

## **SUMMARY ASSESSMENT OF POLICY ACTIONS UNDER SUBPROGRAM 2**

1. At the inception of the Expanding Private Partnership in Infrastructure Program (EPIP), subprogram 2 in July 2015, the government agreed to accomplish 16 measures – 10 prior expected actions (or triggers for loan disbursement) and 6 policy milestones (supporting measures and activities) – as the basis for Subprogram 2.
2. Based on the fact-finding mission and concurrence by government, the following is the status of progress with subprogram 2 original policy actions:
  - i. The ten (10) are fully accomplished. One (1) policy trigger has been reformulated:
    - a. Prior action #12. As a result of the large pipeline of Department of Transportation (DOTr) projects under the *Build, Build, Build* program of the government. DOTr is in the process of reorganizing its structure to strengthen its project development and implementation. The reformulation captures developments in this regard.
  - ii. All 6 original policy milestones fully accomplished.
3. Subprogram 2 policy matrix comprises 17 actions – 11 policy triggers and 6 policy milestones. Following changes made to the policy matrix as follows:
  - i. Prior actions (all accomplished):
    - a. Prior action #5 split into 2 prior actions (see prior action #4 and #5 in the policy matrix) to have the local government unit (LGU) as a separate action to recognize efforts to enhance the capacity of LGUs to manage public-private partnership (PPP) projects.
    - b. Two fully accomplished prior actions (#11 and #12) are complementary and merged into one prior action (see prior action #12) – fully accomplished.
    - c. Added a new prior action on the initiation of the development of a revised project screening for suitability for PPP modality (see prior action #15) – fully accomplished.
    - d. Merged prior action #14 and policy milestone #16 into one prior action, as they are complementary (see #16) - fully accomplished.
  - ii. Policy milestones (all accomplished):
    - a. Merged and reformulated policy milestones #3 and #4 into one milestone as they are complementary (see #4) - fully accomplished.
    - b. Added a new policy milestone on PPP Center's LGU PPP strategy (see #6) – fully accomplished.

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<b>Output 1: Strengthen government financial support to public-private partnerships (PPPs)</b>		
<p><b>1. In 2016 and 2017 GAAs, the government will allocate adequate funds for:</b>  <b>(i) DPWH and DOTr to cover costs of right-of-way acquisition and resettlement in PPP projects; (ii) DPWH to ensure adequate access roads to major airports and RORO facilities are developed by DOTr; and (iii) VGF for PPP projects of DOTr and DPWH</b></p>	<p><b><u>Prior action fully accomplished.</u></b></p> <p>The government allocated adequate funds, under the General Appropriations Act (GAA) of 2016 and 2017 to cover the shares of the Department of Public Works and Highways (DPWH) and the Department of Transportation (DOTr) in the cost of right-of-way acquisition and resettlement in PPP projects. Funding has also been made available under the GAA to ensure that DPWH develops adequate access roads to major airports and roll-on/roll-off (RORO) facilities developed by DOTr. Both DPWH and DOTr have developed strategic convergence program to upgrade access to major airports, seaports and RORO ports with annual priority projects to ensure an integrated transport system. Specifically, the following amounts were provided under the 2016 and 2017 GAAs:</p> <ul style="list-style-type: none"> <li>(i) To cover DOTr and DPWH costs of right-of-way acquisition and resettlement in PPP projects - P3.7 billion and P10 billion in 2016 and P14.75 billion and P12.48 billion in 2017 for DOTr and DPWH respectively.</li> <li>(ii) To DPWH to ensure adequate access roads to major airports, seaports and RORO facilities - P5.68 billion in 2016 and P5.81 billion in 2017.</li> </ul> <p><u>The government requested to remove 1.iii</u>  The government institutionalized the viability gap funding scheme (SP1) to improve the commercial attractiveness of economically viable, solicited user-pay projects. None of the PPP contracts to date required or requested viability gap funding (VGF), which are lump sum grants to the provider to ensure the project is commercially viable.</p>	<p>Prior action formulated as:</p> <p><b>1. In the 2016 and 2017 GAA, the government allocated total funds for the government share in PPPs as follows: (i) P18.5 billion and P22.5 billion for DOTr and DPWH, respectively, to cover these agencies costs of right-of-way acquisition and resettlement in PPP projects; and (ii) P11.5 billion for DPWH to ensure adequate access roads to major airports, seaports and roll-on/ roll-off facilities.</b></p>
<p><b>2. In 2016 and 2017 GAAs, adequate funds allocated to</b></p>	<p><b><u>Prior action fully accomplished.</u></b></p>	<p>Prior action formulated as:</p>

