

The PPP Track for Local Development Projects and the Full Devolution Directive

Liveable Cities Lab on the Mandanas Ruling
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PRESENTATION OUTLINE

1

- **The Mandanas Ruling and EO 138**
- **Implementing EO 138 (Full Devolution)**

2

- **Local Public Private Partnership (PPP) Program**
- **Legal and Institutional Framework**
- **Recent Policy and Process Improvements**

3

- **The PPP Center and its Local PPP Strategy**
- **Local PPP Projects Pipeline**
- ***Conclusions and Takeaways***

**The Mandanas Ruling,
The Full Devolution Directive
(EO 138) and its Implementing
Rules and Regulations**



The MANDANAS RULING and EO 138

- In *Mandanas, et al. v. Executive Secretary, et al.* (G.R. Nos. 199802 and 208488) (“Mandanas”), the Supreme Court held that all collections of national taxes except those accruing to special purpose funds and special allotments for the utilization and development of the national wealth shall be included in the computation of the base of the just share of LGUs

- **Executive Order 138** (June 2021)

- Full devolution of certain functions of the executive branch to local governments and creation of a Committee on Devolution.

“Whereas, the substantial increase in share of LGUs from the national taxes will empower the LGUs in providing basic services and facilities to their constituents, and aid them in the effective discharge of other duties devolved under Section 17 of RA 7160”

- EO 138 Implementing Rules and Regulations (IRR) signed the Devolution Committee in July 2021



EO 138 and IRR - *Functions, Services and Facilities*

Section 4. Functions, Services and Facilities for Full Devolution.

- The functions, services and facilities which will be fully devolved from NG to LGUs no later than the end of FY 2024 shall include those indicated under Section 17 of the RA 7160* and other existing laws which subsequently devolved functions of the NG to LGUs.

**LGC Section 17. Such basic services and facilities include but not limited to, the following:*

Municipalities	Cities	Provinces
<ul style="list-style-type: none"> • Extension and on-site research services related to agri & fishery • Community based forestry projects • <u>Health services</u> • Social welfare services • <u>Information services</u> • <u>Solid waste disposal system or environmental management</u> • <u>Infrastructure facilities</u> • <u>Public markets, slaughterhouses and other municipal enterprises</u> • Public cemetery • Tourism facilities • Sites for police and fire stations 	<ul style="list-style-type: none"> • <u>All services and facilities of the municipality and the province and in addition thereto, the following:</u> • Adequate <u>communication and transportation facilities</u> • Support for education, police and fire services and facilities 	<ul style="list-style-type: none"> • Agricultural extension and on-site research • Industrial research and development services • Enforcement of forestry laws projects • <u>Health services which include hospitals and other tertiary health care services</u> • Social welfare services • <u>Provincial buildings, jails</u> • <u>Infrastructure facilities (roads, bridges, waterworks, irrigations systems, etc)</u> • Low cost housing and other mass dwellings • Investment support services • Tax information and collection services • Tourism development and promotion programs

EO 138 and IRR - *Capacity Development*

Section 9. Capacity Development

- The DILG through its **Local Government Academy (LGA)** shall oversee the provision of capacity development interventions for local governments, and shall develop the appropriate mechanisms to ensure efficient utilization of government resources.
- The LGA shall harmonize all capacity development interventions by the DBM, NEDA, DOF, other NGAs, Development Academy of the Philippines and third party service providers for LGUs. It shall optimize the potential of the Local Governance National and Regional Centers as the convergence platform for capacity development
- Further DILG, DBM and the Bureau of Local Government Finance of the DOF shall include public financial management processes, such as local planning, investment programming, resource mobilization and budgeting, in the capacity development of LGUs...



EO 138 and IRR - *Planning, Programming, Budgeting*

Section 11. Strengthening Planning, Investment Programming and Budgeting Linkage and Monitoring and Evaluations (M&E) systems.

- The Regional Development Councils (RDC) shall set the strategic direction for faster development of the regions, especially in the lagging areas and facilitate alignment of local development and the land use plans with the goals, objectives and targets in updated Phil Dev Plan and respective regional development plans
- The regional development investment programs shall contain the proposed intra and inter-regional programs, projects and activities (PPAs) of regional agencies to be funded by the NG while the provincial/local development investment program (P/LDIP) of provinces, cities and municipalities shall contain their prioritized list of PPAs for funding by the LGUs.
- **The annual investment program of the LGUs to be funded through local funds, borrowings and Public-Private-Partnerships (PPPs) shall be sourced from their respective P/LDIPs.**
- The DILG, DOF, NEDA and DBM shall update existing circulars and recalibrate the synchronized local and regional planning and budgeting calendars accordingly.



