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TWO FUNDAMENTAL DRIVERS FOR PPPs:

1. PPPs are claimed to enable the public sector to harness the expertise and efficiencies that the private sector can bring to the delivery of certain facilities and services traditionally procured and delivered by the public sector.

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2. PPP is structured so that the public sector body seeking to make a capital investment does not incur any borrowing. Rather, the PPP borrowing is incurred by the private sector vehicle implementing the project. On PPP projects where the cost of using the service is intended to be borne exclusively by the end user, the PPP is, from the public sector's perspective, an "off-balance sheet" method of financing the delivery of new or refurbished public sector assets. On PPP projects where the public sector intends to compensate the private sector through availability payments once the facility is established or renewed, the financing is, from the public sector's perspective, "on-balance sheet"; however, the public sector will regularly benefit from significantly deferred cash flows.

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SOME OF THE ON-GOING PPP PROJECTS:

• Govt. private proponent sign ITS-SV terminal PPP contract

The Department of Transportation and Communications (DOTC) and winning consortium, MWM Terminals, signed the concession agreement of the Integrated Transport System (ITS)-Southwest Terminal public-private partnership (PPP) project last April 24. This is the ninth (9th) awarded and signed PPP project under the Aquino administration.

• First PPP Social Infrastructure Program (Classroom Building)

Statistics from Regions III and IV A have reason to celebrate and look forward to the coming school year as found new classrooms throughout the country's first PPP social infrastructure project were turned over to the Department of Education by its private partner

Cibola Maguella Consortium, Inc.

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DEFINITION:
A public-private partnership is a contractual agreement formed between public and private sector a partner, which allows more private sector participation than is traditional.



A public-private partnership exists when public sector agencies (federal, state, or local) join with private sector entities (companies, foundations, academic institutions or citizens) and enter into a business relationship to attain a commonly shared goal that also achieves objectives of the individual partners.

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PPP is a contract between a public sector authority and a private party in which the private party provides a public service or project and receives a fee for it. The fee is typically paid by the public sector or by the private party. The fee is typically paid by the public sector or by the private party. The fee is typically paid by the public sector or by the private party.

RECENT DEVELOPMENTS OF PPP IN THE PHILIPPINES:

1. Finance Secretary Oscar Sison announced that during his visit to the United States, he will make a public-private partnership (PPP) law bill into law.
2. The Department of Transportation and Communications (DOTC) announced that it will make a public-private partnership (PPP) law bill into law.
3. The Department of Education (DepEd) announced that it will make a public-private partnership (PPP) law bill into law.
4. The Department of Health (DOH) announced that it will make a public-private partnership (PPP) law bill into law.
5. The Department of Social Welfare and Development (DSWD) announced that it will make a public-private partnership (PPP) law bill into law.
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ORIGINS:

In 1991, the Conservative government of John Major in the UK introduced the private finance initiative (PFI), the first systematic programme aimed at encouraging public-private partnerships. The 1992 programme focused on reducing the Public Sector Borrowing Requirements although it always noted the effect on public accounts was largely neutral. The Labour government of Tony Blair, elected in 1997, extended the PFI programme but sought to shift the emphasis to the achievement of risk transfer. However, it has since been found that many programs are financially over budget and have not performed as well for value for money as the government had hoped. However, with some projects starting, more or less on schedule.

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Australia:

A number of Australian governments have adopted systematic programs based on the PFI. The first, Partnership Victoria, Mobile Data Network (MDN) to Victoria's Police, Ambulance & Emergency Services across in Melbourne area, includes databases, maps, emergency information and locator functions, at a guaranteed operational reliability of 99.9%.

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Canada:

The federal conservative government under Stephen Harper in Canada addressed its commitment to PFI with the creation of a union responsible for PFI. In 2005, the Canadian government, supported by the Canadian private organizations, supported by the Canadian Council for Public-Private Partnerships, established the Council for Public-Private Partnerships, established in 1993 to member-sponsored organizations with representatives from both the public and the private sectors. As a proponent of the concept of PFI, the Council conducts research, publishes findings, facilitates forums for discussion and sponsors an Annual Conference on relevant topics, both domestic and international. Each year the Council celebrates successful public-private partnerships through the National Awards program held concurrently with the annual conference in November.

At least seven of government PFI have been used to build major infrastructure projects like road systems, such as the 1998 road tunnel and Ontario Highway 407.

USA:

The first attempt to introduce PFI in the United States was in 1991, when the state of California introduced the first PFI project, the California High-Speed Rail. The project was a 100-mile-long rail line connecting San Francisco and Los Angeles. The project was a 100-mile-long rail line connecting San Francisco and Los Angeles. The project was a 100-mile-long rail line connecting San Francisco and Los Angeles.

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Philippines:

PPP has been in the Philippines since 1990. It took effect by virtue of Republic Act 6957 known as "An Act Authorizing the Financing, Construction, Operation and Maintenance of Infrastructure Projects by the Private Sector, and for the Other Purposes". It was signed by former President Corason Aquino on 06 July 1990. Under Section 1, Declaration of Policy, RA 6957 recognized the "indispensable role of the private sector as the main engine for national growth and development".