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<p><b>cover contingent liabilities arising from the PPP contracts that may materialize in 2016 and 2017.</b></p>	<p>The government through the 2016 and 2017 GAA allocated P30 billion and P29 billion respectively to cover contingent liabilities arising from PPP contracts. In 2014, the Risk Management Program was first incorporated into the budget under the Unprogrammed fund with an amount of P20 billion. Since then the government has continuously provisioned for potential claims made against existing PPP projects. To date, no disbursements have been made against the fund.</p>	<p><b>2. In the 2016 and 2017 GAA, the Government allocated funds (P30 billion and P29 billion respectively) to cover contingent liabilities arising from PPP contracts.</b></p>
<p>3. TWG will submit proposals to Development Budget Coordination Committee (DBCC) on:            (i) Fiscal rules related to PPPs;            (ii) Incorporation of PPPs in debt sustainability assessment. Fiscal risk statements for 2015 and 2016 will reflect aggregate estimate of contingent liabilities arising from PPP projects</p>	<p><u>Policy milestone 3 and 4 fully accomplished. Proposed to combine them into one as they are complementary.</u></p> <p>The government continued to develop fiscal rules related to PPPs and incorporated them into relevant budget documents. This work has also been supported by ADB TA8650-PHI: Strengthening Evaluation and Fiscal Cost Management of PPPs. The government created a technical working group (TWG) chaired by the Bureau of the Treasury (BTr), Department of Finance (DOF), on managing contingent liabilities (CLs) on PPP projects (members are DOF, Department of Budget and Management, BTr). The TWG developed proposals on the policy framework on management of CLs and its implementing guidelines. Extensive discussions have taken place within government on the guidelines. The TWG finalized draft CL framework and guidelines and submitted them to the DBCC in August 2017 for approval. The guidelines were approved by DBCC in December 2017. The guidelines cover (i) the utilization of the Risk Management Program including definition of CLs, disclosure policies, accountability issues and documentary requirements.</p> <p>The government established a risk management program under the GAA allocating funds for CLs on an annual</p>	<p>Policy milestones 3 and 4 are complementary and therefore merged and reformulated as follows:</p> <p>3. The government strengthened fiscal risk management of PPPs through: (i) submitting to DBCC of a policy framework on management of PPP project's CLs which includes the implementing guidelines on the use of unprogrammed appropriations for the Risk Management Program (including disclosure policies, accountability and documentary requirements) and (ii) incorporated PPP fiscal risks in debt sustainability assessments and included in the Fiscal Risk Statement for 2015–2016 and 2017.</p>

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	basis. These CLs have been incorporated into government's debt sustainability assessments. A chapter of the Fiscal Risk Statement, which is attached to the budget is devoted to PPP contingent liabilities in the 2016 and 2017 budget. Funding has been allocated for CLs: ₱30 billion in 2016, and ₱29 billion in 2017. This reflects the aggregate estimate of CLs.	
4. BTr will continue improving the framework for funding mechanism of PPP contingent liabilities, including through submission of proposals to DBCC for consideration.	<p><u>Policy milestone fully accomplished.</u></p> <p>Merged with action 3. See above.</p>	See above.
<b>Output 2: Expanded and efficiently implemented pipeline of PPP projects</b>		
<p><b>5. With project development and monitoring facility (PDMF) support.</b></p> <p><b>(i) at least 10 national PPP projects competitively tendered and awarded.</b></p> <p><b>(ii) feasibility studies and bidding documents for at least 5 LGU PPP projects prepared.</b></p> <p>Feasibility studies and bidding documents reflect gender equality in accordance with gender mainstreaming in PPP projects.</p>	<p><b><u>Prior action fully accomplished.</u> The government proposed to separate the LGU PPP action into a separate policy action to recognize accomplishments exceeding expectations.</b></p> <p>Under (i) the government has awarded 12 national projects since the inception of the EPPIP program in June 2013, nine of which are PDMF-supported. Total projects costs are in the order of P235.69 billion (\$4.49 billion equivalent). Since June 2015, the government awarded six national, PDMF-supported PPP projects. In addition, 6 national projects have completed feasibility studies and progressed to the next stage of preparation evidencing continuous development of PPP project pipeline.</p>	<p>Prior action formulated as follows:</p> <p><b>4. A total of 12 national PPP projects over the program period have been competitively tendered, awarded, and financially closed with a total project cost of P235.69 billion, nine of which are PDMF-supported. Six national projects completed gender-equality feasibility studies, three of which are supported by PDMF.</b></p>