Local PPPs: Legal Framework and Recent Policy Directives

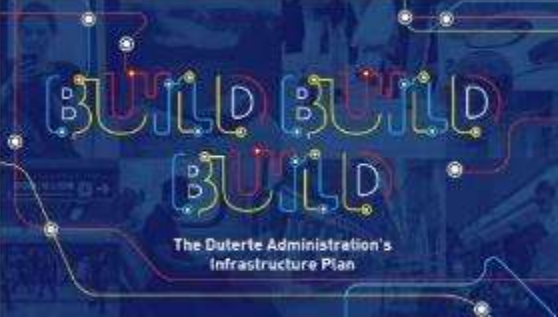


Infrastructure and Development: *Financing Options*

10-POINT SOCIOECONOMIC AGENDA



4 Accelerated Infrastructure Development



Financing and Implementation



Delivery Mechanisms

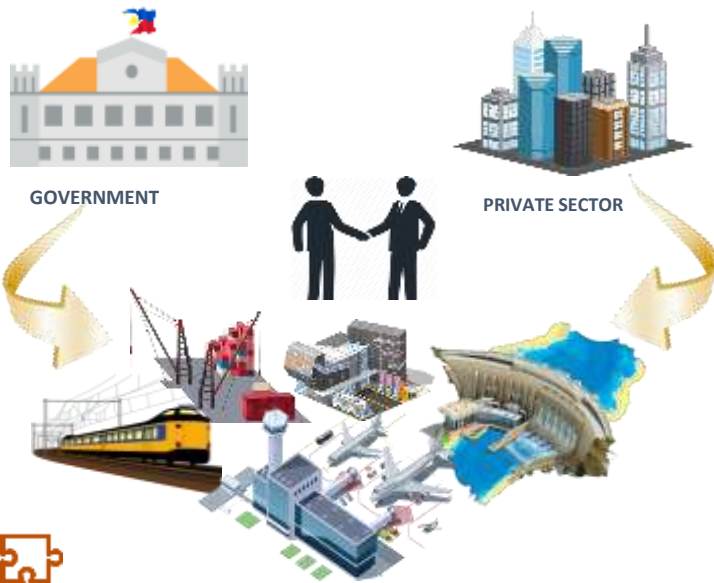
Government Financing
General appropriations, corporate funds

Government Borrowings
Domestic & foreign debt, official development assistance (ODA)

Private Sector Financing
Public-Private Partnership (PPP)



What is PPP?



Integrated approach (design + build + operate + maintain) can **reduce whole-of-life project cost**

More **efficient delivery of public services** by tapping private sector's capacity and technology

- ❑ A range of possible **contractual arrangements** between the Public (Implementing Agency or Local Government Unit) and private entities 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** among public and private partners.



Optimal risk allocation (where risk is allocated to party who can best manage it) can also reduce project cost



PPPs in the Philippines



Contractual arrangement between the government and the private partner

Long term partnership



Defined private sector roles:
Finance, design, construct, operate and/or maintain government assets or service

Optimal Risk Allocation



Facility turn over at the end of the partnership



The Value of PPP to Local Development Projects

Integrated approach

- Proper alignment of roles (*among contractor, operator and maintenance provider*) in a whole-of-life approach of the project while LGU provides oversight role to private sector's performance.

Private sector capacity

- Can address LGUs' limited absorptive capacity and asset management experience, and the public sector's limited fiscal space. It also provides an opportunity for knowledge transfer.

Optimized risk allocation

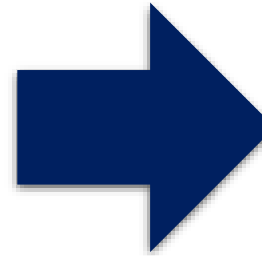
- Allocation of risks to party who can best manage them (e.g. risk of cost and time overruns allocated to private partner).

Output specifications

- LGUs can tap the private partner's expertise in a design that adheres to its required output specifications.

Revenue potential*

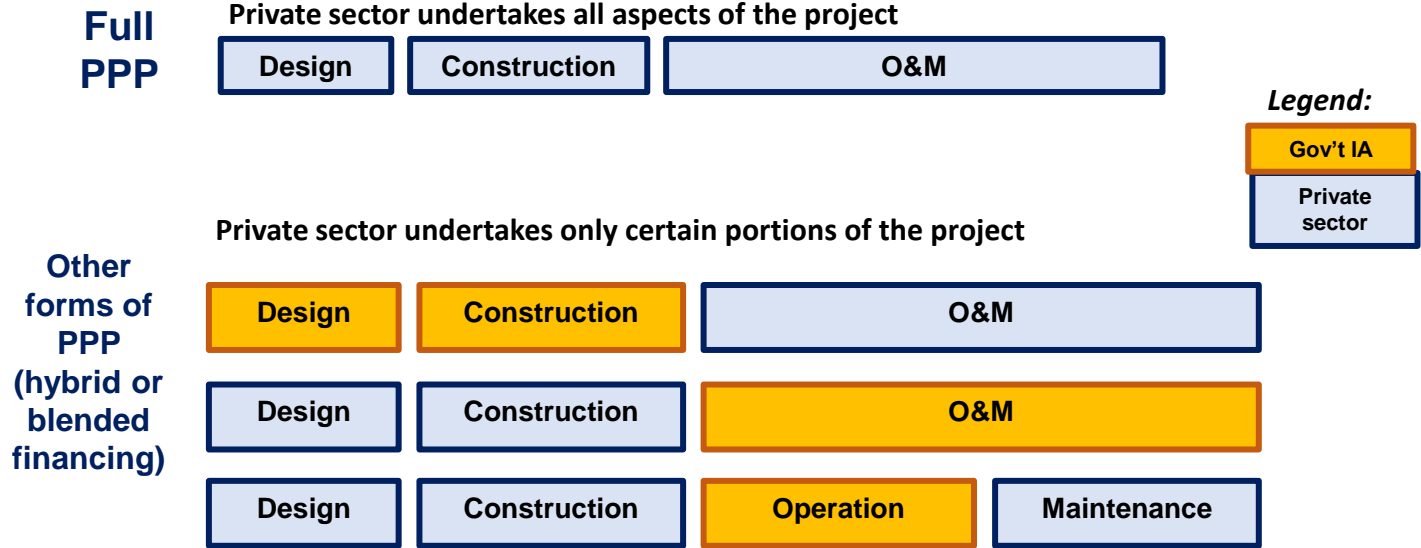
- Revenue sharing with private partner
- Revenues from commercial activities



- ✓ Allow LGU to focus on their primary mandate
- ✓ Private sector to deliver needed facilities on behalf of the LGU, **maximize the value of the LGU's economic assets, and improve facility management and service delivery**



