

# The Future of LGU Public-Private Partnerships for the People (P4) ... and Reclamation

**Alberto C. Agra**

Chairman, Philippine Reclamation Authority

Certified PPP and Regulation Specialist™

Adviser to DILG on PPP

PPP Law and Local Government Law Professor, and  
Political Law Bar Reviewer, Ateneo Law School

Principal Author, *Amicus Imperiorum Locorum* (Friend of LGUs)

President, Forensic Solutions

Columnist, PPP Lead, BusinessMirror

PhD Candidate, Leadership Studies major in Public Management, Ateneo  
School of Government

Former Acting Secretary of Justice, Acting Solicitor General and  
Government Corporate Counsel

# 10 SONA-STATED POSSIBLE PPP PROJECTS



**ROADS**



**BRIDGES**



**AIRPORTS**



**TOURISM**



**HARVEST FACILITIES**



**PUBLIC HEALTH**



**IRRIGATION**



**RAIL**



**FERRY SYSTEM**



**PUBLIC WI-FI**

## My Own 10

1. Waste-to-Energy/  
Renewable Energy
2. Water Supply
3. Septage/ Sewerage
4. Reclamation
5. Rehabilitation Centers
6. Monorail
7. Bridges
8. Mixed-Use Land Dev't
9. Markets and Terminals
10. Smart LGUs