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	<p>The six national recent projects include:</p> <ol style="list-style-type: none"> <li>1. South Integrated Transport System Project</li> <li>2. Cavite-Laguna Expressway Project</li> <li>3. Bulakan Bulk Water Supply Project</li> <li>4. Civil Registry System IT Project</li> <li>5. NLSEX-SLEX Connector Road Project</li> <li>6. Clark International Airport Expansion Project.</li> </ol> <p>The six completed feasibility studies include:</p> <ol style="list-style-type: none"> <li>1. Ninoy Aquino International Airport PPP Project</li> <li>2. North-South Railway Project</li> <li>3. Road Transport IT Infrastructure Project</li> <li>4. Clark International Airport Project</li> <li>5. LRT Line 6 to Dasmarinas, Cavite</li> <li>6. C5 Transport Service Development Project</li> </ol> <p>Under (ii) since the LGU PPP are small in size, the PDMF is not being used for this purpose. But the PPPC is providing technical assistance financed from its own resources to support the LGUs in project development. As of August 2017, 5 LGU projects have been supported by the PPPC. Of these 5, 2 projects have been awarded and started implementation, 1 project has been tendered and 2 projects feasibility studies completed. Another 10 projects are in pre-feasibility development stage.</p> <p>The five LGU PPP projects supported by the PPPC are:</p> <ol style="list-style-type: none"> <li>1. Tanauan City Public Market Redevelopment Project</li> <li>2. AA Slaughterhouse Project (Cabanatuan City)</li> <li>3. Baggao Water Supply Project</li> <li>4. Septage Management &amp; Wastewater Treatment Facility Project</li> <li>5. Bohol Water Supply Project</li> </ol>	<p><b>For LGU PPP projects, with PPPC technical assistance, 2 LGU PPP projects were awarded and commenced implementation, 1 tendered, 2 completed feasibility studies, and 10 are in project development stages. All projects reflect gender-equality in accordance to PPPC gender guidelines.</b></p>

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	Gender equality is part of the standard provisions of the TORs for feasibility studies and bidding documents in accordance with gender mainstreaming in PPP projects.	
	<p><u>Government requested a new proposed policy milestone be added.</u> This recognizes efforts to engage LGUs and develop capacity to prepare PPP projects. Fully accomplished.</p> <p>An updated LGU PPP strategy was developed by PPPC and launched in September 2017 as part of the intensified efforts on expanding range of services to LGUs. The objective of the strategy is to identify institutional mechanisms and processes that would respond to LGU need for assistance on PPP that is more responsive and appropriate to LGUs; build a portfolio of viable LGU PPP projects; and provide guidance to LGUs in undertaking viable PPP in an open, competitive and transparent manner.</p>	<p>New policy milestone formulated as:</p> <p>6. To assist LGUs on PPP development, the PPPC updated and launched the LGU PPP strategy and guidelines to increase efforts to assist LGUs on PPP development and implementation. (Key components of the strategy include the legal basis for PPPs by LGUs, institutional framework to assist LGUs and technical assistance available).</p>
<p><b>6. Transport Infrastructure Roadmap adopted. It integrates policy initiatives, strategies and actions on transport infrastructure. Government's main cross-agency coordination mechanism.</b></p>	<p><b><u>Prior action fully accomplished.</u></b></p> <p>The Philippines Development Plan (PDP) 2017–2022 puts emphasis on the important role of the transportation sector in the economy. The government developed a National Transport Policy (NTP) to guide all transport-related agencies in pursuing policy decisions and future investments. The policy will synchronize decisions and investments of all transport-related agencies and better coordinate such efforts between the national and local levels. The NTP was approved by the NEDA Board in June 2017. The National Transport Policy covers the following policy focus areas: (a) Resource Generation, Allocation and Cost Sharing; (b) Program and Project Selection; (c) Cost Recovery and Subsidies; (d) Regulation of Passenger Transport Services;</p>	<p>Prior action formulated as:</p> <p><b>7. The NEDA Board adopted the National Transport Policy (NTP), which integrates policy initiatives and strategies to guide future investments in the sector.</b></p>

