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# **Report on the Conduct of the Training on Managing Risks and Responsibilities Between Public and Private Sectors in Formulating and Implementing Development Projects**

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## **Investment Enabling Environment (INVEST) Project**

**Output No. 3.2, Deliverable 3, Program Area 2.1, Component 2**

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## List of Acronyms

CAO	-	City Agriculturist's Office
CDI	-	Cities Development Initiative
CDO	-	Cagayan de Oro
CEO	-	City Engineering Office
CPA	-	City Program Adviser
CPDO	-	City Planning and Development Office
CTO	-	City Treasurer's Office
INVEST	-	Investment Enabling Environment
LCE	-	Local Chief Executive
NGA	-	National Government Agency
OCVAS	-	Office of the City Veterinary and Agricultural Services
PMO	-	Project Management Office
PPP	-	Public-Private Partnership
USAID	-	United States Agency for International Development

# I. INTRODUCTION

## A. Background

The Investment Enabling Environment (INVEST) Project is a two-year undertaking of the United States Agency for International Development (USAID) that seeks to improve the investment climate in the Philippines by providing direct technical and capacity-building assistance to three (3) selected first-class cities: Batangas, Cagayan de Oro and Iloilo. The Project aims to lower transactions costs and reduce the cost of doing business in the cities' jurisdictions, as well as to increase their competitiveness as investment destinations. More specifically, INVEST is assisting these cities, which are considered as partner cities of USAID under its Cities Development Initiative (CDI), in streamlining business registration processes and in improving local investment planning and promotion.

One of the main strategies applied by the Project in improving investment planning and promotion capacity at the city level is to assist its partner cities clarify their economic growth and development direction and then translate this into doable programs and projects. In pursuit of this strategy, it assisted the cities revisit, redefine, and enhance their respective visions for economic growth and development, mainly through a visioning workshop and an international study tour of Malaysia and Singapore where their representatives observed, and gained knowledge from, best practices applied in these model cities in, among other areas, investment planning and promotion. The Project also assisted the cities review the vertical and horizontal consistency of their respective planning documents and processes and when, necessary, effect refinements on them. It then supported the conduct of training on plan integration to ensure that the development plans of the cities are translated into funded development programs and projects.

Considering the increasing demand for public services and the limited resources at the disposal of the city government, the option of involving the private sector in identifying, designing, implementing and monitoring development programs and projects through public-private partnership (PPP) schemes has increasingly gained currency as a way of strengthening the delivery of public services. The Project, recognizing the value and potential of these schemes, is encouraging its partner cities to explore the feasibility of increasing their engagement with the private sector under such arrangements. It thus conducted the "Training on Managing Risks and Responsibilities between Public and Private Sectors in Formulating and Implementing Development Projects." The training was intended to assist partner cities in strengthening linkages between the city government and the private sector groups in governing the affairs of the city, particularly in the delivery of public services. The outputs of the activity were project concepts, which can be forwarded to the Public-Private Partnership (PPP) Center based at the National Economic and Development Authority (NEDA). These proposals can also be utilized as investment opportunities in the upcoming City Business Forums.

This report, which documents the contents, methodology, and outputs of the training, constitutes Output 3.1 of Deliverable 3 under Program Area 2.1 of Component 2 of the INVEST Project.

## **B. Objectives of the Training**

The training was designed to enable the participants to:

- a. Understand the context and rationale of the partnership between government and private sectors in investment programming and in the implementation of development projects;
- b. Be clarified on the structure and mechanisms for promoting and institutionalizing partnerships at the city level;
- c. Understand the roles of private and public sector entities as key actors in managing risks that go with partnership arrangements;
- d. Identify major programs and projects that could be jointly implemented by the city government and the private sector;
- e. Draft an action plan for the preparation of project concept documents and pre-feasibility reports or business cases for selected major programs and projects; and
- f. Identify possible or potential private sector groups, which could partner with the city government in the implementation of selected major programs and projects.