**PUBLIC SECTOR  
PPP PROPONENTS**

**NATIONAL  
GOVERNMENT**

**GOVERNMENT  
CORPORATIONS**

**STATES** 

**AUTONOMOUS  
REGIONS**

**PROVINCES**

**CITIES**

**MUNICIPALITIES**

**BARANGAYS**

# 31 LGU JV Projects

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

# 9 LGU Non-JV PPP Projects

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

# Implementation/ Funding Schemes

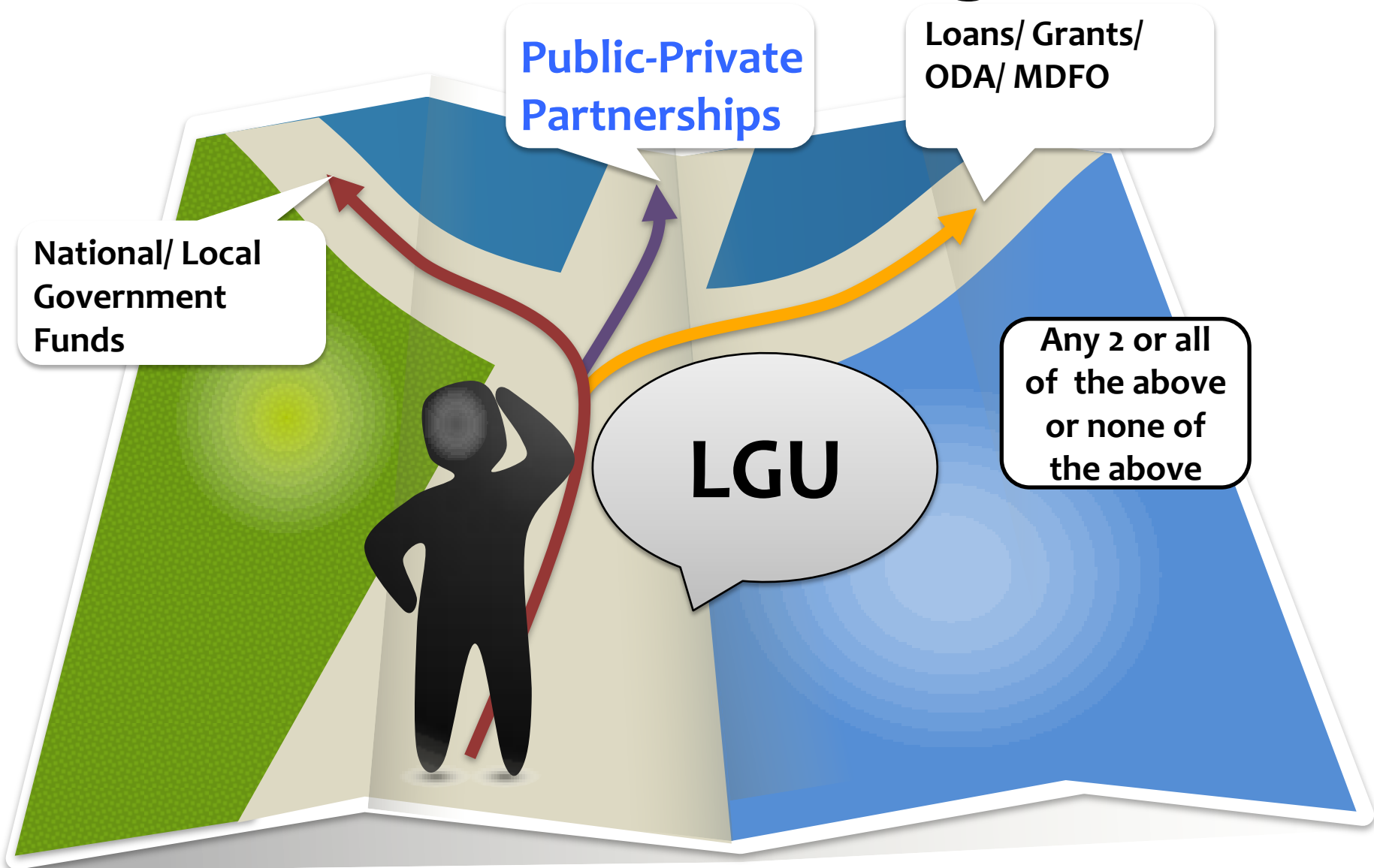
Public-Private Partnerships

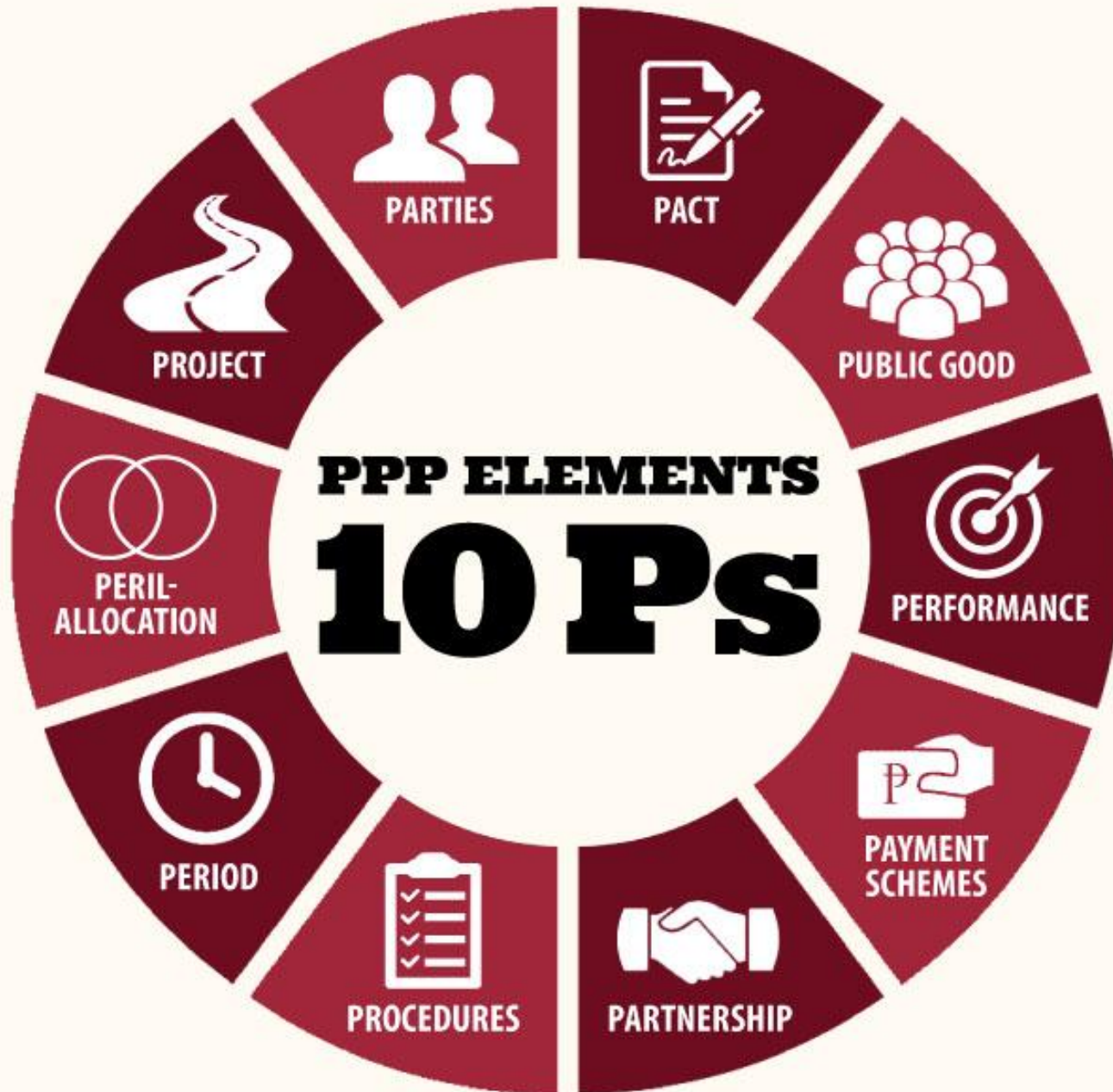
Loans/ Grants/  
ODA/ MDFO

National/ Local  
Government  
Funds

Any 2 or all  
of the above  
or none of  
the above

LGU





# Need for a Framework

*Authority based on the Constitution and Law,  
and confirmed by OP, OES, DOJ and DILG*

Vision/  
Development  
Plan

Strategy/  
Policy

**PPP or JV  
Framework/  
Ordinance/  
Code**

PPP Enabling  
Structures

PPP Projects/  
Contracts

*stability, consistency, transparency, integrity,  
accountability, reliability and enforceability*



# 71 LGU PPP CODES

## 49 LGUs PPP CODES REFERRING TO AGRA TEMPLATE

**17**

### PROVINCE

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

**22**

### CITIES

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



**10**

### MUNICIPALITIES

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

## 10 LGU JV ORDINANCES REFERRING TO AGRA TEMPLATE

**1**

### PROVINCE

- Camarines Sur

**3**

### CITIES

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