PPPs can be structured based on the scope of the private sector role

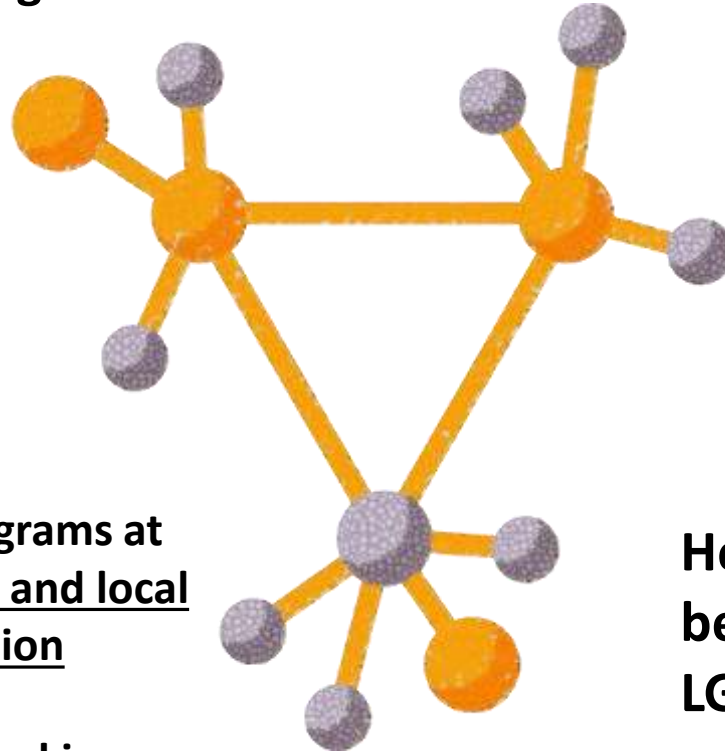


- ✓ In these PPP structures, the possible **repayment mechanism to the PSP includes availability payments** from the government and/or **revenues from the operations** of the facility and services
- ✓ The PSP can also **earn from the operations of allowed commercial activities**.



Opportunities for PPPs under EO 138 s. 2021

Strengthened planning and programming process



LGU financial capacity and flexibility in offering availability payments for LGU PPPs (i.e. BTs and BLTs)

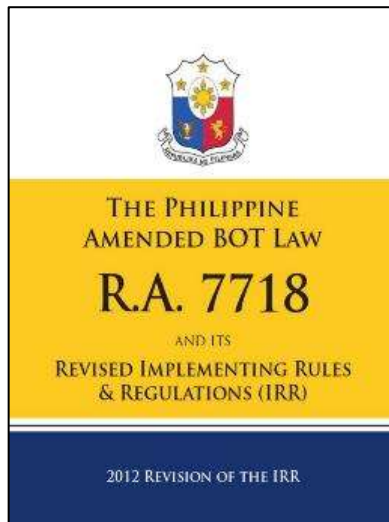
Aligned plans and programs at the national, regional, and local level provide information symmetry that can be advantageous when seeking approvals

Horizontal linkages between and among LGUs may increase the scale and scope of upcoming LGU PPPs



PPP Legal Frameworks: The Amended BOT Law and its revised IRR

A PPP project under the BOT Law may follow the:



Republic Act (RA) 6957 as amended by RA 7718
– legal framework for Build-Operate-and-Transfer (BOT) PPPs in the Philippines

**Solicited
PPP Track**

The government identifies projects from its list of priority projects

OR

**Unsolicited
PPP Track**

The private sector proponent submits an unsolicited proposal to the government

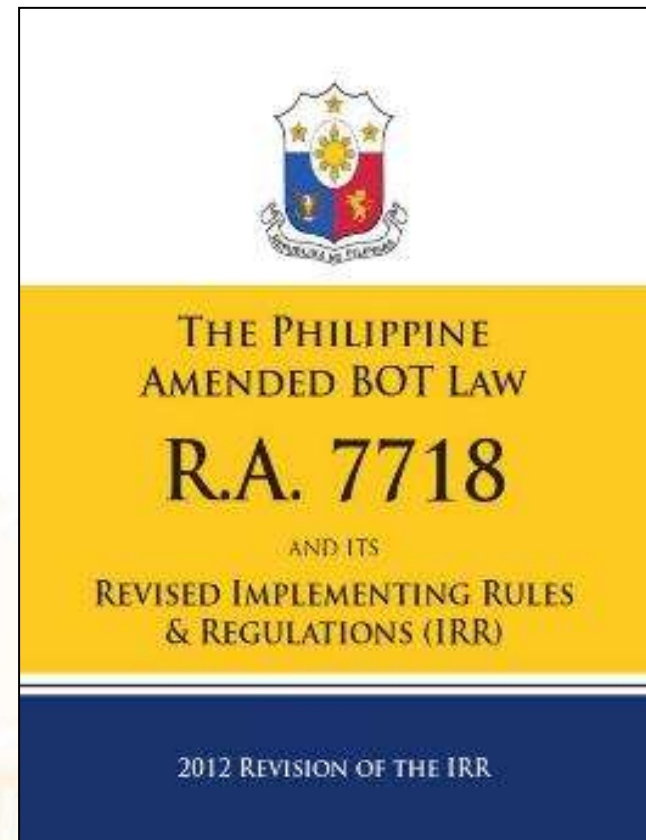


Legal Frameworks for PPP Projects

RA 6957 as amended by RA 7718 - An act authorizing the financing, construction, operation and maintenance of infrastructure projects by the private sector and for other purposes

Contractual Arrangements/Modalities:

1. Build-and-Transfer (BT)
2. Build-Lease-and-Transfer (BLT)
3. Build-Operate-and-Transfer (BOT)
4. Build-Own-and-Operate (BOO)
5. Build-Transfer-and-Operate (BTO)
6. Contract-Add-and-Operate (CAO)
7. Develop-Operate-and-Transfer (DOT)
8. Rehabilitate-Operate-and-Transfer (ROT)
9. Rehabilitate-Own-and-Operate (ROO)
10. other variations thereof, as may be approved by the President



Legal Frameworks for PPPs in the Philippines

Implementing agency	RA 7718 (Amended BOT Law)	NEDA Joint Venture (JV) Guidelines	Local PPP Code or JV Ordinances <i>DILG MC 2016-120</i>
National government agencies	✓	✗	✗
SUCs, GOCCs, GCE, GICP, GFI, (including WDs)	✓	✓	✗
LOCAL GOVERNMENT UNITS	✓	✗	✓

Modes of procurement:

BOT Law

- Solicited
- Unsolicited



JV Guidelines

- Competitive
- Negotiated



Solicited PPP Project Life Cycle



DEVELOPMENT STAGE

- Project Preparation (Feasibility Study, Market Sounding)
- Project Structure is finalized



APPROVAL STAGE

- IA level project assessment and appraisal
- Project submission to relevant approving bodies



PROCUREMENT STAGE

- Prequalification (e.g. Advertisement of ITPB)
- Prequalification Conference, submission of prequalification documents
- Bid proper (e.g. Pre-bid conference, bid submission, bid opening and evaluation)
- Issuance of Notice of Award to winning bidder
- Contract Signing



IMPLEMENTATION STAGE

- Financial Close
- Implementation (Preparation of Detailed Engineering Design, Commissioning)
- Turn over of facility back to government



Unsolicited PPP Project Life Cycle



PROPOSAL COMPLETENESS CHECK STAGE

- Private Sector (PS) submits Unsolicited Proposal (USP)
- IA checks for completeness of USP



DETAILED EVALUATION AND APPROVAL STAGE

- IA performs detailed evaluation of USP and pre-qualify PS
- IA to accept proposal and confirm Original Proponent (OP) status or reject project
- Project submission to relevant approving bodies
- Project is submitted to Investment Coordination Committee (ICC)/Approving Body for determination/approval of reasonable Rate of Return and parameters for negotiation
- IA submits report to ICC/Approving Body the result of negotiation with OP for confirmation/validation



PROCUREMENT STAGE

- Swiss Challenge (advertisement, submission and evaluation of comparative proposals)
- Right to match by the original proponent
- Issuance of Notice of Award and Contract Signing





IMPLEMENTATION STAGE

- Financial Close
- Implementation (Preparation of Detailed Engineering Design, Commissioning)
- Turn over of facility back to government



LGU PPP For the People Directive (DILG Memo Circular 2016-120)

- **Guidelines for the Implementation of Public Private Partnerships for the People Initiative for Local Governments (LGU-P4)** 
- **10 Guiding Principles:**, *People, Decentralization, Accountability, Change, Change, Value, Innovation, Learning, Participation, Rule of Law and Justice*
- **LGU-P4 Modalities:** BOT and Variants, JVs, Concessions, etc.
- **Adoption of a Local PPP Code:** 1) Basic Principles, 2) LGU-P4 Projects and Modalities, 3) Procedures and Contract, 4) Regulation and Contract Management, 5) Accountability, Information, Education and Monitoring
- **Development Plans and Investment Programs** as source of identified priority PPPAs for LGU-P4 projects
- **Requirements for an LGU-P4 Project**
 1. LGU-P4 Code
 2. Provincial Development and Physical Framework Plan (province)
 3. Comprehensive Land Use Plan (cities and municipalities)
 4. Comprehensive Development Plan (cities and municipalities)
 5. Appropriate Contracts



DILG-PPPC Joint Memorandum Circular No. 2019-1



Objective

- Supplemental Guidelines on the LGU-P4 Program
- Provide LGUs further guidance on the modalities under the P4 Guidelines and a template LGU Code for Joint Ventures (JVs)



Policy Guidelines

- LGU to determine proper modality of the contractual agreement and proceed in accordance with the applicable procedures:
 - **BOT Law Variants** – follow BOT Law and its IRR
 - **JV Agreements** – follow template LGU Code for JVs
 - **Other Contractual Arrangements** – governed by existing applicable laws (e.g. Civil Code, GPRA)
- **JMC Annex Template Local Joint Venture Code:** Principles, JV Projects, Selection Committee, Selection/Tender Documents, Selection, Award and Approvals, Unsolicited Proposals, Detailed Negotiation, Competitive Challenge, Appeals Process, Regulation and Contract Management, Accountability, Information, Education and Monitoring



Institutional Set-Up – DILG Memo Circular 2020-167

Guidelines on Promoting Local Economic Development and Investment Promotion (LEDIP) and Establishment of LEDIP Office/Unit in all Provinces, Cities and Municipalities



- MC 2016-120 (LGU-P4) and JMC 2019-1 (P4 and JVs) as policy drivers
- **Local Economic Development and Investment Promotion (LEDIP) Office/Unit**
- (Sec. 6.2.1.3.1) **Economic Enterprise Division** may be created to do the following:
 - Formulation of plans, development and implementation of proposals
 - Facilitation and assistance in the implementation of PPP programs and projects...
 - a) For PPP projects under the BOT Law variants, **serve as the LGU PPP Unit responsible for the planning, overseeing and implementing of PPP projects**
 - a) For Joint Venture arrangements, **provide support to the LGU's JV Selection Committee, Contract Management Unit**, etc following JMC 2019-01
 - a) **Coordination with the PPP Center on** – 1) planning, identification, development and structuring of projects; 2) accessing relevant PPP project development resources; 3) accessing relevant PPP learning or capacity building resources; 4) monitoring, tracking and documentation of project implementation



PPP Policy Circulars

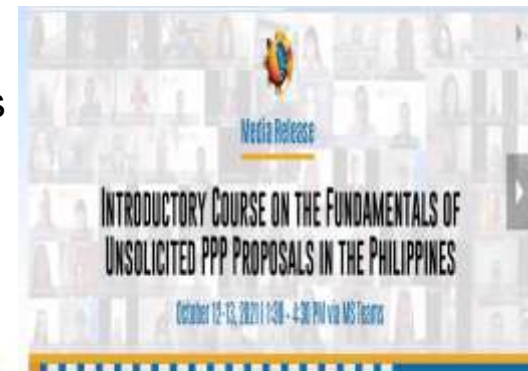


- ✓ Appraisal of PPP Projects
- ✓ Pipeline Development
- ✓ Best Practices
- ✓ Viability Gap Funding
- ✓ Appointment of Probity Advisors
- ✓ Termination Payments
- ✓ Monitoring Framework and Protocols
- ✓ Managing Affected Government Employees
- ✓ Assessing Value for Money
- ✓ Public Consultation and Engagement
- ✓ Framework on PPP Center Assistance on Joint Venture Agreements'
- ✓ Guidelines on Managing Unsolicited Proposals
- ✓ Safeguards in PPP: Mainstreaming Environmental, Displacement, Social and Gender Concerns
- ✓ Suggested Guidelines on Managing Greenfield Solicited Hybrid PPP Projects



