
Partnerships



More Revenues

Policy Shift: P3 to P4



PRO-PPP MEANS...



PRO-PEOPLE



PRO-CHANGE



PRO-LEARNING



PRO-SHARING



PRO-INNOVATION



PRO-LAW



PRO-GREEN



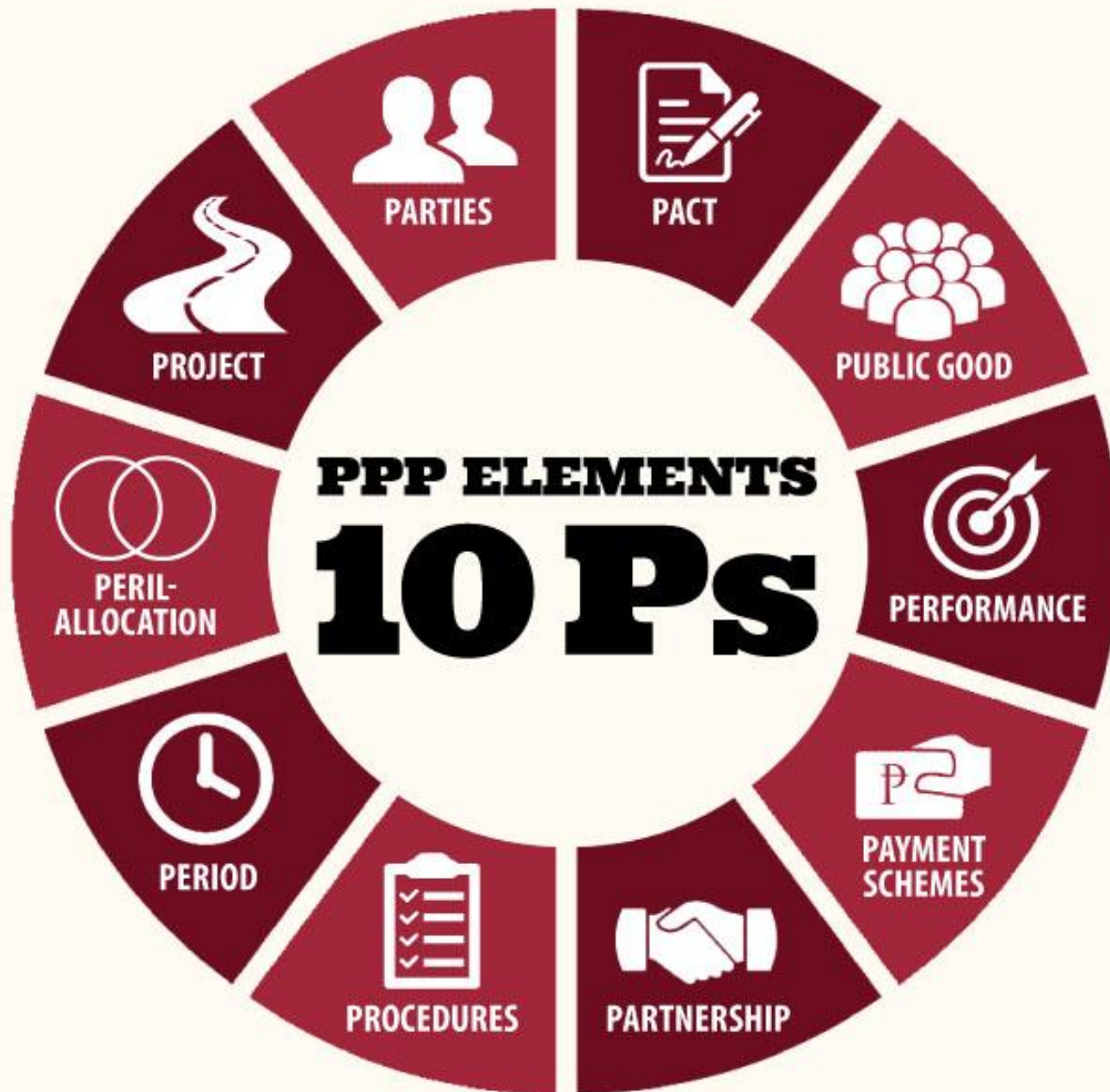
PRO-DECENTRALIZATION



PRO-PROCESS



PRO-IMPACT



Why Enter into PPPs

RATIONALE/ VALUE DRIVERS

WHY PPP?