## **C. Mechanics in the Conduct of the Training**

The training was conducted in two (2) parts, namely: (a) Part I: a 5-day live-in training on PPP and project development; and (b) Part II: city-based series of coaching and mentoring in project development as well as data gathering and consultation sessions with key and concerned local officials.

Part I of the training was conducted from October 9 to 11, 2012 at the BSA Towers, Mandaluyong City and attended by 29 participants from the three (3) partner cities.

Part II was held at the three (3) partner cities from November 2012 to April 2013.<sup>1</sup>

## **D. Outputs of the Training**

Part I of the training generated the following outputs:

- a. Major programs and projects that could be implemented through partnership arrangements between the government and the private sector;
- b. Project briefs or project concept documents for identified major programs and projects;

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<sup>1</sup> The conduct of Part II was scheduled for the end of year 2012. However, it is now anticipated that due to the ardent desire of local government officials and key private sector groups to get actively involved in the identification and selection of project proposals, which entail rigid and time-consuming consultations and processing, the series of activities were adjusted to cover until April 2013.

- c. One or two major programs or projects as subjects for the development of business cases or pre-feasibility studies;
- d. Action plans for the finalization of project concept designs and the preparation of business cases or pre-feasibility studies; and
- e. Action plans for the institutionalization of mechanisms in promoting partnerships at the city level.

Part II of the training generated the following outputs:

- a. Data sets necessary for the preparation of project concept designs;
- b. Agreements on the final set of projects to be proposed for PPP funding and implementation; and
- c. Project concept notes for submission to the PPP Center.

#### **E. Participants to the Part I of the Training**

Part I of the training was attended by 29 participants from the partner cities. Table 1 shows the breakdown of these participants by city and by gender. Among the cities, only Iloilo City was unable to fill up its allocated 10 slots, having only 9 participants. There were more female than male participants in the training, due primarily to the fact that Cagayan de Oro sent mostly female participants. In contrast, majority of the participants from the cities of Batangas and Iloilo were males.

**Table 1. Number of Participants, by City and by Gender**

<b>Partner City</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Batangas City	6	4	10
Iloilo City	5	4	9
Cagayan de Oro City	2	8	10
<b>Total</b>	<b>13</b>	<b>16</b>	<b>29</b>

Twenty-two or 76% of the participants came from the different executive departments of the partner cities, half of which were representatives of the city planning and development offices and local economic and investment promotion offices of the three (3) partner cities. A councilor of Cagayan de Oro City was able to attend Part I of the training. The three (3) cities each had a representative from the private sector. The cities of Iloilo and Cagayan de Oro had participants from national government agencies, as shown in Table 2.

**Table 2. Agency Affiliation of Participants, by City**

<b>Office/Institution</b>	<b>Batangas City</b>	<b>Iloilo City</b>	<b>CDO</b>	<b>Total</b>
Local Sanggunian	-	-	1	1
City Departments/ Offices	9	7	6	22
CPDO	1	2	3	6
LEIPO	2	2	1	5
LEEO	-	1	-	1
CTO	-	1	-	1
CEO	2	1	-	3
CAO	2	-	2	4
OCVAS	2	-	-	2
Private Sector	1	1	1	3
NGA	-	1	2	3
<b>Total</b>	<b>10</b>	<b>9</b>	<b>10</b>	<b>29</b>

#### **F. Conduct and Management of the Training**

The Project Management Office of the INVEST Project coordinated the conduct of preliminary activities as well as the training in Part I. Two (2) staff members of the Project served as alternating resource persons and facilitators and were assisted by the City Program Advisers (CPAs) and the administrative support staff. A resource person from the PPP Center also provided an overview on the PPP arrangements in the Philippines.

For Part II of the training, the CPAs served as coaches and mentors in data gathering as well as in the crafting and finalization of their respective cities' project concept notes. The Deputy Chief of Party provided technical support and advice in the conduct of activities at the city level and specifically led a two-day review of draft project documents and the coaching session on the finalization of the project concept notes of Cagayan de Oro City.