**4**

### MUNICIPALITIES

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

## 10 LGU JV ORDINANCES REFERRING TO 2008 NEDA GUIDELINES

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

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

## 1 LGU ORDINANCE BASED ON OWN VERSION

- Albay Province

## 1 LGU PPP REFERRING TO PPP CENTER TEMPLATE

- General Santos

# WHY PPP?

## THE 7 MAIN VALUE DRIVERS



**IMPLEMENT  
CHANGE  
POLICY**



**ENCOURAGE  
INNOVATION**



**SERVE THE  
PEOPLE**



**PROVIDE  
BETTER  
VALUE-FOR-  
MONEY**



**ACCELERATE  
DELIVERY OF  
SERVICES**



**SOLVE  
RESOURCE  
SCARCITY**



**SPREADING  
RISKS**



## HARD

### INFRASTRUCTURE ASSETS



Road



Water



Power



Ports



Reclamation



Sports Complex



Markets



Transport Systems



Terminal



Government Buildings



Parks



Information Technology



Cemetery



Solid Waste Management



Bridges



Malls

## SOFT

### SOCIAL ASSETS AND SERVICES



Classroom



Hospital



Agriculture



Housing



Evacuation Center



Prisons

## BUNDLED



Hard and Hard



Hard and Hard



Hard and Hard



Soft and Soft



























Hard, Soft and Soft



Hard, Hard and Soft

# PPP RESOURCE EXCHANGE

Modality	Government		Private Sector	
Build-Operate-Transfer			  	
Joint Venture		 		
Concession			  	
Management Contract		 		
Public Land Lease			  	
Policy-setting		Building		
Financing		Operating		