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	<p>(e) Transportation Management in Urban and Regional Areas; (f) Support to Other Economic Sectors; and (g) Governance and Institutions. PPP and privatization of public transport operations shall be considered to augment Government resources, harness private sector expertise, gain technology transfers and operational efficiencies, and assign risks to the party best able to control or influence its occurrence or manage its consequence.</p> <p>The formulation of a comprehensive transport master plan on a nationwide scale is embedded in the NTP particularly to ensure a holistic and evidence-based program/project selection process. A Philippine Transportation System Master Plan will be used by NEDA-ICC in the evaluation/appraisal of transport infrastructure projects.</p>	
<p>7. The government selects and initiates development of the first batch of PPP projects in the regional transport infrastructure roadmaps and the DOTr's 3-year rolling infrastructure plan.</p>	<p><u>Policy milestone fully accomplished.</u></p> <p>The government has accomplished several initiatives to develop a strong pipeline of transport infrastructure projects in support of the government's <i>Build, Build, Build</i> program. DOTr's infra pipeline is central to this program. DOTr awarded and commenced implementation of the first batch of PPP projects. These projects are:</p> <ol style="list-style-type: none"> <li>1. South integrated transport system project</li> <li>2. South west integrated transport system project</li> <li>3. Automatic fare collection system</li> <li>4. LRT line 1 Cavite extension and Operation &amp; Maintenance project</li> <li>5. Mactan-Cebu international airport passenger terminal building</li> </ol>	<p>Policy milestone formulated as:</p> <p>8. (i) DOTr awarded and commenced implementation of 5 PPP projects; (ii) NEDA-InfraComm developed a Three Year rolling infrastructure plan (TRIP) for 2018–2020 covering priority projects, corresponding programming budget, including proposed PPP projects and DOTr priority projects; and (iii) NEDA launched the Priority Investments Program Online System (PIPOL) to aid in government planning, programming, budgeting, monitoring and evaluation. Projects identified were submitted for inclusion in the government's Public Investment Program (PIP) through the PIPOL.</p>

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	<p>The government developed the Priority Investments Program (PIP), 2017–2022, containing the priority programs and projects to be implemented by the government agencies which is a six-year programming document accompanying the PDP. A subset of the PIP is the Three (3)-Year Rolling Infrastructure Program (TRIP) 2018-2020.</p> <p>Additionally, the government launched the PIP Online system (PIPOL), a new online database for government projects that will allow government agencies to make online submissions of their priority projects including comprehensive details and status updates.</p>	
<p><b>8. The government will continue to enhance PPPC's capacity to sustainably manage the PPP program through:</b></p> <p><b>(i) PPPC staffing and structure strengthen and additional funding allocated to PDMF in 2016 and 2017 GAAs to reflect increased scope in PDMF and facilitation of LGU PPPs;</b></p> <p><b>(ii) With PDMF support:</b></p> <p><b>(a) probity in PPP procurement tested in at least 5 national projects;</b></p> <p><b>(b) construction supervision consultants for at least 5 PPP projects recruited;</b></p> <p><b>(iii) Capacity building provided to the PPPC and PIUs of the implementing agencies in project</b></p>	<p><b><u>Prior action accomplished.</u></b></p> <p>Under (i) the government has consistently allocated sufficient resources to the PDMF under the General Appropriations Act since its establishment up until 2016, the total amount is P2.9 billion. For 2016 the amount is P800 million. No contribution has been made in 2017 as there is still sufficient funds in the PDMF to utilize.</p> <p>The PPPC undertook structural enhancements including new division for Project Monitoring (PMD). PMD is now staffed with six project evaluation officers and is monitoring the implementation of 16 awarded PPP projects.</p> <p>Under (ii), the government adopted guidelines that operationalize probity in PPP's project procurement and oversight support during implementation. The panel of probity advisory services was constituted on 28 September 2017. Probity can be used for both solicited and unsolicited proposals and probity experts are engaged at the beginning of the bidding process to</p>	<p>Prior action formulated as:</p> <p><b>9. The government enhanced PPPC's capacity to sustainably manage the PPP program by: (i) allocating P800 million for PDMF in the 2016 GAA; (ii) establishing separate panels of probity advisors and independent construction supervisors; and (iii) providing capacity building to PPPC in project implementation and monitoring, and contract management</b></p>



