A grayscale background image of a harbor filled with numerous traditional outrigger boats. The boats are docked or moving slowly, with their masts and rigging visible against a cloudy sky. In the distance, a city skyline with buildings and palm trees is visible across the water.

PPPs for Infrastructure in Asia and the Pacific
PPP in Cities: A different perspective
Metro Iloilo-Guimaras, Indonesia

A presentation by Giovanni Miraflores, Iloilo City Legal Council
Manila – December 16-17, 2009

Project Context

Public Objectives

Redevelopment of port facilities (Iloilo-Guimaras)

- Increase quality of public services to the local population
- Enhancement of operational efficiency – passengers safety
- Promotion of local tourism
- Expand economy and stimulate job creation

Iloilo CBD downtown revitalization

- to seize historical-tourism potential and attract commercial investments
- Expand economy and stimulate job creation
- Increase quality of public services to the local population

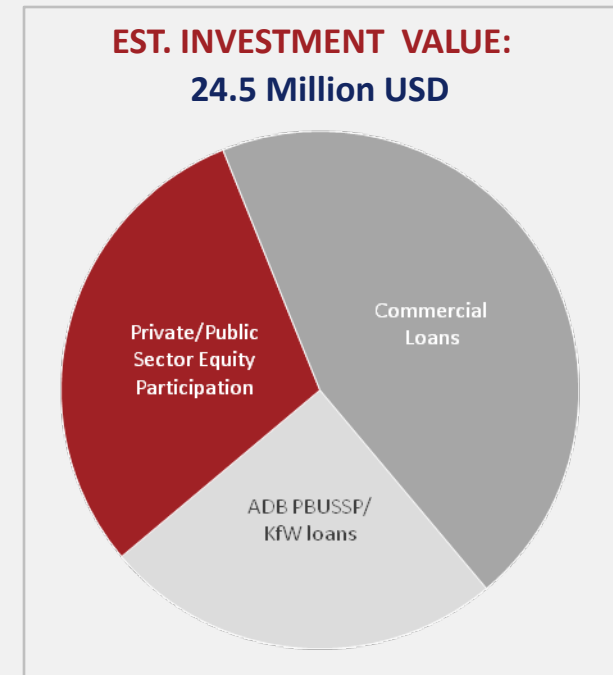
Why by PPP?

- Revenue generating projects release LGU's net borrowing capacity
- Revenue can be reinvested or utilized for other projects
- Efficient project implementation/management by virtue of synergies and innovative approaches that private sector can bring into a project

PPP Modality & Envisaged Financial Structure

PPP implementation stages:

1. Agreement of Iloilo/involved government entities to establish a Joint Venture (JV) Company
2. Preparation of ToR for bidding process
3. Bidding process for Private Sector Participation and pre-financial agreement
4. Organization and registration of the JV Company and financial agreement
5. Design, implementation and maintenance of the project by the JV Company



Institutional Challenges

Decentralization of Infrastructure Provision

- Lack of institutional and financial support from higher level authorities
- Weak supportive legislative environment
- Developing new projects by own means

Institutional Challenges

- First time to involve the private sector in Public Utilities Delivery
- New procurement approach
- Misunderstanding of financial implications for the City
- Intricate legal framework at city-level for PPPs

Institutional Responses and Success Factors

INSTITUTIONAL RESPONSES - Changing Perceptions

- Integration of participating LGU's to implement the projects with private sector participation
- Standardization of procurement documentation and procedures
- Participation of Key Stakeholders in the process

KEY FACTORS OF SUCCESS

1. Leadership
2. Commitment
3. Adaptability to change (Institutional Procurement Process)
4. Learning Process



THANK YOU - SALAMAT GID