# 24+ PPP Modalities

1. Build-Transfer
2. Build-Lease-Transfer
3. Build-Operate-Transfer
4. Build-Own-Operate
5. Build-Transfer-Operate
6. Contract-Add-Operate
7. Develop-Operate-Transfer
8. Rehabilitate-Operate-Transfer
9. Rehabilitate-Own-Operate
10. Rehabilitate-Lease-Transfer\*
11. Rehabilitate-Transfer\*
12. Rehabilitate-Transfer-Operate\*
13. Concession Arrangement
14. Joint Venture
15. Lease or Affermage
16. Management Contract
17. Management Contract (No Public Funds)
18. Service Contract
19. Service Contract (No Public Funds)
20. Divestment or Disposition
21. Corporatization
22. Subsidiary with Private Equity
23. Onerous Donation
24. Gratuitous Donation
25. Others

# Governing Laws/ Rules

PPP Modality	Governing Law
BOT Law Variants (9+)	BOT Law
Concession	Special Laws/ <a href="#">Local Ordinance</a>
Joint Ventures	NEDA JV Guidelines/ <a href="#">Local Ordinance</a>
Management and Service Contract*	GPRA/ <a href="#">Local Ordinance</a>
RT, RLT and RTO	<a href="#">Local Ordinance</a>
Lease/ Affermage/ Donations	Civil Code/ <a href="#">Local Ordinance</a>
Divestment/ Disposition	Commission on Audit Circular No. 89-296
Corporatization	Corporation Code

# LGU Contributions

## Money and Capital

- Regular and Special Funds, IRA, RPT, SEF, Share in National Wealth, Calamity Fund, Development Fund, Loan Proceeds, Grants, Bonds, Securities, Subsidy, Equity, Cost-Sharing, Viability Gap Funding, Cost Avoidance or Savings (*actual/ current or future/ monetized*)

## Non-Cash (Anything of Value)

- Services, Personnel, Intellectual Property, Usufruct, Land (own or expropriated), Minimum Revenue Guarantee, Right-of-Way, Goodwill, Franchise, Concession, Credit Enhancement, Tax Incentives/ Holidays, Police Power

