The Philippine Public-Private Partnership Program
The Philippines is undergoing an era of reform. The Filipino people, whose inherent talent and productivity are crucial to the success of enterprise, have reaffirmed their participation in the pursuit of economic development and equitable progress. In turn, our government has set in place the conditions necessary for the realization of these aspirations. We have instituted various structural interventions and policy reforms that will facilitate and simplify the conduct of business in the Philippines.

We believe that good governance—marked by transparency, accountability, and integrity—is the bedrock of a robust economy.

The overall objective of these thrusts is the revitalization of our country and the fulfillment of its multifaceted potential. Foremost in our efforts is our engagement in Public-Private Partnerships, which spur inclusive growth across all industries and secure our country’s standing in the global economy.

Our endeavors are bearing fruit, and we are heartened by your positive response. By the close of 2011, the Philippines jumped ten positions in the World Economic Forum’s Global Competitiveness Index—one of the handful to make a leap of this magnitude. In the Financial Development Index, we moved up to the 11th in the world, the rise in our ranking second only to Norway. These are among the many tangible manifestations of the increased confidence of investors like you.

This is our momentum of development, and we can sustain this through our continuing partnerships. This volume identifies areas of mutually beneficial collaboration, possibilities for growth that we can explore and realize, and the advantages we can gain if we work as one. With this initiative, we can work closer towards our goal of restoring dynamism in the Philippine economy, for the lasting benefit of all its stakeholders.

H.E. BENIGNO S. AQUINO III
President of the Republic of the Philippines
President Benigno S. Aquino III’s “Social Contract with the Filipino People” acknowledges the role of the private sector as an important partner in attaining the Philippines’ development objectives of inclusive growth and poverty reduction. Recognizing the indispensable role of the private sector as the main engine for national development, the Aquino administration identified the implementation of the Public-Private Partnership Program (PPP Program) as a cornerstone strategy of the government to accelerate the country’s infrastructure development and sustained economic growth.

Guided by the principles of transparency, accountability, and sustainable partnerships with the private sector, the Program intends to provide safe, efficient, reliable, and reasonably-priced infrastructure and development facilities, while affording the private sector a level playing field, reasonable returns, and appropriate sharing of risks.

Participating in the Philippine PPP Program allows investors to do business in a stable economic environment bolstered by sound and consistent policies and processes, as well as an improved governance that has reduced the time and cost of doing business.

Under the PPP Agenda, national implementing agencies and local government units are continually enabled to undertake PPP projects through the provision of technical and capacity building support in all aspects of the PPP project development and implementation cycle.

The Philippine Government sees this as a reliable and solid strategy to efficiently deliver its services, and create more job opportunities, through a dynamic and solid infrastructure program.

PPPs Defined. PPP is broadly defined as a contractual agreement between the Government and a private firm 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—the Government minimizing the cost while realizing project developmental objectives; and the private sector getting a reasonable rate of return.
Governed by the Amended Build-Operate-Transfer Law (BOT Law) and its implementing rules and regulations (BOT Law-IRR), the PPP Program is characterized by an interactive process framework, namely: Project Development, Project Approval, Project Competition, and Project Cooperation.

### The PPP Process Framework

#### DEVELOPMENT

Project Development stage is characterized by project identification, project preparation, and contractual consideration. Factors considered usually include commercial sustainability, potential development impact, level of complexity, operating and total project costs, and other planning and policy inputs based on existing development plans.

This stage is also characterized by a list of requirements that project proponents should address to undertake a PPP project—completed feasibility study (FS), right of way acquisition (ROWA) plans, draft PPP agreement, proposed risk allocation, valuation of direct and contingent government support, and implementation plan, among others. These requirements are done either by the implementing agency or the private sector proponent, depending on the mode of procurement used (solicited/unsolicited).

#### APPROVAL

#### COMPETITION

#### COOPERATION

The framework also recognizes other republic acts and executive issuances of implementing agencies which include the Local Government Code of 1991 for LGUs, and the charters of government-owned and controlled corporations (GOCCs) and various sectoral regulatory agencies.

### Project Approval

NEDA Board approval, upon endorsement of the Investment Coordination Committee (ICC), is required for national and local projects costing more than PHP 300M; and for negotiated national projects, regardless of the amount. On the other hand, only ICC approval is needed for national projects costing less than PHP 300M; and for local projects costing above PHP 200M up to PHP 300M.

Local Development Councils shall approve local projects costing PHP 200M and below. Specific approving body is determined based on the total project cost.

### The Approving Bodies
The PPP Process Framework

Project Competition

This stage is primarily characterized by the process of transparent and competitive bidding, up to project award and project implementation. The step-by-step processes, as well as the necessary requirements needed to join the bidding are specifically outlined in the Amended BOT Law’s implementing rules and regulations.