THE 7 MAIN VALUE DRIVERS



**IMPLEMENT
CHANGE
POLICY**



**ENCOURAGE
INNOVATION**



**SERVE THE
PEOPLE**



**PROVIDE
BETTER
VALUE-FOR-
MONEY**



**ACCELERATE
DELIVERY OF
SERVICES**



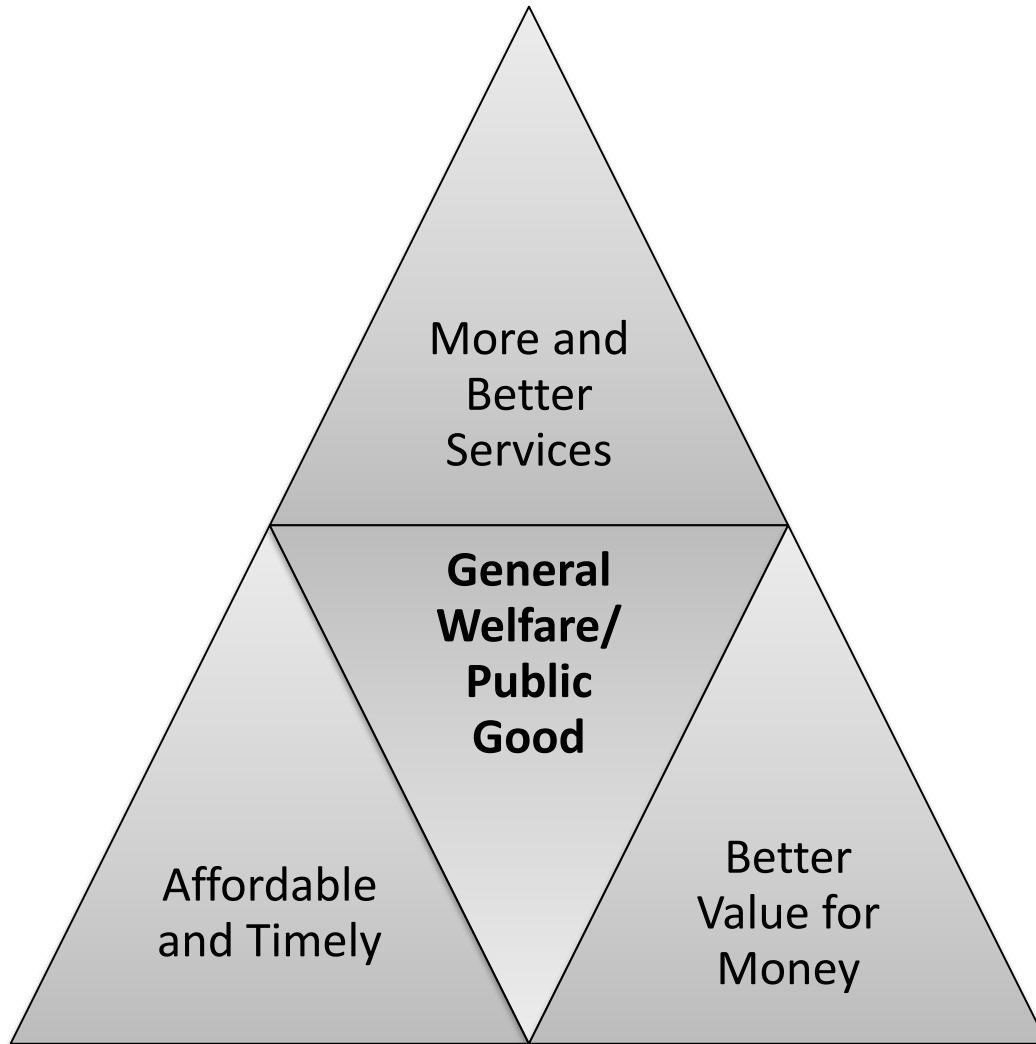
**SOLVE
RESOURCE
SCARCITY**



**SPREADING
RISKS**



Vision

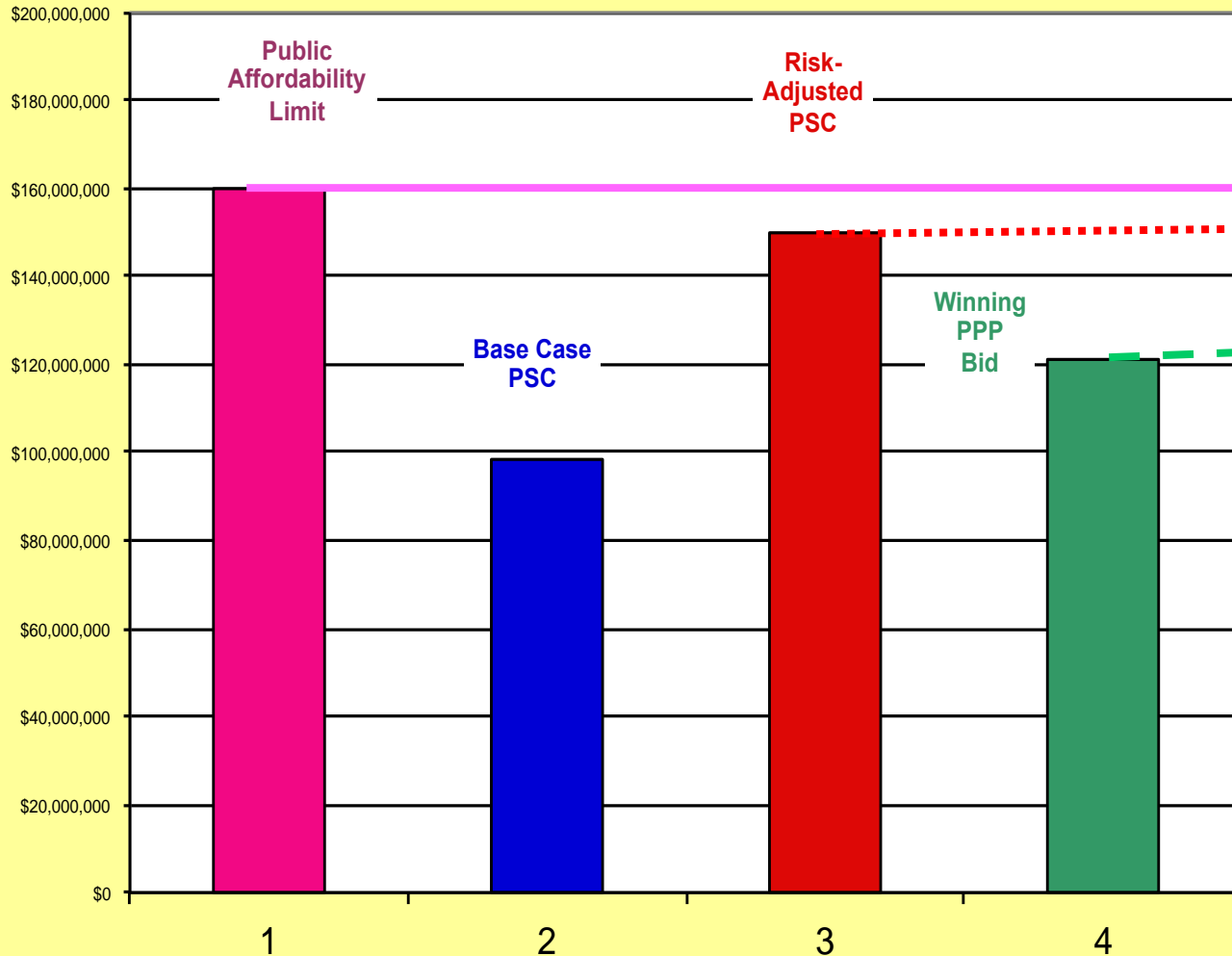


Additionality/ Acceleration



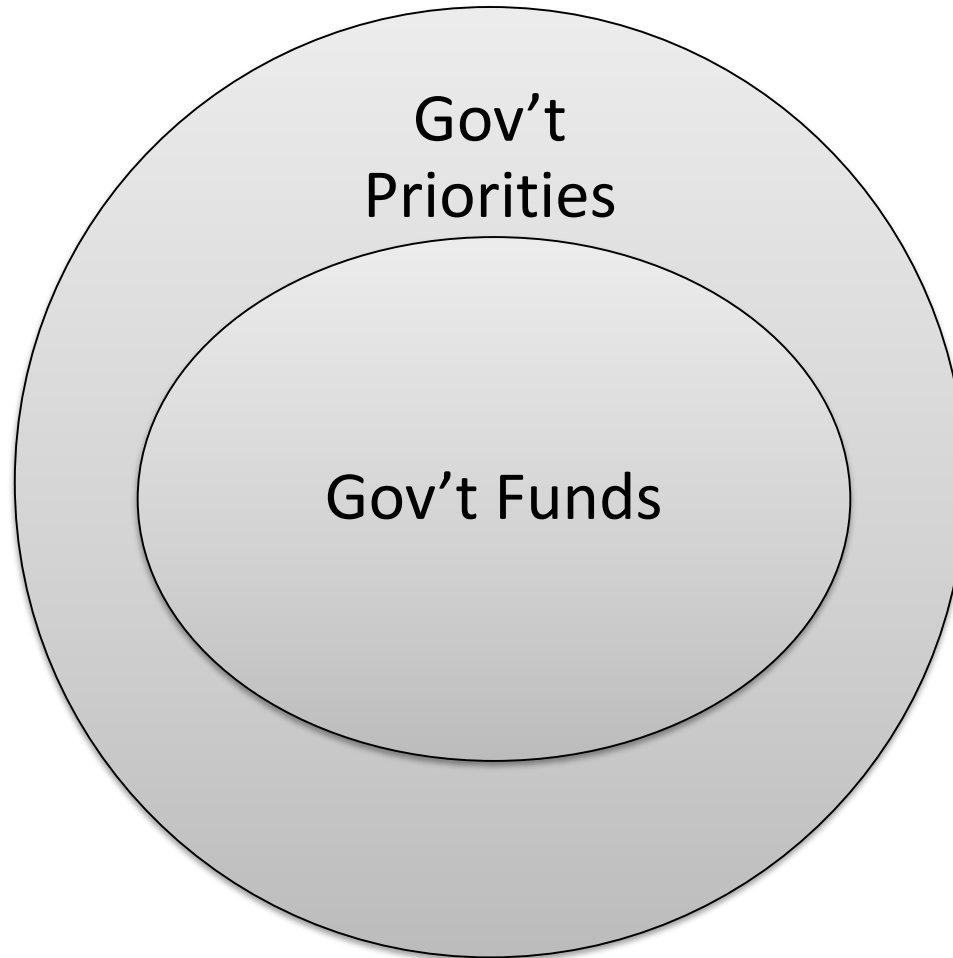
Value for Money

VFM Analysis of a Govt. Buildings PPP Project



**Value
for
Money
Benefits**