# LGU Structures

Local Chief  
Executive

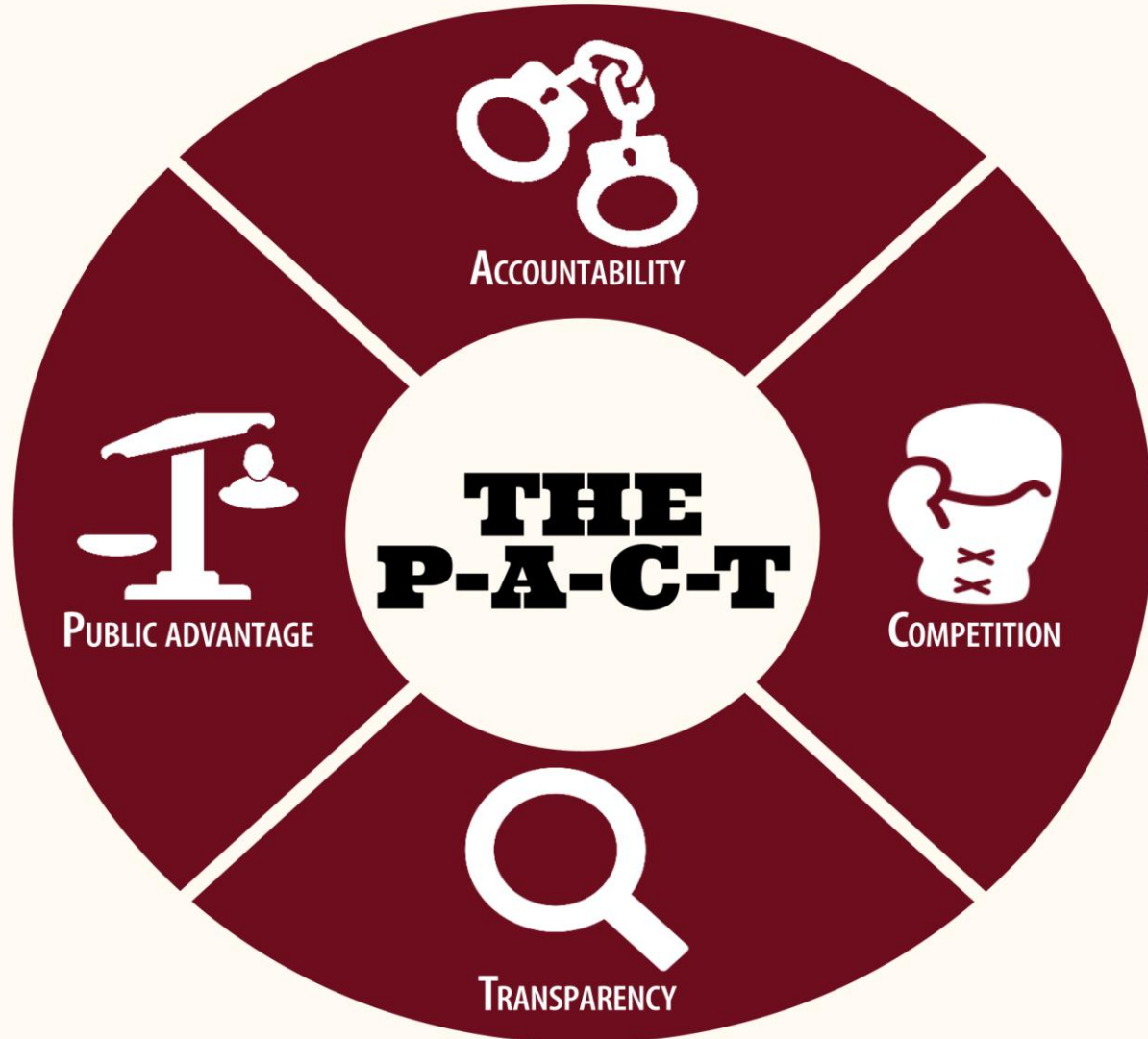
Vice-  
LCE/Sanggunian

PPP-Selection  
Committee (7)

PPP-Regulatory  
Authority (9)