## II. CONTENTS OF PART I OF THE TRAINING

### A. Context of the Contents

The training was intended to capacitate concerned local officials and other local stakeholders in packaging project ideas, which could be funded and implemented through the PPP arrangement. The expected immediate result of the training is a set of project concept notes or business cases, which could be endorsed to the PPP Center for evaluation, screening and consideration for funding of more detailed project studies such as pre- and full-blown feasibility studies, as well as for the provision of assistance in fund sourcing.

The project concept notes are also intended to be presented to potential private sector investors during each city's City Business Forum scheduled in September and October 2013.

### B. Contents of Part I

Given the above-cited context, Part I of the training was divided into 3 learning modules, as follows:

Module 1 – Overview of Project Development and Public-Private Partnership. This module provided the context of development projects and an overview of the project development cycle. A special session was devoted to the presentation and discussion of the concepts and various modalities of PPP.

Module 2 – Feasibility Aspects of Development Projects. This module provided the participants with an overview of the different areas of feasibility, to wit: the market, technical, institutional, financial, and economic aspects. The social, political and environmental aspects were likewise discussed across the five (5) major aspects of project feasibility. While the major concepts, tools and techniques for each of the aspects were discussed; simple exercises were also administered where the participants demonstrated their understanding and appreciation of the importance, use and application of the tools and techniques.

Module 3 – Project Design and Project Documents. This module focused on the presentation and discussion of project documents with special emphasis on the template prescribed by the PPP Center in preparing project concept documents/notes for potential PPP projects. An extensive session was allotted for the three (3) partner cities to each craft a draft project concept note for one project culled from their list of proposed PPP projects.

Annex 1 presents the schedule of activities, which contains the different topics covered and exercises undertaken under Part I of the Training.

### C. Focus of Part II

Part II of the training focused on four (4) major sets of activities, namely: (a) consultation with local chief executives (LCEs), local officials and key stakeholders from the private sector; (b) gathering of pertinent data; (c) processing and analysis of data and information gathered; and (d) drafting of project concept notes for the partner cities' identified PPP projects.

### III. THE IDENTIFIED PPP PROJECTS OF PARTNER CITIES

#### A. The Identification Process

The initial lists of PPP projects of the three (3) partner cities were generated during the Training on Plan Integration held on June 18 – 20, 2012 at the Lancaster Hotel, Mandaluyong City. In one of the exercises in that training, the participants were asked to identify programs and projects supportive of their development vision and priority thrusts, as well as their established and perceived strengths and comparative advantages. These programs and projects were later subjected to confirmation by their local leaders and eventually made part of their local development investment programs and their annual investment programs or annual budgets for 2013.

During Part I of this subject training, each of the partner cities were tasked to identify one (1) priority PPP project from their list and to develop a project concept note for it.

The PPP projects worked on by the partner cities, as part of their skills demonstration exercise during the training, were as follows:

- Batangas City – Establishment of the Integrated Transport Terminal
- Iloilo City – Redevelopment of the Jaro Big Market
- Cagayan de Oro City – Establishment of a Septage Treatment Plant

#### B. Final List of PPP Projects

After the conduct of Part I, the delegations of the partner cities consulted their respective local leaders on their proposed PPP projects. They then proceeded with data gathering, processing and analysis. The three partner cities, Batangas, Iloilo and Cagayan de Oro, were able to complete the packaging of their project concept notes but the identified projects need to be confirmed by the newly elected local chief executives of the cities.

As of May 31, 2013, the list of identified PPP projects from the three (3) partner cities includes the following:

- Batangas City with one (1) proposed project: Development of Batangas City Integrated Transport Terminal Project;
- Iloilo City with two (2) proposed projects: (i) Redevelopment of the Jaro Big Market; and (ii) Development of Calle Real as a Tourist Area; and,
- Cagayan de Oro City with four (4) proposed projects: (i) MCT Port Expansion; (ii) Development of the Cagayan de Oro Food Terminal Center; (iii) Cagayan de Oro Septage Management Project; and (iv) Cagayan de Oro Solid Waste Management Project.