The Bidding Process

- Project Identification and Preparation (10)
- Approval of Feasibility Studies (30)
- Invitation to Prequalify & Bid (21)
- Preparation of Prequalification Documents (30-45)
- Approval of Prequalification (30)
- Bid Submission
- Bid Evaluation (Technical 30, Financial 15)
- Issue of Request for Proposal/Bid Preparation (30/50-120)
- Prepare the Bid (90/120)
- Prequalification of Bidders (30)
- Issuance of Notice of Award (7)
- Receipt and Compliance with Notice of Award (14)
- Execution of Contract (14)
- Issuance of NTC (7)
- Contract Implementation

Legend:
- Government
- Private Sector
- Calendar days

Preparation of Prequalification Documents (30-45)

Project Cooperation

The cooperation period involves the implementation and operation of the project by the private sector; and the performance monitoring and contract enforcement by the government implementing agency. Basic components of this phase may include: Pre-Construction, Construction, Operation and Maintenance (O & M), and/or Asset Transferring/Turn-over.

Awarding of the Daang Hari-SLEX Link Road Project. DPWH Secretary Rogelio L. Singson and Ayala Corporation Chairman and Chief Executive Officer Jaime Augusto Zobel de Ayala (center) witnessed by (from left) DPWH Undersecretary Rafael C. Yabut, DPWH Assistant Secretary Maria Catalina E. Cabral, Ayala Corp.. Managing Directors John Eric T. Francia and Ginaflor C. Oris.
Various projects can be financed and implemented via PPPs—from traditional infrastructure projects such as toll roads, airports, and transport systems; to non-traditional infrastructure such as ICT System and facilities; and social infrastructure like education and health facilities.

The LRT Line 1 South Extension Project aims to provide rapid and reliable access to and from the densely populated residential sub-urban communities south of Manila, and the various strategic commercial, industrial, and educational districts in Metro Manila. Savings in travel time and costs will make the mobility of people and goods in the area significantly faster and less costly. The project aims to increase average weekday ridership from 560,000 to 820,000 passengers in 2015.

Implementing Agency:
Department of Transportation and Communications (DOTC)

Project Description:
The project involves the construction of an approximate length of 11.7 km from the terminus of LRT Line 1 at the Baclaran Terminal, to the Niyog Station at Bacoor, Cavite; of which, approximately 10.5 km will be elevated and 1.2 km will be at-grade. The whole stretch of the integrated LRT Line 1 with total length of approximately 32.4 km will be operated and maintained by the private proponent.

Estimated Project Cost:
PHP 59.20 Billion | USD 1.38 Billion

PPP Structure:
Contract-Add-Operate (CAO)

Cooperation Period:
35 years inclusive of construction

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The Philippine Public-Private Partnership Program

### NAIA Expressway Project Phase II

The expressway project is intended to alleviate existing and future traffic problems going to and from the MIA/NAIA Complex. It is expected to provide a seamless link between the South Luzon Expressway (SLEX)/Skyway, and the Manila-Cavite Toll Expressway (CAVITEX)/Roxas Boulevard/Macapagal Boulevard, and the upcoming PAGCOR City.

**Implementing Agency:**
Department of Public Works and Highway (DPWH)

**Project Description:**
The project is a 4-lane, 7.75 km elevated expressway and 2.22 km at-grade feeder road that will provide access to NAIA Terminals I, II, and III, and link the Skyway and the Manila-Cavite Toll Expressway. It starts at the existing Skyway then follows the existing road alignment over Sales Avenue, Andrews Avenue, Domestic Road, and NAIA Road with entry/exit ramps at Roxas Boulevard, Macapagal Boulevard, and PAGCOR City.

The project involves: a) improvement of phase 1; b) construction of phase 2; c) construction of at-grade feeder roads leading to/from PAGCOR Entertainment City; and d) operation and maintenance of the expressway.

**Estimated Project Cost:**
PHP 15.86 Billion | USD 368.84 Million

**PPP Structure:**
Build-Transfer-Operate (BTO)

**Cooperation Period:**
30 years including construction

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### PPP for School Infrastructure Project (Phase I)

The PPP for School Infrastructure Project (PSIP) seeks to supplement the current initiatives and programs of the Department of Education on classroom construction nationwide. The objective of the government is to expand the supply of classrooms in all public school system as fast as it could reasonably be done, and thereby cut the current shortages of around 66,800 classroom units nationwide.

**Implementing Agency:**
Department of Education

**Project Description:**
The PSIP Phase 1 involves the designing, financing, and constructing of around 9,300 one-storey and two-storey classrooms, including furniture and fixtures, in various sites in Luzon (Regions I, III, IV-A).

**Estimated Project Cost:**
PHP 16.42 Billion | USD 389 Million

**PPP Structure:**
Build-Lease-Transfer (BLT)

**Cooperation Period:**
10 years inclusive of construction

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The provinces of Cavite and Laguna are growing industrial and commercial centers in the Southern Tagalog Region. This, however, is causing traffic congestion in major road networks in the area particularly the Governor’s Drive, Aguinaldo Highway, and Sta. Rosa—Tagaytay Road. The proposed expressway project aims to provide faster, safer, more comfortable and reliable route between Bacoor and Kawit, Cavite areas, and the Laguna and South Luzon Expressway (SLEX) areas; thus enhancing trade and socio-economic activities around them.