# PPP SELECTION REQUIREMENTS



# PACT Procedures

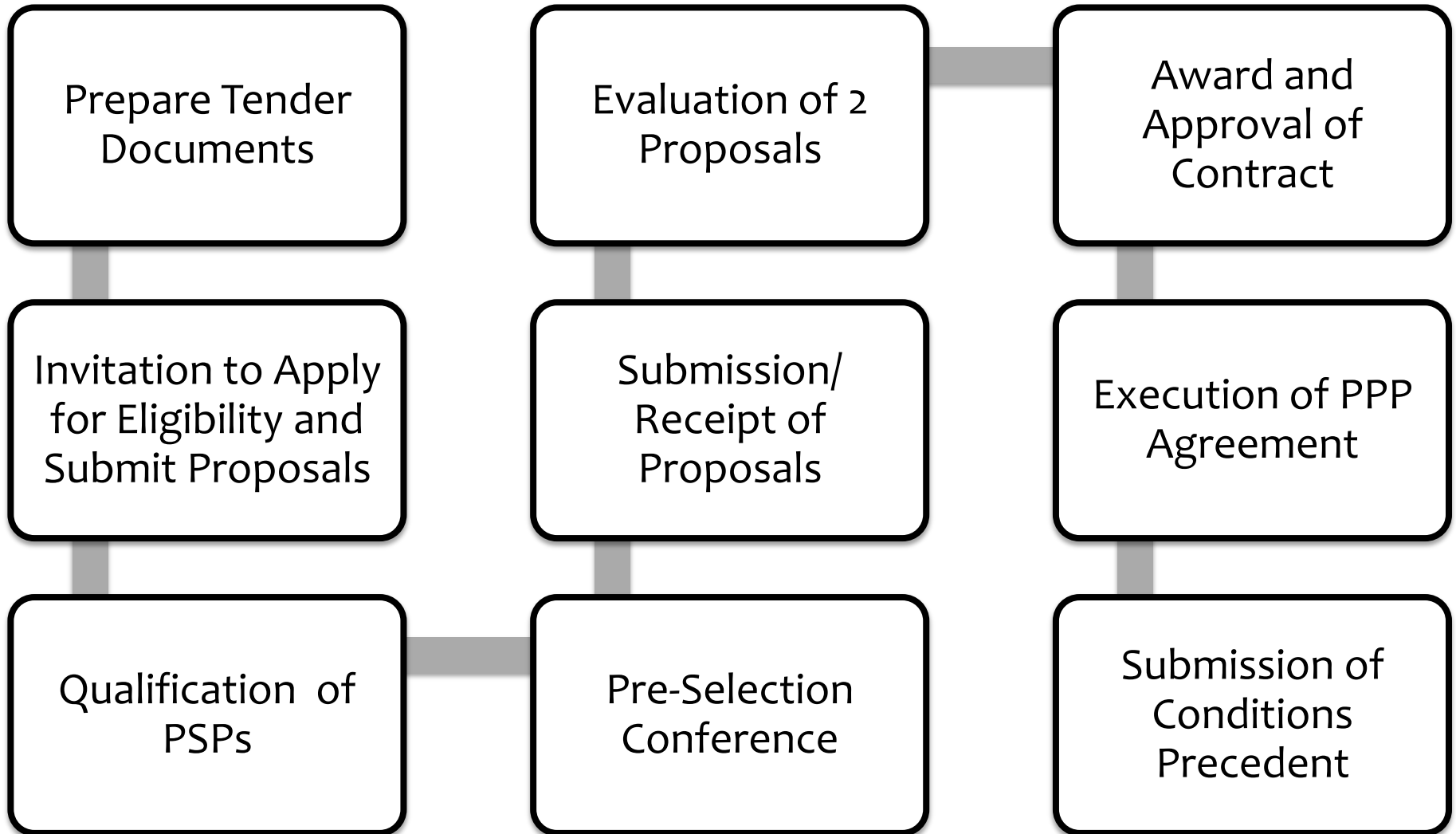


Competitive Selection/ Open Bidding

Competitive Challenge/ Unsolicited Proposal

Competitive Negotiations

# (1) Competitive Selection



# (2) Competitive Challenge

- Submission of UP with Project Study and Draft Contract
- Initial Evaluation (Eligibility, Project Acceptability and Completeness)
- Letter of Acceptance (or Rejection)
- Conferment of Original Proponent (OP)

## Stage 1

Unsolicited Proposal

## Stage 2

- Negotiations (Technical and Financial Terms)
- Certification of Successful Negotiations (or Failed Negotiations)
- Public Consultations on Draft Contract

