



PAGE 4: B.1) YOUR CASE STORY: TITLE AND DESCRIPTION

Q1: TITLE OF CASE STORY

Strengthening Public-Private Partnerships in the Philippines

Q2: CASE STORY ABSTRACT

The Philippines' infrastructure financing gap of 2-3% of GDP per year hampers the country's economic growth. Australia finances the Philippine Public Private Partnerships (PPP) Centre, to prepare, package and manage PPPs and attract private sector investment. The Philippines is strongly committed to the program, and provides its own funding of \$US 44 million. The program has two components: technical assistance and matching grants. Technical assistance is provided by the Asian Development Bank, International Finance Corporation, and World Bank. The PPP Centre has awarded six infrastructure projects worth \$US1 billion since 2011. As a result of the PPP Centre, private sector participation in PPPs has increased and the procurement process is better coordinated. The PPP Centre is now the overall policy-making body for all PPP-related matters in the Philippines. Due to the success of the PPP Centre, a similar facility is being set up by APEC in Indonesia to help address the growing infrastructure needs of the APEC region.

Q3: LONG DESCRIPTION OF THE CASE STORY

Context

The goal of the Public Private Partnerships (PPP) Centre is to help the Philippines address a critical infrastructure financing gap. Its financing gap is equivalent to 2-3% of GDP per year, which poses a severe constraint to the country's growth and development. Notably, Philippines infrastructure development has not kept pace with population growth and urbanisation rates. Businesses identify infrastructure as a major obstacle to their operations. Between 1980 and 2009, investment in infrastructure averaged only about 2% of GDP, well below international benchmarks.

About the Program

The main objectives of the program are to:

- increase private sector investment in infrastructure; and
- to improve government capacity to promote, develop and implement PPP projects.

The Philippines' government aims for spending on infrastructure to reach 5% of GDP by 2016.

The program's performance targets include:

- 15 projects to be competitively tendered by 2015-16;
- 2 million people to have access to new/improved public services;
- at least \$US1.5 billion in new infrastructure investment.

The program has two key components:

- technical assistance to improve the government's PPP systems and capacity (drawing on resources from the Asian Development Bank (ADB), World Bank and International Finance Cooperation (IFC)); and
- matching grants for preparation, competitive bidding, negotiation and monitoring of PPP projects.

PUBLIC SECTOR CASE STORY TEMPLATE

The ADB manages a multi-donor package of support which Australia contributes along with Canada. Donors will contribute \$US 30 million (to 2017), and the Philippines' government provides co-funding of \$US 44 million.

ADB's management of the multi-donor package lowers the administrative burden for both Australia and the Philippines. It harmonises donors' assistance and decreases the need for Australia and Philippines to separately engage with multiple agencies that provide PPP development assistance. Australia has also adopted ADB's monitoring and evaluation procedures, rather than developing duplicate systems.

Outcomes

The PPP Centre has been successful in awarding six projects worth \$US1.4 billion. These projects include:

- PPP for School Infrastructure Project Phase I;
- PPP for School Infrastructure Project Phase II;
- Ninoy Aquino International Airport Expressway;
- Modernisation of the Philippine Orthopaedic Centre;
- Automatic Fare Collection System; and
- Mactan-Cebu International Airport Passenger Terminal Building.

The above projects are at various stages of construction, and are yet to be fully completed.

The Centre has helped improved transparency, regulation, coordination and governance relating to the preparation and procurement of PPP projects. These outcomes have helped increase the participation of the private sector in PPPs.

The PPP Centre has established itself to be credible authority on PPPs for the Philippines. The PPP Governing Board is now, through an Executive Order, the overall policy-making body for all PPP-related matters.

Due to the success of the PPP Centre, a similar facility is being set up by APEC in Indonesia to help address the growing infrastructure needs of the APEC region.

Lessons Learnt

Various factors have contributed to the program's success:

- First, there is strong government commitment to the PPP agenda. In September 2010, the Aquino administration transferred the former Build Operate Transfer Centre into the PPP Centre, with the latter now serving as the coordinator of national PPP programs, projects and policies.
- Second, there is clear alignment of donors' assistance on PPPs with government policy. The Philippine Development Plan 2011-16 and A Social Contract with the Filipino People, emphasised the importance of deepening PPPs to support sustained, broad based economic growth for job creation and poverty reduction.
- Third, program operations have been adjusted to accommodate growth in the Centre's work. For example the Philippines-Australia cost sharing ratio for the Project Development Monitoring Facility (one aspect of the Centre), was adjusted from 56:44 to 80:20 in order to accommodate the increase number of PPP projects in the pipeline. Further, the Centre's Board also endorsed a strategy to support and build the capacity of Local Governments to undertake PPPs.