Other PPP Resources Available 1/2 (www.ppp.gov.ph)

- **Generic Preferred Risk Allocation Matrix (GPRAM).** The GPRAM identifies the party that could best handle the risks involved in undertaking a PPP project including some proposed mitigating strategies and contractual provisions.
- **Framework for Assessing Local PPP Codes.** Developed to provide LGUs the key considerations for LGUs in drafting their Local PPP Code. This covers several aspects which should be considered when drafting a PPP code, namely: getting ready to conduct PPPs, preparing the project, avoiding conflict of interest, and public interest concerns under the other stages of the PPP process.
- **Unsolicited Proposal Assessment Forms.** Guide government agencies who have received unsolicited PPPs
 - a) evaluating the proponent's legal, technical, financial qualifications
 - b) reviewing the appropriateness of the proposed risk allocation;
 - c) assessing proposed contract provisions, including contingent liabilities and other sources of fiscal exposure



Other PPP Resources Available 2/2 (www.ppp.gov.ph)

The **Parameters, Terms, and Conditions (PTCs) template** is a tool developed by the PPP Center, which aims (i) to provide transparency on what parameters, terms, and conditions will be entered into by the government; and (ii) to ensure that negotiations and subsequent drafting of PPP contracts are done expeditiously. The template also serves as a reference tool to help contract drafters and reviewers after project approval.

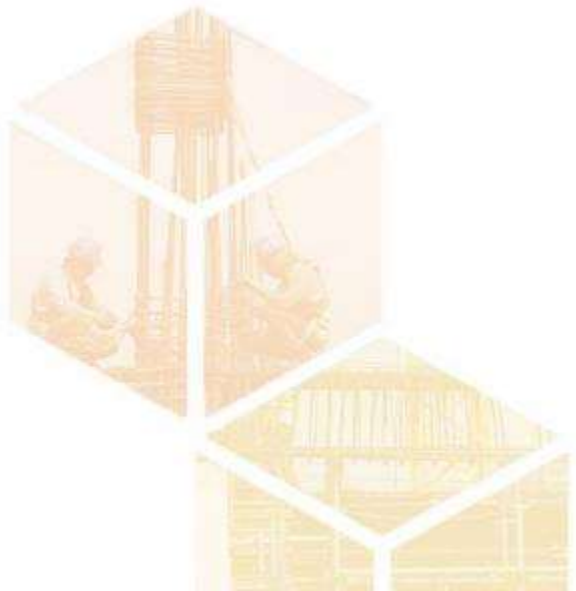
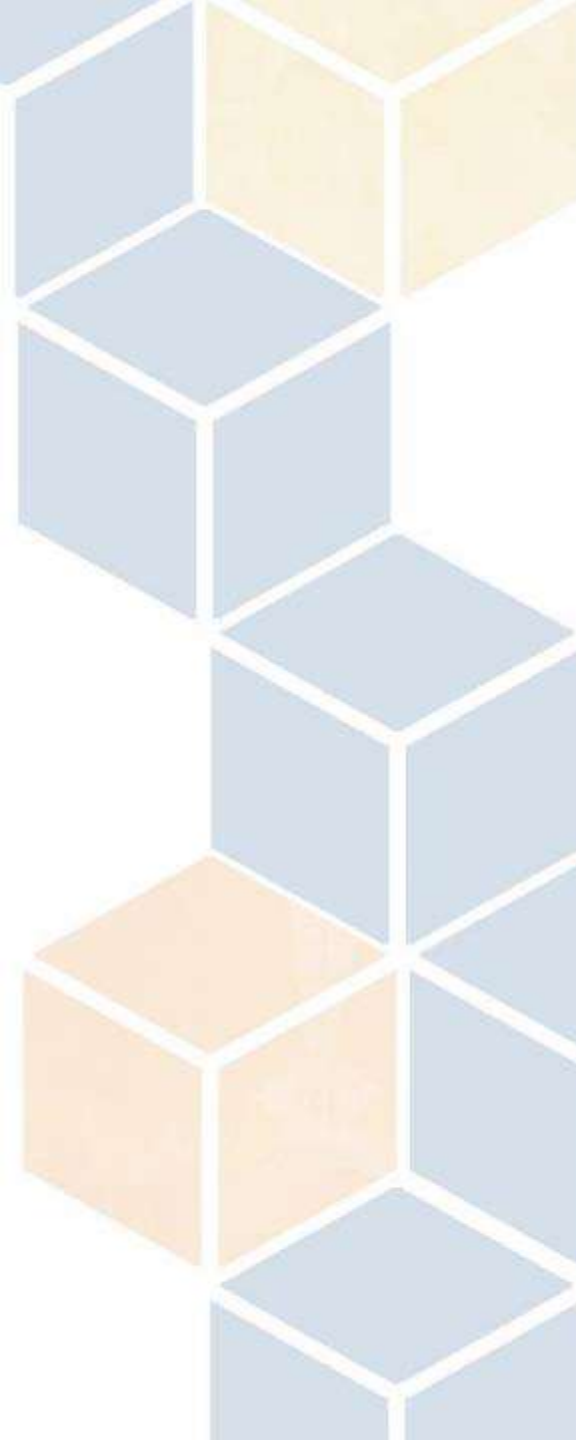
Upcoming: **Guide for Developing Solicited (Local) Health PPP Projects.** This is intended for use by all health implementing agencies for the development of greenfield and brownfield health projects which have both construction and operations and maintenance components, including facility management.

PPP Center invited all partner stakeholders and the public to provide inputs and comments to the “Guide for Developing Solicited Health Public Private Partnership (PPP) Projects”.