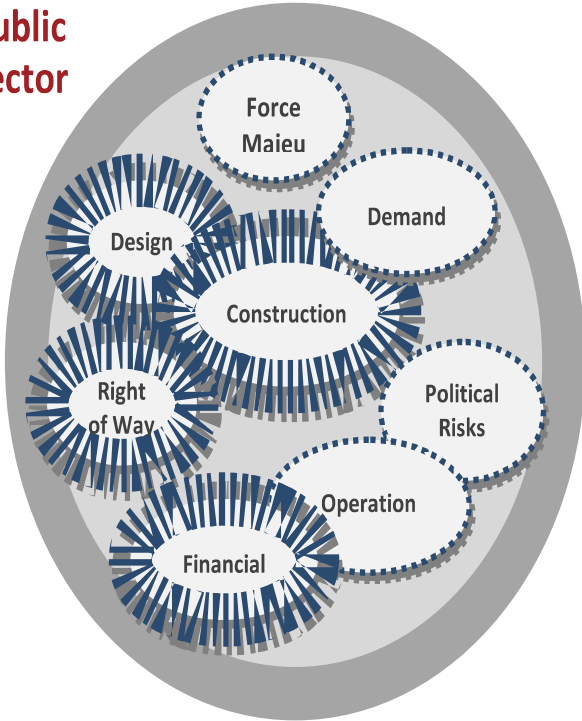
Public Cost Avoidance/ Fiscal Space



Risk Allocation

Publicly-financed Project

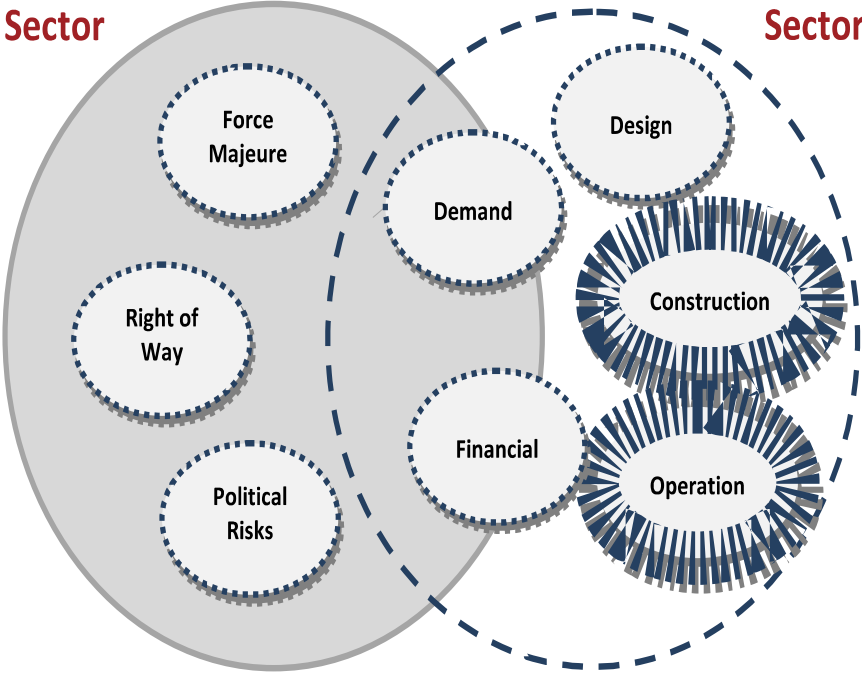
Public Sector



PPP Project

Public Sector

Private Sector



Innovation

Outputs: What/ Purpose

Classrooms must have an adequate power supply to meet operational requirements

***Innovation – Efficiency –
Whole-of-Life Costs –
Service Quality –
Technology Transfer***

Inputs: How/ Manner


Ensure that classrooms have at least two pairs of 240V power supply socket outlets available on each wall