The project concept notes of the identified PPP Projects for the cities of Batangas, Iloilo and Cagayan de Oro are presented in Annex 2.

#### **IV. NEXT STEPS**

The project concept notes which were submitted by the cities of Batangas, Iloilo and Cagayan de Oro will be officially forwarded by the new LCEs to the PPP Center as soon as they have assumed their posts. To facilitate action of the LCEs, the CPAs, together with key and focal local officials, shall provide the necessary background and contextual orientation to their respective LCEs.

The INVEST Project shall coordinate with the COMPETE project of USAID on any assistance that the latter could provide to the cities in refining the concept notes and seek advice on the next steps that the cities can undertake to pursue these projects. It shall likewise endorse the project concept notes to the PPP Center for screening and consideration in the provision of funding assistance for the conduct of more detailed studies or for the packaging of the proposed projects in the appropriate format.

The project concept notes shall also be presented to potential private sector investors during the City Business Forums. The concept notes shall be continuously presented to private sector investors as the Project assists the partner cities in investment promotion during the remaining period of the Project or until such time when these proposed PPP projects have secured funding commitments or are actually funded.

## Annex 1. Training Program

### Training on Managing Risks and Responsibilities between Government and Private Sector in Formulating and Implementing Development Projects

BSA Towers, Mandaluyong City,  
October 9 – 12, 2012

#### **Day 1: October 9, 2012 (Tuesday)**

AM	Arrival and registration of participants
12:00 noon – 1:00 pm	Lunch Break
1:00 – 1:05 pm	Assembly
1:05 – 1:30 pm	Opening Ceremonies Messages <ul style="list-style-type: none"><li>• <i>Ms. Becky Paz, President and CEO, OIDCI</i></li><li>• <i>Ms. Ofelia M. Templo, Chief of Party, INVEST Project</i></li></ul>
1:30 – 1:45 pm	Leveling of expectations and clarifying the objectives of the training <ul style="list-style-type: none"><li>• <i>Mr. Jedel Ervin Tabamo</i></li></ul>
1:45 – 2:00 pm	Overview and Training Road Map <ul style="list-style-type: none"><li>• <i>Mr. Nicasio Angelo Agustin</i></li></ul>
2:00 – 6:00 pm	Overview on Public-Private Partnership <ul style="list-style-type: none"><li>• <i>Ms. Cosette Canilao, Executive Director, PPP Center</i></li></ul>

#### **Day 2: October 10, 2012 (Wednesday)**

8:00 – 8:30 am	Registration and assembly of participants
8:30 – 9:00 am	Recap of the first day's session and unfreezing exercises <ul style="list-style-type: none"><li>• <i>Host Team for the Day</i></li></ul>
9:00 – 10:00 am	Overview on the Project Development Cycle as Applied to PPP Projects and Identification of PPP Projects for the 3 Pilot Cities <ul style="list-style-type: none"><li>• <i>Mr. Nicasio Angelo Agustin</i></li></ul>
10:00 – 12:00 noon	Tools and Techniques in Analyzing the Market Aspect of a Proposed PPP Project <ul style="list-style-type: none"><li>• <i>Mr. Jedel Ervin Tabamo</i></li></ul>
12:00 – 1:00 pm	Lunch Break
1:00 – 2:00 pm	Workshop of the Market Aspect (including Social Aspect) <ul style="list-style-type: none"><li>• <i>Mr. Jedel Ervin Tabamo</i></li></ul>

- 2:00 – 4:00 pm      Operational and Institutional Aspects of PPP Projects (Include Social Preparation and Risk Management)
- *Mr. Jedel Ervin Tabamo*
- 4:00 – 5:00 pm      Workshop on Operational and Institutional Aspect Analysis
- *Mr. Jedel Ervin Tabamo*