Q4: Please add here web links to project/programme materials.

Public-Private Partnership Center .

Media Release, Australian Minister for Foreign Affairs, The Hon Julie Bishop MP 'Strengthening economic growth in the Philippines' 21 February 2014. .

DFAT Factsheet Australia's Support to Strengthen Public-Private Partnerships (PPPs) in the Philippines. .

PUBLIC SECTOR CASE STORY TEMPLATE

Q5: YOUR CONTACT DETAILS	
Name:	-
Ministry/Institution/Organization:	Department of Foreign Affairs and Trade
Country:	Australia
Email Address:	aidfortrade@dfat.gov.au
Q6: FUNCTION	Public sector
Q7: FUNDING PARTNER Tick the appropriate box(es)	Multilateral organization
Q8: Additional information	<i>Respondent skipped this question</i>
Q9: START DATE OF PROJECT/PROGRAMME	2011
Q10: STATUS OF PROJECT/PROGRAMME	On-going
Q11: DURATION OR, IF ON-GOING, EXPECTED DURATION OF PROJECT/PROGRAMME	More than 5 years
Q12: COST OF PROJECT/PROGRAMME	More than US\$20 million
Q13: Additional information	<i>Respondent skipped this question</i>
Q14: TYPE OF FUNDING FOR PROJECT/PROGRAMME	Grant

PAGE 6: C.2) ABOUT THE CASE STORY

Q15: PROJECT/PROGRAMME TYPE	Single country / customs territory
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PAGE 7: C.2) ABOUT THE CASE STORY

Q16: SINGLE COUNTRY/CUSTOMS TERRITORY	PHILIPPINES
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PAGE 8: C.2) ABOUT THE CASE STORY

PUBLIC SECTOR CASE STORY TEMPLATE

Q17: REGION(If the region does not appear in the drop down menu, please enter manually.)

Respondent skipped this question

PAGE 9: C.2) ABOUT THE CASE STORY

Q18: MULTI-COUNTRY(Enter all countries or customs territories)

Respondent skipped this question

PAGE 10: C.4) ABOUT THE CASE STORY

Q19: CASE STORY FOCUSTick the appropriate box(es)

REDUCING TRADE COSTS FOR MERCHANDISE GOODS

,

Upgrading transport infrastructure,

Upgrading network infrastructure (ICT, power, telecoms)

,

Other (please specify)

Development of infrastructure, not only for economic outcomes, but also to deliver health and education services.

PAGE 11: C.5) ABOUT THE CASE STORY

Q20: HOW SUCCESSFUL WAS THE PROJECT/PROGRAMME Tick the appropriate box(es)

Successful

PAGE 12: C.6) ABOUT THE CASE STORY

Q21: WHAT WERE THE OUTPUTS OF THE PROJECT/PROGRAMME Tick the appropriate box(es)

Officials trained,

New or updated transport infrastructure (e.g. roads, bridges, airports)

,

Other (please specify)

Schools and health centres (see outcomes section in the case study)

PUBLIC SECTOR CASE STORY TEMPLATE

Q22: Additional information(maximum 300 words)

Respondent skipped this question

PAGE 13: C.7) ABOUT THE CASE STORY

Q23: WHAT WERE THE OUTCOMES OF YOUR PROJECT/PROGRAMME Tick the appropriate box(es)

Other (please specify)
Increased investment in infrastructure

Q24: Additional information(maximum 300 words)

Respondent skipped this question

PAGE 14: C.8) ABOUT THE CASE STORY

Q25: WHAT WERE THE IMPACTS OF THE PROJECT/PROGRAMME Tick the appropriate box(es)

Increase in domestic investment,
Increase in foreign investment,
Increase in consumer welfare

Q26: Additional information(maximum 300 words)

Respondent skipped this question

PAGE 15: C.9) ABOUT THE CASE STORY

Q27: LESSONS LEARNT Tick the appropriate box(es)

Importance of alignment with national priorities,
Importance of alignment between different development partners in programming
,
Importance of engagement by private sector,
Importance of attention to long-term sustainability
,
Importance of political will and commitment by project partner

Q28: Additional information(maximum 300 words)

Respondent skipped this question

Q29: PROJECT OR PROGRAMME MONITORING AND EVALUATION FRAMEWORK Tick the appropriate box(es)

M&E framework used, Project baselines set