Implementing Agency:
Department of Public Works and Highway (DPWH)

Project Description:
The project is a 4-lane, 47.02 km at-grade expressway, which will connect the Manila-Cavite Expressway (CAVITEX) and South Luzon Expressway (SLEX) through the Cavite and Laguna provinces, divided into two sections: a) PPP SECTION—a 36.01-km, 4-lane toll expressway from Kawit, Cavite to Sta. Rosa, Laguna; and b) ODA SECTION—an 11.01-km, 4-lane toll expressway from Sta. Rosa, Laguna to connect with SLEX at Mamplasan Exit in Laguna.

The private proponent shall be responsible for the financing, designing and constructing of the PPP Section, and the subsequent operations and maintenance (O&M) of the entire CALAX.

Estimated Project Cost:
PHP 43.33 Billion | USD 1.01 Billion
(Private Sector: PHP 21.71 Million | USD 504,833)

PPP Structure:
Build-Transfer-Operate (BTO)

Cooperation Period:
35 years inclusive of construction

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The proposed project will allow faster and more efficient movement of people and goods from north to south of Metro Manila and vice-versa. It is also expected to decongest Metro Manila by providing an alternative to C-5 Road, Epifanio de los Santos Avenue (EDSA), and other major thoroughfares.

Implementing Agency:
Department of Public Works and Highway (DPWH)

Project Description:
The project involves the construction and operation and maintenance (O&M) of a 13.4 km, 4-lane elevated expressway over the Philippine National Railway (PNR) right of way, which starts in Caloocan City and ends in Buendia, Makati City. The project will connect North Luzon Expressway (NLEX) and South Luzon Expressway (SLEX) to decongest traffic in Metro Manila.

Estimated Project Cost:
PHP21.20 Billion | USD 493.02 Million

PPP Structure:
Build-Operate-Transfer (BOT)

Cooperation Period:
35 years exclusive of 2.5 years construction

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The existing terminal building of the Mactan-Cebu International Airport (MCIA), which houses both domestic and international operations, has an annual capacity of 4.5 million passengers. However, the passenger traffic for year 2011 was around 6.2 million passengers. The deterioration in the level of convenience and lack of ability to handle more passengers may hinder further development and growth of MCIA.

**Implementing Agency:**
Department of Transportation and Communications (DOTC)

**Project Description:**
The project involves the construction of a new world-class passenger terminal building in MCIA, with a capacity of about 8 million passengers per year, and the operation & maintenance of the old and new facilities. The construction of a new world-class passenger terminal, including all related facilities, is proposed to separately cater to domestic and international operations.

**Estimated Project Cost:**
Phase 1: (Initial Investment)
PHP 10.277 Billion | USD 239 Million
Phase 2: (Future Expansion)
PHP 11.995 Billion | USD 278.95 Million

**PPP Structure:**
Build-Rehabilitate-Operate-Transfer (BROT)

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The proposed project aims to facilitate efficient passenger transfer to other rail lines and reduce inconvenience due to ticket payment delays. It also addresses outdated technology concerns of both MRT-3 and LRT-1 fare ticketing system, and increases the fare collection efficiency by reducing leakage and fraud.

**Implementing Agency:**
Department of Transportation and Communications (DOTC)

**Project Description:**
The project involves decommissioning of the old magnetic-based ticketing system and replacing the same with contactless-based smart card technology on LRT Lines 1 & 2, and MRT Line 3. It involves the introduction of a centralized back office that will perform apportionment of revenues. The private sector will operate and maintain the fare collection system.

**Estimated Project Cost:**
PHP1.80 Billion | USD 41.86 Million

**PPP Structure:**
Build-Own-Operate (BOO)

**Cooperation Period:**
10 years exclusive of 2 years development/delivery

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The constraint of the Philippine Orthopedic Center (POC) to upgrade the facilities and enhance its operational efficiency had affected the quality of services that it offers to the public, notwithstanding that the POC houses some of the country’s top medical experts in the field of orthopedic medicine. The proposed modernization through PPP intends to transform the POC into the country’s primary center for bone and joint (musculoskeletal) diseases that is at par with global standards. With the project, the government would be able to provide better health care services to the public and provide access to more modern medical facilities and efficient hospital operations.

Implementing Agency: Department of Health (DOH)

Project Description:
The project involves the construction of a 700-bed capacity super-specialty tertiary orthopedic hospital to be located within the National Kidney and Transplant Institute (NKTI) Compound along East Avenue, Quezon City. The concessionaire will design, build, finance, operate and maintain the facility until the end of the concession period, and then transfer the hospital to the DOH.

Estimated Project Cost:
PHP 5.70 Billion | USD 132.56 Million

PPP Structure:
Build-Operate-Transfer (BOT)

Cooperation Period:
25 years inclusive of construction

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The proposed project shall ensure vaccine security and self-sufficiency at the least cost to the public (i.e., discounted price relative to UNICEF procurement prices). VSSP Phase II also aims to facilitate timely provision of vaccines in vials when needed. It is expected to reduce overall vaccine procurement costs of finished vaccines through local filling, labeling, and packaging of vaccines.

Implementing Agency:
Department of Health (DOH)

Project Description:
The private partner, at its own expense, shall design and install the refilling and production facility that is cGMP compliant (current Good Manufacturing Practices set by the World Health Organization) for the following:

- Pentavalent vaccines (Diptheria, Pertusis, Tetanus [DPT], Hepatitis B [Hep B], and Haemophyulus Influenza b [hib]);
- Tetanus Toxoid; and
- Single dose Hepatitis B.