The PPP Center Local PPP Projects Pipeline



PPP Center of the Philippines



The PPP Center facilitates the implementation of the country's PPP Program. It serves as a central coordinating and monitoring agency for all PPP projects.



Advocate for **POLICY** reforms to enhance enabling environment



Conduct **CAPACITY BUILDING** activities to improve skills of agencies



PPP Center - Support in Policies



01

Assistance in the review and formulation of legal framework (BOT Law, Joint Venture Guidelines, PPP or Joint Venture Codes of local governments)



02

PPP Governing Board's policies



03

Sectoral guidelines (e.g. water supply, solid waste management, health, ICT, etc.)



Local PPP Projects



Conduct of **trainings and seminars** depending on the development needs and requirements of the HEIs

- ✓ Introduction to PPPs
- ✓ PPP Project Concept Note formulation
- ✓ Project planning and prioritization
- ✓ Management of unsolicited proposals
- ✓ Financial and economic analysis
- ✓ Other customized training programs



PPP Center - Support in Projects via PDMF

The **Project Development and Monitoring Facility (PDMF)** is a **USD 104.5 million revolving fund** managed by the PPP Center to enhance the investment environment for PPP and to develop a robust pipeline of viable and well-prepared PPP infrastructure projects

Implementing agencies, such as **LGUs** and water districts, can tap the PDMF for engagement of consultants who can assist in project development and procurement

Additional funding to support local PPP projects (USD 2.5M foreign counterpart funding in the PDMF)



PDMF Committee for Local PPP Projects

NEDA Usec and Asec for Regional Development and NEDA Regional Directors as representatives to the PDMF Committee to provide **local perspective in the evaluation of projects** for funding support

Local PDMF Panel

Access to a **pool of experts specializing in the development of local PPP projects**, particularly resilient and environmentally sustainable projects, and climate change adaptation and disaster risk management projects

Project preparation and transaction advisory consultants

Solicited mode

- Conduct of feasibility study
- Project structuring
- Preparation of tender documents
- Management of bid process
- Assistance until financial close

Unsolicited mode

- Evaluation and negotiation of unsolicited proposals
- Assistance in management of Swiss Challenge until financial close

Local PPP Strategy: Towards Regional Equity



In light of EO 138 and Mandanas ruling, the implementation of local and regional PPP projects is one of the priorities of the government, **supplementing the priority to decentralize Metro Manila through increased employment and infrastructure facilities in the different regions.**

Through its **Local PPP Strategy**, the PPP Center expanded the scope of its assistance to the **following local implementing agencies:**



Local government units/ subnational government agencies



Water districts



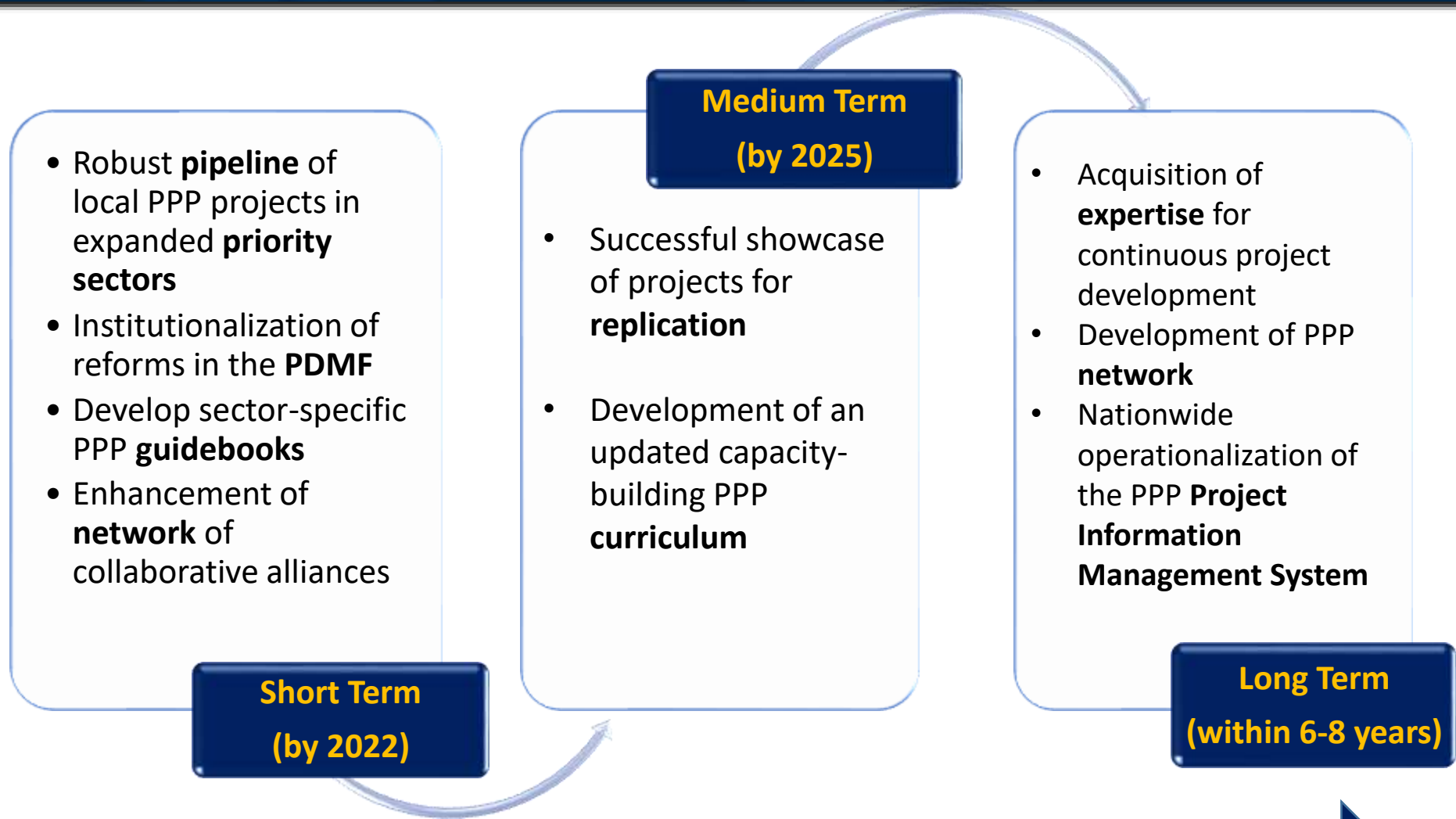
State universities/ colleges



Special zones (economic zones, tourism enterprise zones, etc.)