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<p><b>implementation and monitoring, and contract management.</b></p>	<p>ensure oversight and documentation of the procurement process.</p> <p>The panel of independent construction supervisors (also known as independent consultants) was constituted on 30 May 2017. Independent construction supervisors are engaged at the commencement of the construction of the project and are there to monitor and report on progress, costs, quality, timeliness and compliance with the contract (incl. gender and safeguards), and report to PPPC on a regular basis.</p> <p>As of August 2017, probity and construction supervisors have not yet been assigned to any specific projects, as the panels of pre-qualified experts were only established in September and May 2017 respectively. The establishment of the panels took longer than anticipated due to delays in ADB procurement approval of the panel of experts, as probity and independent consultants are financed under the ADB TA 7796:PHI-<i>Strengthening PPPs in the Philippines</i>. DOTr has requested PPPC for probity advisory services in 2018. Independent construction supervisors will be assigned to Civil Registry System-Information Technology (CRS-IT) II project (under procurement) and Clark International Airport Expansion project and proposals are being received.</p> <p>Under (iii), in terms of capacity building of the PPPC, there have been 12 knowledge-sharing series training, 10 individual trainings, mostly overseas, 13 training workshops and 5 international policy dialogues on international PPP best practices.</p> <p>The government has enhanced the capacity of the project implementation units of the implementing agencies by issuing a PPP monitoring framework and</p>	

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	corresponding monitoring protocols as well as a manual for LRT-1 Project, which can be used for future PPP urban rail projects.	
<b>9. PPP Governing Board adopts and discloses standard national PPP contract for selected subsectors.</b>	<b><u>Prior action accomplished.</u></b>  A handbook on standard contract provisions for PPPs has been jointly prepared by the PPP Center and the University of the Philippines Law Center. It has been published and is has been made available to all implementing agencies.	<b>Prior action formulated as:</b>  <b>10. A handbook on standard contract provisions for PPPs developed and made available to all implementing agencies.</b>
10. VA procedures institutionalized in the ICC review process and applied in at least 2 PPP projects submitted to ICC for approval.	<u>Policy measure fully accomplished.</u>  The value engineering / value analysis (VE/VA) of infrastructure process is a NEDA undertaking assisted by ADB TA8650-PHI: <i>Strengthening Evaluation and Fiscal Cost Management of PPPs</i> . VE/VA ensures that projects achieve full functionality at the most appropriate and least project cost. VE/VA complements the notion of Value for Money that drives the pursuit of PPPs. NEDA carries out this assessment on proposed projects during the ICC process for all infrastructure projects.	Policy measure formulated as:  11. Value engineering and value analysis (VE/VA) principles have been incorporated into NEDA's appraisal framework as a Technical Value Review process of PPP project proposals. Procedures included in the ICC review process and applied to all PPP projects submitted for approval.
<b>11. DOTr establishes and staffs a PPP Implementation Unit reporting to the assistant secretary for PPP implementation.</b>	<b><u>Prior actions 11 and 12 accomplished. Proposed to combine the 2 actions into one as they are complementary.</u></b>  Actions 11 and 12 required: Establishment of an Office of the Assistant Secretary for PPP project implementation with a unit, and a standing PPP implementation committee to review issues as they arise.  DOTr's Assistant Secretary for Planning through Special Order No. 2017-077 was given the additional designation	Prior actions 11 and 12 are complementary and merged therefore reformulated as follows:  <b>12. DOTr reorganized its project development and implementation structure by: (i) designating an Undersecretary for Planning and Project Development responsible for GAA, ODA and PPP projects; and (ii) putting in place a planning and project development structure made up of an OIC Director for Planning that handles four sectoral division chiefs (air, rail, road,</b>