Facilities will be constructed within the Research Institute for Tropical Medicine (RITM) compound, and operated and maintained by the private sector.

Estimated Project Cost:
PHP 453.00 Million | USD 10.53 Million

PPP Structure:
Build-Operate-Transfer (BOT)

Cooperation Period:
10 years inclusive of construction

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The auxiliary turbines 4 & 5 of the Angat Hydro-Electric Power Plant (AHEPP) are underperforming in its current state. The modernization of the auxiliary units is intended to generate 28MW at full capacity and provide additional power capacity generation for the Luzon Grid. This project optimizes the use of an existing asset by allowing the private sector to rehabilitate and upgrade the auxiliary turbines, and efficiently operate and maintain said facility, while the government earns reasonable revenue.

Implementing Agency:
Metropolitan Waterworks and Sewerage System (MWSS)

Project Description:
The project involves the rehabilitation, operation, and maintenance of the MWSS-owned auxiliary turbines 4 and 5 installed in AHEPP Complex in San Lorenzo, Norzagaray, Bulacan. Specifically, the private sector will: a) renovate and modernize the existing 1 x 10 MW (Unit #4) and 1 x 18 MW (Unit #5) Auxiliary Turbines; b) construct a separate control room; c) construct a new switchyard and transformer area; and d) operate and maintain the modernized Auxiliary Turbines #4 and #5.

Estimated Project Cost:
PHP 1.155 Billion | USD 26.86 Million

PPP Structure:
Rehabilitate-Operate-Transfer (ROT)

Cooperation Period:
20 years inclusive of construction

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The project aims to maximize road usage by reducing vehicle volume and improving traffic flow along Metro Manila’s major thoroughfares, particularly the Epifanio de los Santos Avenue (EDSA). The Integrated Transport Project also aims to eliminate provincial bus traffic within Metro Manila.

Implementing Agency:
Department of Transportation and Communications (DOTC)

Project Description:
The Project involves the establishment of three (3) mass transportation intermodal terminals at the outskirts of Metro Manila—one (1) in the north (of EDSA) serving passengers to and from northern Luzon, and two (2) in the south serving passengers to and from Laguna/Batangas side, and those to and from the Cavite side. The terminals will connect passengers from the provinces to other urban transport systems—railway, city bus, taxi, other public utility vehicles (PUV)—serving inner Metro Manila.

The terminals will include passenger terminal buildings, maintenance areas, arrival and departure bays, ticketing and baggage handling facilities, park-ride facilities, and, when necessary, transfer facilities such as shuttles to provide seamless transport connections.

Estimated Project Cost:
To be determined (TBD)

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The project shall address the need for an additional source of water supply. While the Angat Reservoir (Angat-Umiray System) is sufficient to meet the demand until 2015, an immediate secondary source would bring more flexibility in the operation and management of Angat Dam, as well as provide long term water supply security to Metro Manila and nearby provinces.

**Implementing Agency:**
Metropolitan Waterworks and Sewerage System (MWSS)

**Project Description:**
The Project involves the construction of the following:
- Potential dams;
- Head works and its appurtenant facilities;
- Conveyance structure from the diversion point to the water treatment facility;
- Water treatment facility; and
- Hydropower facility.

**Estimated Project Cost:**
To be determined (TBD)

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The project aims to address the water supply requirements of municipalities in the Province of Bulacan. This bulk water supply project shall reduce groundwater extraction and use of deep wells in the province, which are currently being discouraged due to adverse environmental impact.

**Implementing Agency:**
Metropolitan Waterworks and Sewerage System (MWSS)

**Project Description:**
The project involves the following:
- Construction of treated water transmission mains, including line appurtenances, from the water treatment plants (WTPs) to the agreed delivery/interconnection points of the municipalities;
- Construction of WTPs and ancillary facilities;
- Construction of treated water reservoirs;
- Construction of pumping stations;
- Installation of flow metering devices after the WTPs, pumping stations, transmission branch points, and at the agreed delivery/interconnection points; and
- Installation of appropriate pressure monitoring stations.

**Estimated Project Cost:**
To be determined (TBD)

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## Transportation Sector

### Enhanced Operation and Maintenance of the New Bohol (Panglao) Airport Development
The project will infuse private sector efficiencies into the airport operation to provide higher service levels to passengers.

<table>
<thead>
<tr>
<th>Implementing Agency</th>
<th>Department of Transportation and Communications (DOTC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Description</td>
<td>The private sector shall be engaged to operate and maintain the greenfield airport facility in Bohol to replace the existing Tagbilaran Airport within a 230-hectare spread. Said airport facility planned to be constructed by DOTC is designed primarily to meet the initial requirements for domestic flight operations and possibly accommodate international flights during off-peak hours/night time.</td>
</tr>
<tr>
<td>Estimated Project Cost</td>
<td>To be determined (TBD)</td>
</tr>
<tr>
<td>Contact Persons</td>
<td>MS. GERALDINE SANTOS  Project Manager, PPP Center  Email: <a href="mailto:gmsantos@ppp.gov.ph">gmsantos@ppp.gov.ph</a> +63 990-0721 loc. 6203</td>
</tr>
<tr>
<td></td>
<td>ATTY. JAIMIE RAFAEL FELICIANO  Assistant Secretary, DOTC  +63 725-0013</td>
</tr>
</tbody>
</table>

### Operation and Maintenance of the Laguindingan Airport
The project will infuse private sector efficiencies into the airport operation to provide higher service levels to passengers.