**Day 3: October 11, 2012 (Thursday)**

- 8:00 – 8:30 am      Registration and assembly of participants
- 8:30 – 9:00 am      Recap of the second day’s session and unfreezing exercises
- *Host Team for the Day*
- 9:00 – 11:00 am      Tools and Techniques in Undertaking a Technical Analysis of PPP Projects (Including Environmental Aspects)
- *Mr. Nicasio Angelo Agustin*
- 11:00 – 12:00 noon      Workshop on Technical Aspect Analysis
- *Mr. Nicasio Angelo Agustin*
- 12:00 – 1:00 pm      Lunch Break
- 1:00 – 3:00 pm      Tools and Techniques in Undertaking Financial Analysis for PPP Project
- *Mr. Nicasio Angelo Agustin*
- 3:00 – 4:00 pm      Workshop on Financial Analysis for Selected PPP Projects
- *Mr. Nicasio Angelo Agustin*
- 4:00 – 6:00 pm      Tools and Techniques in Undertaking Economic Analysis for PPP Project (Include Risk and Sensitivity Analysis)
- *Mr. Nicasio Angelo Agustin*

**Day 4: October 12, 2012 (Friday)**

- 8:00 – 8:30 am Registration and assembly of participants
- 8:30 – 9:00 am Recap of the third day's session and unfreezing exercises
- *Host Team for the Day*
- 9:00 – 10:00 am Workshop on Economic Analysis (including risk and sensitivity analysis) for Selected PPP Projects
- *Mr. Nicasio Angelo Agustin*
- 10:00 – 11:00 am Workshop Output Integration
- City Groups
- 11:00 am – 12:00 noon Action Planning for the preparation of the project concept document/s
- *Mr. Jedel Ervin Tabamo*
- 12:00 – 1:00 pm Lunch Break
- 1:00 – 2:30 pm Presentation of group workshop outputs
- *City Groups*
  - *Moderator: Mr. Jedel Ervin Tabamo*
- 2:30 – 2:40 pm Training Synthesis
- *Mr. Nicasio Angelo Agustin*
- 2:40 – 3:30 pm Closing Ceremonies
- Message:
- *Ms. Ofelia Templo, Chief of Party, INVEST Project*

## **ANNEX 2. PROJECT CONCEPT NOTES**

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## **ANNEX 2.1 Project Concept Note for the Development of an Integrated Transport Terminal**

Project Name : Batangas City Integrated Transport Terminal Project  
 Description : Construction of the Batangas City Public Terminal through Develop-Operate-and Transfer (DOT)  
 Proponent : Transportation Development and Regulatory Office of the City Mayor's Office (TDRO-CMO)  
 Sector : Transportation

### **A. About the Project**

#### ***Project Historical Background***

The proposed project was envisioned when the Batangas City Government (BCG) issued Executive Order (EO) 30 s. 2011, which mandated the establishment of a grand transportation terminal to regulate traffic in the locality. The need for a grand terminal was established by an assessment of the city's traffic condition conducted by the Transport Development and Regulatory Office (TDRO) and City Planning and Development Office (CPDO).

Because the streets of the city are narrow and small, TDRO recommended that bus lines<sup>2</sup> in the city should use only one central terminal, as all of which had separate terminals. It was also recommended that jeepney<sup>3</sup> operators with lines going in and out of the city be made to use the same terminal. Upon the issuance of EO 30, the BCG leased a private property for one year to serve as an interim central terminal. The leased property is located along the diversion road, thus, preventing the buses, as well as jeepneys serving areas outside the city, from plying inside the urban core of the city.

The establishment of the terminal, similar to the implementation of other projects, faced several challenges before it gained acceptance from the general public, mainly as a result of the mitigation measures put in place by the city government. These challenges and their concomitant mitigation measures are listed below.