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	<p>as Assistant Secretary for Project Development and PPP and reports to the Undersecretary for Planning. Subsequently a new Undersecretary for Planning and Project Development has been appointed to be responsible for all project development functions whether GAA, ODA or PPP. Because of the BBB agenda of the government, a planning and project development structure was put in place with an OIC director for planning that handles four sectoral divisions (air, rail, road and maritime) and a division chief for project monitoring and evaluation service which monitors projects after completion.</p> <p>Upon completion of the project development work, it is handed over to the concerned transport subsector. Project implementation and post-award activities are handled by the respective sectoral Undersecretaries.</p> <p>The project implementation is guided by monitoring and implementation protocols prepared by the PPPC and a contract management guide. Each sector implements its own PPPs.</p> <p>The DOTr is currently reviewing its organizational restructuring with the aim of strengthening the capacity of the agency given the large pipeline of projects under the BBB program.</p> <p>DPWH has a PPP Service Office in charge of PPPs from project development to implementation. The office has 69 staff. In 2016–2017 staff increased from 45 to 69.</p>	<p><b>and water) and a division chief for project monitoring and evaluation to monitor projects after completion.</b></p> <p>The government requested a new milestone to reflect expansion in DPWH's PPP office as follows:</p> <p>13. The DPWH expanded its PPP Service Office staffing with now a total of 69 plantilla positions assigned to three divisions under the office.</p>
<p><b>12. DOTr establishes the Office of the Assistant Secretary for PPP project implementation, and a standing PPP implementation</b></p>	<p>See above.</p>	<p>See above.</p>

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<b>committee to decide on issues arising during construction and operation of the infrastructure facility.</b>		
13. PPPC signs agreements with at least 5 LGUs and start delivery of programmatic capacity building support to these LGUs.	<p><u>Policy milestone fully accomplished</u></p> <p>To assist the identification and development of local PPP projects, the PPPC has adopted an LGU engagement strategy that provides support to LGU via in-house project-based internships, partnerships with training institutions, and the establishment of separate project development facilities for LGU PPP projects. Through this effort, the PPPC has accomplished the following:</p> <ul style="list-style-type: none"> <li>(i) Signed technical assistance agreements with MinDa and the League of Cities for the delivery of programmatic capacity building;</li> <li>(ii) Provided project specific development support to 3 additional LGUs; and</li> <li>(iii) Signed 7 Memoranda of Agreements (MOAs) with Local Capacity Building Institutions (LCBIs) for the provision of training to LGUs.</li> </ul>	<p>Policy milestone formulated as:</p> <p>14. PPPC assisted LGUs with PPP capacity development as follows: (i) signed 7 Memoranda of Agreement (MOAs) with Local Capacity Building Institutions (LCBIs), MinDa and the League of Cities for the provision of training to LGUs and delivery of programmatic capacity building; and (ii) provided project specific development support to 3 additional LGUs.</p>
	<p><b><u>New prior expected action.</u></b> The government requested an additional expected prior action proposed in subprogram 2 to recognize efforts in improving the project screening process.</p> <p>The government has established an ambitious infrastructure investment plan until 2022 under the umbrella of its <i>Build, Build, Build</i> program. Central to this will be public investments through the GAA and supported by official development assistance. The government has confirmed that PPP program will be an important contributor to the program. The PPP agenda is</p>	<p>New proposed prior action formulated as follow:</p> <p><b>15. The government (through NEDA) initiated the development of a revised ICC project screening process to enhance the Government's process in soliciting, developing, evaluating, approving, and budgeting for PPP projects.</b></p>

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	<p>ambitious as current capacity to financially close PPP projects is about 5–6 projects per year. Between June 2013 and August 2017, 12 PPP projects have been financially awarded. Given this ambitious volume of planned infrastructure projects, there is the need to carefully identify which projects will be designated PPP projects. To this end, the government is looking at strengthening its investment project screening mechanism. The major objectives of the revised project development process are: (i) to be able to identify the procurement modality that is most appropriate and advantageous for the government and the public, and (ii) to address, minimize or avoid project implementation problems experienced in the past due to reasons that can be attributed to poor project planning and programming. Currently, project appraisal and approval begin with the submission of a PPP project by the IA to the ICC-TWG. The PPPC, acting as PPP Secretariat to the ICC-TWG, conducts initial project assessment. The PPP secretariat must agree to a project being ready for the ICC-TWG. This process has created uncertainty in the approval process. To bring certainty and to create a more efficient planning and programming process of the government, projects for inclusion in the country's Public Investment Program (PIP) and the Three-Year Rolling Infrastructure Program (TRIP) should be screened early in the development stages (including those that could be PPP projects). With support under ADB TA8650-PHI <i>Strengthening Evaluation and Fiscal Cost Management of PPPs</i> to NEDA, a screening mechanism was developed. Subsequently, the government developed draft guidelines on the project screening process. Guidelines were presented at a ICC-Technical Board meeting in February 2017. The guidelines were subsequently discussed in an inter-agency technical working group meeting on PPP in March and May 2017.</p>	