<table>
<thead>
<tr>
<th>Implementing Agency</th>
<th>Department of Transportation and Communications (DOTC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Description</td>
<td>The private sector shall be engaged to operate and maintain the Laguindingan Airport in Misamis Oriental. DOTC is constructing the new airport in Laguindingan, Misamis Oriental, which includes airside civil works (runways, apron, taxiway, etc.) and air navigational facilities; landside building works and terminals (passenger and cargo terminals and all other associated facilities); and all other facilities as per international Civil Action Organization (ICAO) standards.</td>
</tr>
<tr>
<td>Estimated Project Cost</td>
<td>To be determined (TBD)</td>
</tr>
<tr>
<td>Contact Persons</td>
<td>MR. RENE LIMCAOCO  Undersecretary, DOTC  +63 725-0204 loc. 247</td>
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<td>MS. GERALDINE SANTOS  Project Manager, PPP Center  Email: <a href="mailto:gmsantos@ppp.gov.ph">gmsantos@ppp.gov.ph</a> +63 990-0721 loc. 6203</td>
</tr>
</tbody>
</table>

### Operation and Maintenance of Puerto Princesa Airport
The project will infuse private sector efficiencies into the airport operation to provide higher service levels to passengers.

<table>
<thead>
<tr>
<th>Implementing Agency</th>
<th>Department of Transportation and Communications (DOTC)</th>
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</thead>
<tbody>
<tr>
<td>Project Description</td>
<td>The DOTC plans to upgrade and improve the existing Puerto Princesa Airport into an international gateway, meeting the standards of the International Civil Aviation Organization (ICAO). The private sector shall be engaged to operate and maintain said airport.</td>
</tr>
<tr>
<td>Estimated Project Cost</td>
<td>To be determined (TBD)</td>
</tr>
<tr>
<td>Contact Persons</td>
<td>MR. RENE LIMCAOCO  Undersecretary, DOTC  +63 725-0204 loc. 247</td>
</tr>
<tr>
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<td></td>
<td>MR. JOHAN MARTINEZ  Project Manager, PPP Center  Email: <a href="mailto:jgmartinez@ppp.gov.ph">jgmartinez@ppp.gov.ph</a> +63 990-0721 loc. 6106</td>
</tr>
</tbody>
</table>

### Operation and Maintenance of LRT Line 2
The project will infuse private sector efficiencies into the LRT Line 2 operation to provide better service levels to passengers.

<table>
<thead>
<tr>
<th>Implementing Agency</th>
<th>Department of Transportation and Communications (DOTC)</th>
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</thead>
<tbody>
<tr>
<td>Project Description</td>
<td>The private sector shall be engaged to operate and maintain the existing 13.8 km LRT Line 2, which runs along the Recto Station in Manila to the Santolan Station in Pasig, along Rociero Avenue, Magsaysay Boulevard, and Marcos Highway; and the proposed 4 km extension from Santolan, Pasig to Masinag, Antipolo.</td>
</tr>
<tr>
<td>Estimated Project Cost</td>
<td>To be determined (TBD)</td>
</tr>
<tr>
<td>Contact Persons</td>
<td>MR. RENE LIMCAOCO  Undersecretary, DOTC  +63 725-0204 loc. 247</td>
</tr>
<tr>
<td></td>
<td>ATTY. JAIMIE RAFAEL FELICIANO  Assistant Secretary, DOTC  +63 725-0013</td>
</tr>
<tr>
<td></td>
<td>MR. JOHAN MARTINEZ  Project Manager, PPP Center  Email: <a href="mailto:jgmartinez@ppp.gov.ph">jgmartinez@ppp.gov.ph</a> +63 990-0721 loc. 6106</td>
</tr>
</tbody>
</table>

### Road Network Sector

#### Rehabilitation of Quirino Highway Project
The project is in line with DPWH’s efforts to increase and improve the quality of national road network through asset preservation or maintenance of existing facilities, among others. It aims to ensure economic development of Regions IV-A and V by providing the necessary transport infrastructure to link production and agricultural areas to major roads leading to markets and population centers.