Inclusive List

PPP PROJECTS


HARD

INFRASTRUCTURE ASSETS

- | | |
|---|--|
|  Road |  Terminal |
|  Water |  Government Buildings |
|  Power |  Parks |
|  Ports |  Information Technology |
|  Reclamation |  Cemetery |
|  Sports Complex |  Solid Waste Management |
|  Markets |  Bridges |
|  Transport Systems |  Malls |

SOFT

SOCIAL ASSETS AND SERVICES

- | | |
|---|---|
|  Classroom |  Housing |
|  Hospital |  Evacuation Center |
|  Agriculture |  Prisons |

BUNDLED

- | | |
|--|--|
|  + 
Hard and Hard |  + 
Soft and Soft |
|  + 
Hard and Hard |  +  + 
Hard, Soft and Soft |
|  + 
Hard and Hard |  +  + 
Hard, Hard and Soft |

PPP-IN-A-PPP



Land Reclamation

AUTHOR: ALBERTO C. AGRA

www.albertocagra.com

BM GRAPHICS: JOB RUZGAL

7 WATER PPP PROJECTS:

THE SPECTRUM



BULK WATER



IRRIGATION



HYDROPOWER



DISTRIBUTION



**NON REVENUE
WATER**



SEPTAGE



SEWERAGE

ROLE IN PPPs: GOVERNMENT AS...



POLICY-MAKER



REGULATOR



FUNDER



SUBSIDY-PROVIDER



GUARANTOR



PARTNER

THANK YOU