### Philippines: Strengthening Public-Private Partnerships in the Philippines (Phase 2)

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<th>Project Name</th>
<th>Strengthening Public-Private Partnerships in the Philippines (Phase 2)</th>
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<tr>
<td>Project Number</td>
<td>48458-002</td>
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<td>Country / Economy</td>
<td>Philippines</td>
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<td>Project Status</td>
<td>Proposed</td>
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<td>Project Type / Modality of Assistance</td>
<td>Technical Assistance</td>
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#### Strategic Agendas
- Environmentally sustainable growth
- Inclusive economic growth
- Regional integration

#### Drivers of Change
- Governance and capacity development
- Knowledge solutions
- Partnerships
- Private sector development

#### Sector / Subsector
- Public sector management

#### Gender
- No gender elements

#### Description
The proposed TA is aligned with the Philippine Development Plan (PDP) 2011-2016, and will contribute to meeting the targeted investment rate, including public and private spending in infrastructure. The outcome will be improved national government capacity to undertake PPP projects. The TA will achieve its outcome through four outputs: (i) capacity of national government implementing agencies strengthened; (ii) performance of the PPP Center and other national government agencies enhanced; (iii) long-term infrastructure financing mechanisms and tools developed; and (iv) well-structured bankable national PPP projects developed and implemented.

#### Project Rationale and Linkage to Country/Regional Strategy
The proposed TA will address reform priorities as identified under Loan 3333-PHI: Expanding Private Participation in Infrastructure Program (EPPIP) policy-based loan. Since 2010, the government has addressed the infrastructure challenge, while maintaining strict fiscal discipline, by initiating a series of reforms that have revived the country's PPP program. These reforms have resulted in the award of nine projects (total investment of $3.0 billion). This robust PPP program roll-out supports the government's intention to raise private investment in infrastructure from 0.4% of GDP in 2013 to 1.1% of GDP in 2015. Spending in infrastructure is expected to grow at around 10% a year in the next decade, reaching a total of $27 billion a year by 2025. As of end March 2015, 45 PPP projects were in the pipeline; estimated investment cost of the first 30 of those projects is about $23.42 billion implying that approximately $15 billion of debt financing for these projects will need to be leveraged.

Improvements to the PPPs enabling environment. In 2013, the government successfully addressed the first set of issues constraining the revival of a well-governed national level PPP program such as the absence of a public office for PPP program facilitation, absence of credible project pipeline, and inadequate implementing rules and regulations of the Build-Operate-Transfer (BOT) law. ADB’s TA 7796 ‘Strengthening PPPs in the Philippines’, cofinanced by the Governments of Australia and Canada, assisted the operations of the Project Development and Monitoring Facility of the Public-Private Partnership Center (PPPC), and has been instrumental in developing the capacities of key PPP implementing agencies. The TA also assisted the assessment and development of the regulatory framework for PPPs. Following the implementation of TA 7796, the proposed TA will help address the new challenges in the country’s PPP reform program and address emerging needs identified during the implementation of PPP reforms. These include:
- Strengthening implementing units for PPPs.
- Sustaining institutional reforms for PPPs.
- Tapping alternative sources of financing for PPP projects.
- Improving project implementation with probity and independent consultants.

#### Impact
Contribute to meeting investment rate targets, including public and private spending in infrastructure (Philippine Development Plan, 2011-2016)

#### Outcome
Improved national and local government capacity to undertake PPP projects

#### Outputs
- Strengthened capacity of national government implementing agencies
- Performance of the PPP Center and other government agencies enhanced
- Long-term infrastructure financing mechanisms and tools developed
- Well-structured, bankable national PPP projects developed and implemented

#### Geographical Location
Nation-wide

### Summary of Environmental and Social Aspects

#### Environmental Aspects

#### Involuntary Resettlement

#### Indigenous Peoples

#### Stakeholder Communication, Participation, and Consultation

#### During Project Design

#### During Project Implementation

### Business Opportunities
Consulting Services

A. PPP Enabling Environment Consultants (Firm, International)
   (11 international and 17 national person-months; 90:10 Quality- and Cost-Based Selection)
   1. Institutional, Legal, Budgetary and Public Utility Regulation Frameworks
   2. Capacity Building of Government Staff in PPP Implementation and Management

B. Long-term Infrastructure Financing Mechanisms (Firm, 6 international and 4 national person-months, Fixed Budget Selection)
   2. Program Implementation Coordinator (Individual, National, 25 person-months)
   3. Procurement Specialist (Individual, International, 15 person-months)

C. Core Individual Consultants to the PPP Center and Department of Finance
   1. 4 person-months International
   2. 25 person-months National

D. Noncore Consultants for the PPP Center

Responsible ADB Officer
  Schuster, Stephen R.

Responsible ADB Department
  Southeast Asia Department

Responsible ADB Division
  Public Management, Financial Sector and Trade Division, SERD

Executing Agencies
  PPP Center of the Philippines (attached to NEDA)

Timetable

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<tr>
<td>Concept Clearance</td>
<td>03 Aug 2015</td>
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<tr>
<td>Fact Finding</td>
<td>10 Aug 2015 to 17 Aug 2015</td>
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<tr>
<td>Approval</td>
<td>-</td>
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<tr>
<td>Last Review Mission</td>
<td>-</td>
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<td>Last PDS Update</td>
<td>04 May 2016</td>
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Project Page
  https://www.adb.org//projects/48458-002/main

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  http://www.adb.org/forms/request-information-form?subject=48458-002

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