<table>
<thead>
<tr>
<th>Implementing Agency</th>
<th>Department of Public Works and Highways (DPWH)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Description</td>
<td>The Project involves improvement/rehabilitation and operation and maintenance of Quirino Highway, a 93.45 km., 2 lane national road that traverses three (3) provinces, namely Quezon, Camarines Norte and Camarines Sur. It starts at the junction of the Pan-Philippine Highway in Tabugon, Sta. Elena, Camarines Norte and ends at the junction of the Pan-Philippine Highway in Sipocot, Camarines Sur.</td>
</tr>
<tr>
<td>Estimated Project Cost</td>
<td>To be determined (TBD)</td>
</tr>
<tr>
<td>Contact Persons</td>
<td>MS. MARIA CATALINA CABRAL  Assistant Secretary, DPWH  +63 304-3268</td>
</tr>
<tr>
<td></td>
<td>MS. REBECCA GARSUTA  Director for PPP, DPWH  +63 304-3268</td>
</tr>
<tr>
<td></td>
<td>MS. MA. CRISTINA CLEOFAS  Project Manager, PPP Center  Email: <a href="mailto:cmacleofas@ppp.gov.ph">cmacleofas@ppp.gov.ph</a> +63 990-0721 loc. 6203</td>
</tr>
</tbody>
</table>
Establishment of Cold Chain Systems Covering Strategic Areas in the Philippines

The project intends to establish postharvest processing, and trading centers that will ensure high quality produce and lower postharvest losses through operational linkages with suppliers of corn and buyers of corn grains.

Implementing Agency: Department of Agriculture (DA)

Project Description
The project will involve the construction and operationalization of Cold Chain Centers to be located in major production and consolidation areas of agri-fishery products of the Bicol-Quezon-Luzon cold chain route. Activities include pre-cooling, packaging, handling, transportation, storage, and distribution, among others, for high-value crops such as fruits and vegetables, cut flowers, fishery, livestock and poultry meat products.

Estimated Project Cost: PHP 1.50 Billion | USD 34.88 Million

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Estimated Project Cost: PHP 400 Million | USD 9.30 Million

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El Nido Solid and Liquid Waste Management Facility

The El Nido local government is cognizant of the need to ensure clean water supply and maintain clean environment in light of its growing tourism industry.

Implementing Agency: El Nido Municipal Government

Project Description
The Project involves the establishment of a water supply system and sanitation project covering four (4) barangays of the poblacion area.

Estimated Project Cost: To be determined (TBD)

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The Philippine Public-Private Partnership Program
Pipeline of PPP Projects at a Glance...

Status of PPP Projects
(as of September 4, 2012)

PROJECT AWARDED TO PRIVATE PROPONENT
- Daang Hari-SLEX Link Road Project
- PPP for School Infrastructure Project (Phase I)

BIDDER DUE DILIGENCE ONGOING
- LRT Line 1 Cavite Extension and Operation and Maintenance
- NAIA Expressway Phase II

FOR SUBMISSION TO INVESTMENT COORDINATION COMMITTEE (ICC)
- NLEX-SLEX Connector

IN THE PROCESS OF SECURING GOVERNMENT APPROVALS
- Modernization of the Philippine Orthopedic Center
- Vaccine Self-Sufficiency Project (Phase II)
- Cavite-Laguna Expressway (CALAX)

ONGOING ICC PROJECT REVIEW
- Rehabilitation, Operation and Maintenance of Angat Hydro-Electric Power Plant Auxiliary Turbines 4 and 5

FOR SUBMISSION TO NEDA
- Automatic Fare Collection System
- Mactan-Cebu International Airport Passenger Terminal Building

FINALIZATION OF PROJECT STRUCTURE ONGOING
- Enhanced Operation and Maintenance of the New Bohol (Panglao) Airport
- Operation and Maintenance of the Laguindingan Airport

ONGOING PREPARATION OF BUSINESS CASE/FEASIBILITY STUDY
- Establishment of Cold Chain Systems Covering Strategic Areas in the Philippines
- Grains Central Project
- Operation and Maintenance of Puerto Princesa Airport
- Operation and Maintenance of LRT Line 2
- Talisay City Plaza Complex heritage Restoration and Redevelopment Project

FOR PROCUREMENT OF TRANSACTION ADVISOR
- Integrated Transport System
- New Centennial Water Supply
- Bulacan Bulk Water Supply
- Rehabilitation of Quirino Highway Project
- El Nido Solid and Liquid Waste Management Facility

PPP Projects by Sector

- Transportation
  - LRT Line 1 Cavite Extension and Operation and Maintenance
  - Automatic Fare Collection System
  - Mactan-Cebu International Airport Passenger Terminal Building
  - Enhanced Operation and Maintenance of the New Bohol (Panglao) Airport
  - Operation and Maintenance of the Laguindingan Airport
  - Operation and Maintenance of Puerto Princesa Airport
  - Operation and Maintenance of LRT Line 2
  - Integrated Transport System

- Road Network
  - NAIA Expressway Phase II
  - Cavite-Laguna Expressway (CALAX)
  - NLEX-SLEX Connector
  - Rehabilitation of Quirino Highway Project

- Water
  - Rehabilitation, Operation and Maintenance of Angat Hydro-Electric Power Plant Auxiliary Turbines 4 and 5
  - New Centennial Water Supply
  - Bulacan Bulk Water Supply

- Health
  - Modernization of the Philippine Orthopedic Center
  - Vaccine Self-Sufficiency Project (Phase II)

- Agriculture
  - Establishment of Cold Chain Systems Covering Strategic Areas in the Philippines
  - Grains Central Project

- Education
  - PPP for School Infrastructure Project (Phase I)

- LGU Projects
  - Talisay City Plaza Complex heritage Restoration and Redevelopment Project
  - El Nido Solid and Liquid Waste Management Facility
by virtue of Executive Order No.8, s.2010, the Public-Private Partnership Center serves as the government’s facilitator and catalyst in pursuing and delivering PPP projects. It champions the country’s PPP Program by enabling national agencies and local government units in all aspects of project preparation.