Local PPP Strategy – Short, Medium and Long Term



Inclusive and sustainable economic development



The Local PPP Strategy: *Accomplishments and Ongoing Efforts*

- ✓ Prioritized assistance in the sectors of solid waste management, water, septage and sanitations, vertical infrastructure and other emerging sectors
- ✓ Developed direct channels with the NEDA Regional Offices through **formation of PPP Knowledge Corners in the 15 NEDA Regional Offices (NROs)**
- ✓ Established the PDMF Committee for Local PPP Projects while we are in the process of establishing a PDMF Panel of Consultants for Resilient Local PPP Projects
- ✓ **Established collaborative partnerships with DILG, Local Leagues and other local development institutions in shared efforts and advocacies** (e.g. capacity building, policy reforms, process improvements, focused project technical assistance)
- ✓ Expanded the scope of its target local IAs to include state universities and colleges, water districts, special economic zones, and tourism enterprise zones



Status of Local PPP Projects

as of September 30, 2021

95

**PROJECTS
UNDER IMPLEMENTATION**

PHP 121.47 Billion*

	No.	PHP (bn)*
Solicited	14	1.45
Unsolicited	76	120.02
For verification	5	Not available

19

**PROJECTS
IN THE PIPELINE**

PHP 54 Billion*

	No.	PHP (bn)*
Solicited	13	32
Unsolicited	6	22

**Total cost does not include projects with no estimated costs or those with costs yet to be finalized.*



Local PPP Projects in the Pipeline

As of September 30, 2021, the PPP Center is assisting local implementing agencies in the development and evaluation of **19 local PPP projects**

Priority Sectors



5 Water Supply & Sanitation



2 Solid Waste Management



4 Vertical Infrastructure / Government Property Development
(e.g. town centers, city halls, public markets)



3 Tourism



5 Others
(e.g. IT, transport)

Regions



Priority Sectors for Local PPP Projects

CLIMATE CHANGE



RENEWABLE ENERGY



HEALTH



TOURISM



IT SYSTEM



FOOD SECURITY



VERTICAL INFRASTRUCTURE



WATER SUPPLY & SANITATION



SOLID WASTE MANAGEMENT



TRANSPORT



Local PPP Projects in the pipeline - Solicited



Iloilo City Central and Terminal Public Market

The project involves the redevelopment, operation, and maintenance of the Central Public Market and Terminal Public Market which aims to provide the City with a sustainable multi-use market complex that will develop and enhance business activities as well as preserve the economic value of the Old CBD of Iloilo City.

Implementing agency: City Government of Iloilo

Procurement mode: Solicited

PPP Structure & Indicative Cost: TBD

Status: Development stage; undergoing studies

Iloilo City Slaughterhouse Project

The Project involves the design, rehabilitation (including upgrade and/or mechanization), finance, operation and maintenance of the Iloilo City Slaughterhouse with no less than 500 animal heads production capacity and at least “Double A” NMIS accreditation.

Implementing agency: City Government of Iloilo

Procurement mode: Solicited

PPP Structure: Joint Venture

Indicative Cost: Php139.35 million

Status: Under procurement



Local PPP Projects in the pipeline - Unsolicited



Quezon City Integrated Solid Waste Management Facility Project

The project involves the design, financing, construction, operation, and maintenance of a biodegradable source separated waste treatment and residual combustible waste treatment facility capable of processing up to 3,000 metric tons of municipal solid waste (MSW) per day and generating 36 MWe (Net).

Implementing agency: Quezon City Government

Procurement mode: Unsolicited

PPP Structure: Joint Venture

Indicative cost: Php22 Billion

Original proponent: Consortium composed of Metro Pacific Investments Corporation, Covanta Energy LLC, and Macquarie Capital Limited

Status: On-going challenge process



PDMF-supported local PPP Projects

Ormoc City Water Supply System

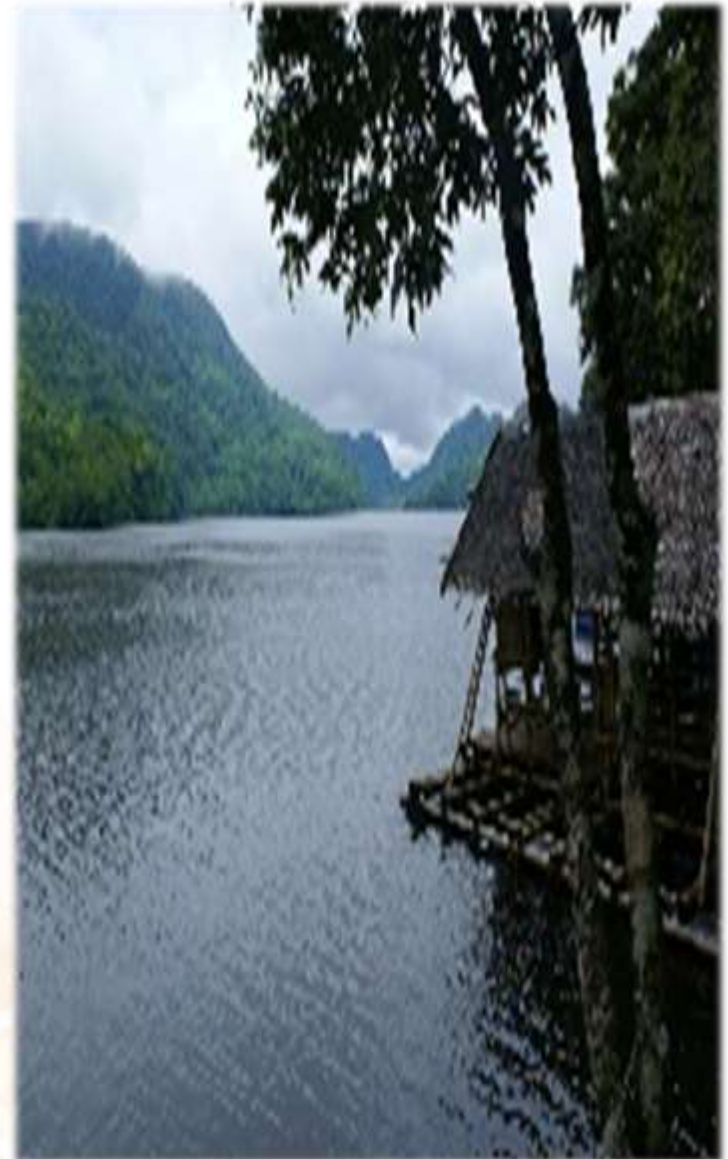
The Project aims to provide a comprehensive water supply system to meet the demand for good quality and sufficient water supply, and an operation capable of providing Level III service to its service area on a 24/7 basis, i.e. continuous water service without interruption.