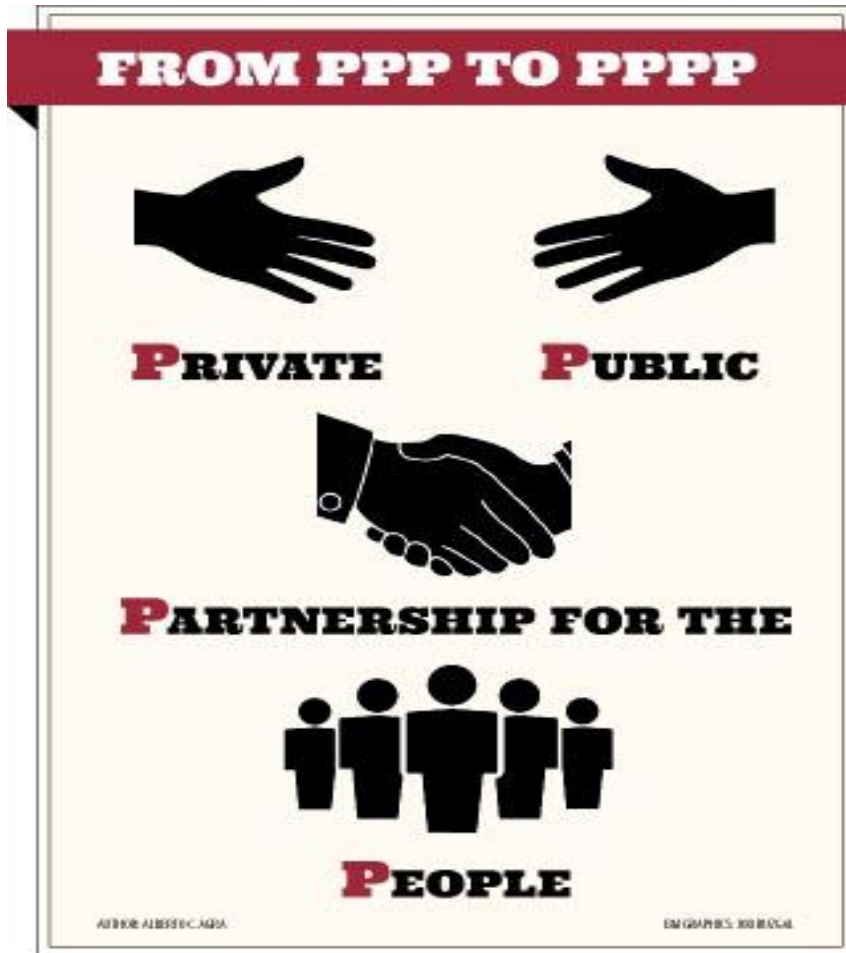
Detailed Negotiations

- Tender Documents
- Invite Challengers
- Post Security
- Proposals Evaluated
- Right to Match
- Council Authorization
- Sign Contract
- Reimbursement of Project Study Cost if OP not get Award

## Stage 3

Challenge/ Right to Match

# DILG Policy Shift: P<sub>3</sub> to P<sub>4</sub>



# DILG MC 120-2016



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



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

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

### 1. Background

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

### 2. Purpose

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

- BLGD as DILG P4 Unit
- Template PPP Ordinance (patterned after Agra's)
- P4 Database
- P4 Training
- 10 P4 Core Values
- Promote P4 at Barangay Level
- P4 Awards
- Leagues and CSO support

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# Trends at LGU Level

- Joint Venture or Lease
  - Not follow BOT Law
  - No national gov't approvals for award regardless of amount
- No national gov't contribution
- Non-cash contributions
- Unsolicited Proposals
- Unincorporated
- Bundling of Projects
- Inter-LGU PPPs

## 4 NO MONEY-OUT BENEFITS



**FISCAL SPACE**



**LESS DEPENDENCY**



**FEWER CASES**



**FEWER  
DISALLOWANCES**

# Reclamation Proponents

Mandate of Provinces and Cities

Authority of PRA and other GOCCs

Interest of Private Sector



# Partnership Models

<b>PRA</b>	<b>LGUs</b>	<b>Other GOCCs</b>	<b>PSP</b>
Owner/ Procurer	---	---	Contractor
Proponent	---	---	Partner, Lessee
Regulator/ Share	Proponent	---	Partner, Share as Landowner
Co-Proponent/ Regulator/ Share	Proponent	---	Partner, Share as Landowner
Regulator/ Share	---	Proponent	Partner, Share as Landowner
Co-Proponent/ Regulator/ Share	---	Proponent	Partner, Share as Landowner
Co-Proponent/ Regulator/ Share	(Co)-Proponent	(Co)-Proponent	Partner, Share as Landowner

# City Reclamation Projects for PRA Consideration (28/144)

Davao	Manila	Maasin	Los Banos
Navotas	Coron	Catbalogan	Legaspi
Bacolod	Lapu-Lapu	Ozamiz	Sorsogon
Alaminos	Mandaue	Bacoor	Cadiz
Pasay	Baybay	Tarlac	Iloilo
Las Pinas	Panabo	Cavite	Toledo
Paranaque	Marawi	Santa Rosa	Iligan

(0917)5353823

alberto.c.agra@gmail.com

www.albertocagra.com

**THANK YOU.**