The Act was meant to make the private sector to invest in building, operating and maintaining infrastructure projects and other developmental programs that have been under the responsibility of the government.

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Cicorec Megawide Consortium, Inc.

First Social Infrastructure with the PPP Model

On the way to enhance its services public sector body, the Department of Education (DepEd) has awarded a Social Infrastructure Project (SIP) to a private partner to build and operate a classroom building in the Philippines.

First PPP in the Philippines

First PPP in the Philippines



DEFINITION:
A public-private partnership is a contractual agreement formed between public and private sector a partner, which allows more private sector participation than is traditional.

A public-private partnership exists when public sector agencies (federal, state, or local) join with private sector entities (companies, foundations, academic institutions or citizens) and enter into a business relationship to attain a commonly shared goal that also achieves objectives of the individual partners.

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PPP Definition

Contracting with a private company to

- Finance
- Construct
- Operate
- Maintain
- Transfer

Transfer Manage a facility or system

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RECENT DEVELOPMENTS OF PPP IN THE PHILIPPINES

Business Secretary Cesar Duterte outlined the Duterte administration's PPP agenda in his State of the Nation Address (SONA) on July 23, 2016. He stated that the government will continue to promote PPP as a key strategy to address the country's infrastructure deficit.

1. SONA 2016: Duterte Administration's PPP Agenda

2. SONA 2016: Duterte Administration's PPP Agenda

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ORIGINS:

In 1981, the Conservative government of John Major in the UK introduced the private finance initiative (PFI), the first systematic programme aimed at encouraging public-private partnerships. The 1990s programme focused on reducing the public sector borrowing requirements, although it was widely noted that it was not successful in doing so. The Labour government of Tony Blair, elected in 1997, extended the PFI initiative to other sectors, mostly through the introduction of 'value for money' nearly always on an opportunity cost basis, and it was not until 2003 that the UK government introduced a value for money test for all PFI contracts.

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Australia
A number of Australian governments have adopted systematic and the model for most others, is the Partnerships Victoria - Mobile Data Network (MDN) to Victoria's Police, Ambulance & Emergency Services, access in Melbourne area. Includes databases, maps, and outside to relevant & locator functions. All a guaranteed operational reliability of 99.9%.

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Canada
The federal conservative government under Stephen Harper in Canada admitted to committing to PFI with the creation of a crown corporation, PFI Canada Inc. in 2009. The Canadian airports for 2010 have been the first public-private partnerships established in provincial jurisdictions. Established in partnership with the public and the private sector, PFI Canada Inc. is a not-for-profit corporation. As a proponent of the concept, PFI Canada Inc. provides research, facilitates negotiations, and supports an Annual Council on Public-Private Partnerships. Each year the Council publishes successful public-private partnerships through the historical lessons learned. The annual conference in program held concurrently with the annual conference in November.

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PPP involves a contract between a public sector authority and a private party, in which the private party provides a public service or project and assumes substantial financial, technical and operational risk in the project. In some types of PPP, the cost of using the service is borne exclusively by the users of the service and not by the taxpayer. In other types (notably the private finance initiative), capital investment is made by the private sector on the basis of a contract with government to provide agreed services and the cost of providing the service is borne wholly or in part by the government. Government contributions to a PPP may also be in kind (notably the transfer of existing assets).

TYPICAL USES:

Contracting with a private company to:

- ☐ Renovate**
- ☐ Construct**
- ☐ Operate**
- ☐ Maintain**
- ☐ And/or Manage a facility or system**

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FOUR BASIC CHARACTERISTICS:

Although each is unique, all P3's include four basic characteristics:

- **Shared goals**
- **Shared resources (time, money, expertise, people)**
- **Shared risks**
- **Shared benefits**

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TYPICAL FUNDING SOURCES:

- **Tolls**
- **Tax Increment Finance**
- **Fees**
- **Grants**
- **Loans**
- **Bonds**
- **Other Revenue Streams**

ORIGINS:

- Britain

In 1992, the Conservative government of John Major in the UK introduced the private finance initiative (PFI), the first systematic programme aimed at encouraging public-private partnerships. The 1992 programme focused on reducing the Public Sector Borrowing Requirement, although, as already noted, the effect on public accounts was largely illusory. The Labour government of Tony Blair, elected in 1997, expanded the PFI initiative but sought to shift the emphasis to the achievement of "value for money," mainly through an appropriate allocation of risk. However, it has since been found that many programs ran dramatically over budget and have not presented as value for money for the taxpayer, with some projects costing more to cancel than to complete.

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- **Australia**

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- China

The municipal government of Shantou, China signed a 50-billion RMB PPP agreement with the CITIC group to develop a massive residential project spanning an area of 168 square kilometers, located in the southern district of the city's central business district. The project includes real estate development, infrastructure construction including a cross-harbor tunnel, and industry developments. The project, named Shantou Coastal New Town, aims to be a high-end cultural, leisure, business hub of the East Guangdong area.

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