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	<p>The ICC Secretariat submitted the draft guidelines to the ICC-Technical Board on 17 July 2017. The following points were considered for the revised process:</p> <ul style="list-style-type: none"> <li>(i) determination of project feasibility before the procurement method;</li> <li>(ii) responsibility of implementing agencies during project preparation;</li> <li>(iii) linkage of the project screening process with the budgeting cycle; and</li> <li>(iv) efficiency in the evaluation process required.</li> </ul>	
<b>Output 3: Strengthen legal and regulatory frameworks for PPPs.</b>		
<p><b>14. PPC continue improving the PPP implementation and regulatory frameworks, including through regularly informing the PPP Governing Board on emerging issues and proposed solutions.</b></p>	<p><u>Prior action 14 and policy milestone 16 are fully accomplished. Propose to combine them into one action as they are complementary.</u></p> <p>The PPP Governing Board and PPC have issued several circulars to improve PPP capacity, implementations and regulatory frameworks. In addition, PPC has reviewed and revised several guidelines issued by the Governing Board, recommendations for amendments were submitted to the PPP Governing Board and revisions of policy circulars were issued. Selected regulations and guidelines issued and or improved include:</p> <ul style="list-style-type: none"> <li>(i) guidelines for appraisal of PPP projects;</li> <li>(ii) managing the status of government employees affected by PPP projects;</li> <li>(iii) assessing Value for Money in PPP projects;</li> <li>(iv) public consultations and engagement for PPP projects;</li> <li>(v) appointment of probity advisers; and</li> <li>(vi) PPP Monitoring Framework and Monitoring Protocols.</li> </ul>	<p>Policy actions 14 and 16 are complementary therefore are merged and reformulated as prior action as follows:</p> <p><b>16. The PPP Governing Board and PPC continued to improve the PPP implementation guidelines and regulatory framework through issuances of relevant circulars covering: (i) guidelines for appraisal of PPP projects; (ii) managing the status of government employees affected by PPP projects; (iii) assessing Value for Money in PPP projects; (iv) public consultations and engagement for PPP projects; (v) appointment of probity advisers; and (vi) PPP Monitoring Framework and Monitoring Protocols.</b></p>

Original Indicative Policy Action (prior actions or triggers in bold and policy milestones non-bold)	Status of Accomplishments	Formulation of Policy Actions/Accomplishments for Subprogram 2 (prior actions in bold and policy milestones non-bold)
<b>15. Adoption of IRR for EO78 on Alternative Dispute Resolution in PPP projects.</b>	<p><b><u>Prior action accomplished.</u></b></p> <p>The government has approved and issued the implementing rules and regulations of EO78 mandating the inclusion of provisions on the use of alternative dispute resolution (ADR) mechanisms in all contracts involving PPP projects, BOT projects, joint venture agreements between the government and private entities and those entered into by LGUs. The use of ADR mechanisms aims to avoid time-consuming court litigations that could potentially delay or derail projects that would discourage investors from entering into PPP contracts with the government.</p>	<p>Prior action formulated as:</p> <p><b>17. The government approved and issued IRR for E078 mandating the inclusion of provisions on the use of alternative dispute resolution mechanisms in all contracts involving PPP projects.</b></p>
16. PPPC conducts a review of application of adopted guidelines and submits results to the PPP Governing Board for consideration.	See above – merged with 14.	See above – merged with 14.

ADB = Asian Development Bank, BTr = Bureau of the Treasury, CLs = contingent liabilities, DBCC = Development Budget Coordination Committee, DOF = Department of Finance, DPWH = Department of Public Works and Highways, EO = executive order, ICC = Investment Coordination Committee, INFRACOM = Infrastructure Committee, IRRs = implementing rules and regulations, JICA = Japan International Cooperation Agency, LGU = local government unit, NEDA = National Economic and Development Authority, ODA = official development assistance, PDMF = project development and monitoring facility, PIUs = project implementation units, PPP = public-private partnership, PPPC = Public-Private Partnership Center, TA = technical assistance, TOR = terms of reference, TWG = technical working group.