PPP Center Services

Project Development Services
Project development, preparation, advisory and facilitation services are provided by the PPP Center to government agencies and local government units to ensure that PPP projects go through proper selection, preparation, and bidding. This entire process is characterized by transparency, accountability, predictability, and participation.

Project Development and Monitoring Facility Services
The Project Development and Monitoring Facility (PDMF) is a crucial milestone that propels the PPP Program. The PDMF is a revolving fund that supports pre-feasibility and feasibility studies, and other necessary pre-investment activities. With the PDMF, government agencies are provided the needed expertise and strategies to come up with attractive projects for private sector participation.

Capacity Building and Knowledge Management Services
The PPP Center works hand in hand with government agencies and local government units in its role to capacitate them in undertaking PPP processes. To ensure a sustainable pipeline of properly-prepared projects, the Center proactively trains these agencies on various areas such as project identification, selection, preparation and bidding. Importantly, the Center also provides timely, accurate, and reliable PPP knowledge and information.

Policy and Legal Services
Strengthening the policy backbone for PPPs is a vital function of the PPP Center to ensure the success of the program. Laws and executive issuances are evaluated and amendments are proposed to further create a conducive policy environment to maximize the great potential of public-private partnerships in delivering quality infrastructure and development services.

As a change agent, the PPP Center is heavily invested in assisting implementing agencies and local government units through the entire project cycle, from conceptualization and development all the way to the bidding process. The Center also implements a balanced monitoring and evaluation plan to track the progress of the PPP projects being undertaken by national agencies and local government units.
The Project Development and Monitoring Facility (PDMF) is a revolving fund that supports pre-feasibility studies, feasibility studies, and other necessary pre-investment activities to ensure the high quality of potential PPP projects in infrastructure and development.

With an initial contribution of P300 million from the national government, the PDMF is also augmented by donor countries and multilateral agencies in support of the PPP Program.

Under the administration and management of the PPP Center, the PDMF provides government agencies with the required expertise and strategies to prepare attractive projects that are selected to be undertaken with vital private sector participation.

Policy and implementing guidelines on the use of the PDMF are set by the PDMF Board. It is composed of the National Economic and Development Authority (NEDA) as Chair, the Department of Finance (DOF), the Department of Budget and Management (DBM), and the PPP Center.

The PDMF may be extended to any department, bureau, office, commission, authority, or agency of the national government, including government-owned and controlled corporation, government financial institutions, state university and college; and local government unit authorized by law or their respective charters to contract for or undertake infrastructure or development projects.

Application Process

The overall management of the PDMF, including the application process, is governed by the Project Development and Monitoring Facility Guidelines. The diagram shows an overview of the PDMF application process.

The application starts with the interested agency’s submission to the PPP Center of complete application requirements. Projects approved by the PDMF Board will be provided with transaction advisers who are selected under transparent processes and strict rules.

Currently, a panel consisting of 15 consortia of firms has been engaged by the PPP Center under indefinite delivery contract (IDC) facility for a 3-year period.

The Panel of Transaction Advisers

<table>
<thead>
<tr>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manabat San Agustin &amp; Co.</td>
</tr>
<tr>
<td>Rebel Group International BV (Netherlands)</td>
</tr>
<tr>
<td>Deloitte Touche Tohmatsu India Pvt Ltd. (India)</td>
</tr>
<tr>
<td>CPCS Transcom Ltd (Canada)</td>
</tr>
<tr>
<td>Ernst &amp; Young Australian Infrastructure Advisory (Australia)</td>
</tr>
<tr>
<td>Pricewaterhouse Coopers Services LLP (Singapore)</td>
</tr>
<tr>
<td>ICRA Management Consulting Services Ltd (India)</td>
</tr>
<tr>
<td>Hill International SA (Luxemberg)</td>
</tr>
<tr>
<td>SMEC International Pty Ltd. (Australia)</td>
</tr>
<tr>
<td>IMC Worldwide Ltd. (United Kingdom)</td>
</tr>
<tr>
<td>MMM Group Limited (Canada)</td>
</tr>
<tr>
<td>Ove Arup &amp; Partners Hongkong Ltd. (China)</td>
</tr>
<tr>
<td>PARY &amp; Co Partners Chartered Accountants (India)</td>
</tr>
<tr>
<td>Punongbayan &amp; Araullo (Philippines)</td>
</tr>
<tr>
<td>Feedback Infrastructure Services Pvt, Ltd (India)</td>
</tr>
</tbody>
</table>
PPP Capacity Building Program

The PPP Center’s Capacity Building Program is a comprehensive training service made available to national government agencies and local government units aimed at building, enhancing, and sustaining their institutional capabilities in all aspects of PPP project development and implementation. The program covers the whole PPP project cycle which includes: project inception, planning and identification, project structuring, review and appraisal, approvals and procurement, project implementation and management, and monitoring and evaluation.