Implementing agency: City Government of Ormoc

Procurement mode: Solicited

PPP Structure and indicative cost: TBD

Status: Under development



Sectors in Local PPP Projects

PRIORITY SECTORS



Water supply and sanitation



Solid waste management



Vertical infrastructure / government property development

(e.g. university properties, public market, and slaughterhouse)

EMERGING SECTORS



Transportation

(e.g. port, road, bus rapid transport [BRT], and terminal)



IT system



Tourism



Health

(hospital facilities and services)



Renewable energy



Priority Sectors for Local PPP Projects



4

Water supply and sanitation

- Baggao Level III Water Supply Project
- Bislig City Bulk Water Supply and Septage Project
- Ormoc City Water Supply System Project
- Tuguegarao Septage Management Project



3

Solid waste management

- Quezon City Integrated Solid Waste Management Facility Project
- Zamboanga City Waste-to-Value Facility Project
- General Santos City Sanitary Landfill Project



5

Vertical infrastructure / government property development

- Management and Improvement of Bicol University's Arcadia and Entrepreneurial Centrum
- Rizal Park Western Section Development Project
- UP Los Baños Agro-Industrial Information and Technology Parks
- Iloilo City Slaughterhouse
- Iloilo City Central and Terminal Public Markets



Emerging Sectors for Local PPP Projects



2

Transportation

- San Ramon Newport Project
- Quezon City Footbridge Development Project



2

IT system

- Davao City No Contact Apprehension Project
- IT Project for the City of Naga, Cebu-UNLAD BAYAN Local Government Information System Project



3

Tourism

- Development and Management of the Club Intramuros Golf Course Project
- Development and Management of the Balicasag Island Dive Resort Project
- TIEZA Clark Tourism Ecozone (TEZ) Project



Health

(hospital facilities and services)



Renewable energy



Transition to the New Normal and Ways Forward (for the Infrastructure Sector)



1. Realign expenditure priorities, provide more space for relevant health-related expenditures, and improve the digital infrastructure.



2. Ensure unhampered movement of agricultural goods and services through efficient transport and logistics systems.

- This would involve the construction of better road and transport infrastructure and other facilities for agriculture



3. Conduct comprehensive vulnerability and risk assessment of critical infrastructure, particularly in areas considered as COVID-19 hot spots.

- This would include public buildings that may be used as isolation or treatment facilities



4. Construct and/or rehabilitate hospitals or designated quarantine holding facilities in LGUs, airports, and major sea ports.



5. Under the Universal Health Care Law, strengthen the health system through the establishment of facilities and laboratories and acquisition of necessary hospital equipment to address COVID-19 and possible recurrence of virus contagion, among others



Framework for Resilient and Sustainable Local PPPs

Infrastructure development, implemented via sound fiscal policies and governance frameworks, shall propel economic recovery and resiliency



Investments in transportation, and social infrastructure (e.g. health, water and sanitation, digital connectivity, etc.)



Stimulus to investment, job creation, technological innovations, and economic development (particularly in the regions)



Incorporation of resiliency measures (climate change, disaster risk and reduction, and emergency situations) in infrastructure projects



CONCLUSION and TAKEAWAYS

- ❑ The policy and institutional framework for local PPPs have already been established (i.e. BOT Law, DILG MCs, Local PPP Code, Policy Guidelines and Circulars, etc.) even before said ruling/directive
- ❑ The Mandanas ruling and the full devolution directive under EO 138 reinforce PPP as a project financing and implementation option and its significant contribution to local economic development
- ❑ The LGUs' changing fiscal situation (i.e. bigger revenue share, more fiscal space) does not mean it can fund most (if not all) of its local development requirements.
- ❑ It means that LGUs will be more creditworthy and can leverage such towards viable local PPP projects that are sustainable and provide the best “value-for-money” for the LGU and its constituents
- ❑ Invest in the strengthening of project planning and programming, project development and structuring, procurement and implementation. These are critical due diligence investments that are significant to project finance and implementation success



CONCLUSION and TAKEAWAYS

- ❑ Capacity building and technical assistance are available for LGUs venturing into PPPs – e.g. *enactment of Local PPP Code; Project feasibility study preparation, review of unsolicited proposals, guidance in negotiation and procurement process, etc.*
- ❑ There are several local PPP Codes and actual PPP projects to learn from. They can be replicated and customized.
- ❑ Engage the private sector through existing platforms – *the RDC, Chambers of Commerce, DTI Regional Office, etc.* They can provide viable PPP ideas worth considering into actual projects.
- ❑ Engage the academe – *SUCs, LUCs, etc.* They can provide the critical inputs to local PPP policies, project planning and programming, feasibility studies, etc.



Thank You!

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