Volume 1: Understanding PPP Concepts and Framework
Overview of the PPP concepts and framework in the context of local development finance

Volume 2: Developing PPP projects for Local Government Units
Comprehensive step-by-step process on PPP project preparation and development

Volume 3: Utilizing LGU PPP Project Templates and Bid Documents
Compilation of template documents and sample projects on PPP as the local level

The LGU PPP Manual serves as the official guide for local governments in creating well-prepared PPP projects that are founded upon the principles of suitability, precision, and transparency.
PPP Policy Initiatives

Since the Program was launched, the Government has been spearheading various initiatives to enhance the legal and policy environment for private sector participation. These undertakings are aimed at enabling a more systematized and faster implementation of the PPP Program and projects.

Amendments to the BOT Law-IRR
With the end view of having clearer and streamlined processes on PPP, the BOT Law-Implementing Rules and Regulations (BOT Law IRR) was amended. The revised IRR promotes an accelerated processing of PPP projects, with clearer transparency measures in the bidding and award of projects. It also puts in place various improvements on governance and accountability mechanisms. Guidelines on unsolicited proposals have also been improved.

E.O. No. 78: Rules in Arbitration and Dispute Resolution
Executive Order No. 78 promotes the alternative dispute resolution as an efficient tool and an alternative procedure in achieving speedy and impartial justice and de-clogging court dockets. It provides a more inviting climate for private investments by making the resolution of disputes arising out of a contract less expensive, tedious, complex, and time-consuming.

Other Policy Advocacies
The following are the on-going policy advocacies being prioritized to improve the PPP Program:

PPP Law. The proposed amendments to the BOT Law seek to expand the coverage of RA 7718 or the BOT Law into a Public-Private Partnership Act, which includes Joint Venture as an additional PPP scheme. The Law also aims to provide improved guidelines on handling unsolicited proposals from interested private proponents, and facilitating the competitive challenge.

Amendments to E.O. No. 8. The proposed amendments to Executive Order No. 8 aim to clearly spell out the roles of the PPP Center. It shall also strengthen the legal basis of the Project Development and Monitoring Facility (PDMF) as a revolving fund. Moreover, the policy proposes the official creation of the PDMF Board as an expediting mechanism in the utilization of fund.

JV Guidelines for GOCCs. The proposed policy prescribes the rules, guidelines and procedures for Joint Venture Agreements between government corporations. This initiative aims to encourage pooling of resources and expertise between government and private sector entities through JVs as a viable, efficient, and practical alternative in pursuing the development goals of the government. Moreover, this will ensure that all JV Agreements entered into by the government are under a clear set of transparent processes.

Who may invest?
Regardless of nationality, anyone is encouraged to invest in the Philippines. With the liberalization of the foreign investment law, 100% foreign equity may be allowed in all areas of investment except those reserved for Filipinos by mandate of the Philippine Constitution and existing laws.

The Economy
Aside from tourism, the economy of the Philippines is primarily composed of other industries such as agriculture industry, BPO, energy, mining, electronics, logistics, and shipbuilding, among others.

Workforce
The country boasts a labor force that is trainable, skilled, technology savvy, English proficient, and highly competitive.

Telecommunications Landscape
Use of mobile phones and internet is widespread in the country. Cell sites are available all over the country to cater to some 80 million mobile phone users. Wireless fidelity connectivity is available in major shopping malls and coffee shops. Internet cafes with very affordable rentals are also abundant.

Transportation Infrastructure
There are about 10 international and 80 domestic airports in the country and more are being developed. There are Roll-On Roll-Off Ferry ports in major islands, allowing land travel from Luzon to Mindanao. Car rentals and taxis are widely available for convenience. Rail transits are available in Metro Manila.

Creating a Company in the Philippines
An investor may choose from several types of business enterprises to establish operations in the Philippines such as:

Organized under Philippine laws:
- Sole propriety
- Partnership
- Corporation

Organized under foreign laws:
- Branch office
- Representative office
- Regional headquarters/regional operating headquarters
Business enterprises must be registered with the Philippine Securities and Exchange Commission (http://www.sec.gov.ph) or the Department of Trade and Industry (http://www.dti.gov.ph).

Fiscal Incentives
The PPP projects are entitled to fiscal incentives under the 2011 Investments Priorities Plan (IPP). Other preferred activities in the IPP list includes: agriculture/agribusiness and fishery; creative industries/knowledge-based services; shipbuilding; mass housing; energy; infrastructure; research and development; green projects; motor vehicles; tourism; strategic projects; and disaster prevention, mitigation, and recovery projects.

The IPP has a mandatory list which covers activities as provided for under existing laws:
- Revised Forestry Code of the Philippines (P.D. N. 705)
- Philippine Mining Act of 1995 (RA No. 7942)
- Printing, Publication, and Content Development of Books or Textbooks (RA No. 8047)
- Downstream Oil Industry Deregulation Act of 1998 (RA No. 8479)
- Ecological Solid Waste Management (RA No. 9003)
- Philippine Clean Water Act of 2004 (RA No. 9275)
- Magna Carta for Disabled Persons (RA No. 7277)
- Renewable Energy Act of 2008 (RA No. 9513)