**Table 2.1.1. Challenges and Mitigation Measures in the Establishment of the Terminal**

<b>Challenges</b>	<b>Mitigation Measures of the BCG</b>
1. Initial resistance from the bus and jeepney lines against being regulated	<ul style="list-style-type: none"> <li>• Conduct of advocacy campaigns focusing on the positive impact of the centralized terminal</li> <li>• Waiving of service fees for bus lines for the entire CY 2012</li> </ul>
2. Unavailability of a suitable property for the terminal	<ul style="list-style-type: none"> <li>• Short-term lease of a private property for one year</li> <li>• Purchase of a two-hectare property as permanent location of the terminal</li> </ul>

<sup>2</sup> There are 13 bus lines previously operating inside the city. At present, all the units of these bus lines are found in the terminal. The bus lines are listed in Appendix 2.1A.

<sup>3</sup> Jeepney units serving nine routes are found in the terminal. These jeepney routes are listed in Appendix 2.1B.

Challenges	Mitigation Measures of the BCG
3. Initial resistance from the commuters	<ul style="list-style-type: none"> <li>• Conduct of advocacy campaigns</li> <li>• Traffic re-routing to enable public utility jeepneys to ferry commuters from the terminal to key points in the urban center of the city</li> </ul>

The BCG purchased a two-hectare property on November 2012 beside the interim terminal to serve as the permanent location of the central terminal. It had already paved a portion of the property to enable it to be used starting January 2013. At present, all the bus lines, as well as jeepney lines plying routes serving locations outside the city use the terminal.

### ***Rationale of the Project***

The use of a centralized terminal for buses and jeepneys rationalizes the flow of vehicle and human traffic within the city. It also prevents the entry into the urban core of the city by buses whose sizes make for unwieldy maneuverings in the city streets, which are mostly small and narrow, thus, substantially easing traffic congestions.

The proposed project complements the city's Comprehensive Land Use Plan (CLUP) and is aligned with the city's transportation strategy of relocating major traffic generators, planning and constructing integrated public transport facilities.

### ***Brief Description***

The proposed Batangas City Public Terminal is conceived as an integrated transport facility providing a wide and comprehensive range of ancillary services. It is located at the Diversion Road, Barangay Alangilan, Batangas City with a land area of 23,880 square meters or 2.3 hectares.

Its components are as follows:

**Table 2.1.2. Project Components, Activities Required, and Expected Outputs**

Component	Activity Required	Expected Output/s
Designing of the integrated transport terminal	<ul style="list-style-type: none"> <li>• Site analysis</li> <li>• Transport analysis</li> <li>• Designing</li> </ul>	Integrated transport terminal design
Land clearing and leveling	<ul style="list-style-type: none"> <li>• Clearing works</li> </ul>	Leveled and cleared terrain
Paving work and concreting	<ul style="list-style-type: none"> <li>• Paving and concreting works</li> </ul>	Paved and concreted road
Construction of the	<ul style="list-style-type: none"> <li>• Construction works</li> </ul>	Terminal facility (buses and

<b>Component</b>	<b>Activity Required</b>	<b>Expected Output/s</b>
terminal facility		jeepneys) constructed
Construction of the commercial area and parking space	<ul style="list-style-type: none"> <li>• Construction works</li> </ul>	Commercial area and parking space constructed
Full operation of the facility	<ul style="list-style-type: none"> <li>• Marketing</li> <li>• Dialogue with transport groups/sector</li> </ul>	Operational Integrated transport terminal

### ***Benefits from the project***

The expected benefits and the intended beneficiaries of the project are as follows:

**Table 2.1.3. Benefits and Intended Beneficiaries of the Project**

<b>Benefits</b>	<b>Beneficiaries</b>
1. Improved internal vehicle and human circulation in the urban core of the city	<ul style="list-style-type: none"> <li>• Urban barangays</li> </ul>
2. Improved accessibility of commuters to various bus lines and jeepney operators	<ul style="list-style-type: none"> <li>• Commuters</li> <li>• Bus lines and jeepney operators</li> </ul>
3. Promoted development of the diversion road area	<ul style="list-style-type: none"> <li>• City Government</li> <li>• Private sector</li> </ul>
4. Generation of jobs/employment from new establishments to be set up inside the terminal	<ul style="list-style-type: none"> <li>• Batangas City residents</li> <li>• City Government</li> </ul>

### ***Implementation Schedule***

The construction of the facility is targeted for November 2013 while the completion of the whole facility is slated for March 2014.

**Table 2.1.4. Project Implementation Schedule**

<b>Activities</b>	<b>Time table</b>
<i>Project Development and Approval</i>	
1. Bidding of the project	July – September 2013
2. Site analysis	October 2013
3. Transport analysis	
4. Designing	
<i>Project Implementation</i>	
5. Clearing works	November 2013
6. Paving and concreting works	November 2013
7. Construction works (terminal facility)	November 2013 – February 2014
8. Construction works (commercial space)	November 2013 – February 2014
<i>Monitoring and Evaluation</i>	
9. Full operation of the terminal	March 2014 until agreed cooperation period

## B. Transaction Advisory Services Requirements

### ***Scope of private sector involvement***

#### Proposed PPP Arrangement

- Private sector to design the integrated transport terminal based on the concept of the city government
- Private sector to implement the project through the Develop-Operate-Transfer (DOT) scheme
- The implementation arrangement with the private sector factors in the following:
  - Design work
  - Construction work
  - Operation of the terminal
  - Maintenance of the terminal and other facilities

#### Cost Recovery Mechanisms

- Service fees from bus lines and jeepney operators
- Commercial space and stall rentals
- Parking space rentals

### ***Scope of Transaction Advisory Service***

Table 5 and 6 presents the services required and experts/expertise needed by the Batangas City Government, respectively, to complete the project.

**Table 2.1.5. Required Services for Project Completion**

<b>Services</b>	<b>Output</b>
Conceptual design	Integrated Transport Terminal Design
Financial Analysis	Financial Model for PPP
PPP Options Study and Structuring, Bid Process Design and Documents Preparation	PPP Bid Documents
Assistance and support in the bid process	PPP Contract Selection of Private Sector

**Table 2.1.6. Experts/ Expertise Required by the Batangas City Government**

<b>With National Expertise</b>		
<b>1</b>	<b>Expert: PPP Process Specialist</b>	<b>Qualifications</b>
	<b>Tasks:</b> 1. Explain and clarify PPP concepts and process to city government officials (Executive and Legislative branches) to ensure the creation of a PPP-supportive policy environment at the local level;  2. Provide technical assistance to the city government in the conduct of the PPP options study, structuring, designing of the	a) Knowledgeable on PPP concepts and process for local government units  b) Experienced in the development, implementation, and monitoring of PPP projects for at least two years

	bid process design, and preparation of bid documents	
2	Expert: PPP Financial Analyst	Qualifications
	Task: 1. Provide technical assistance to the city government in defining the financial model for the project	a) Knowledgeable on PPP concepts and process for Local Government Units b) Experienced in developing PPP financial models for at least two years

### C. Implementing Department

#### ***Legal Authority to undertake PPP***

The City Mayor, with the endorsement of the City Legislative Council, has the authority to sign the PPP arrangement. The responsible office to ensure the implementation and completion of the project will be the Transportation Development and Regulatory Office, a Division of the City Mayor's Office.

#### ***Resources to be provided by the proponent***

The following resources are to be provided by the proponent:

**Table 2.1.7. Counterpart Resources from the City Government**

<i>Human Resources</i>	
• Counterpart Staff	from TDRO-CMO
<i>Logistics</i>	
• Project Management Office	within TDRO-CMO or where appropriate at the city hall

*NB: Other identified resources may be negotiated with the city government*

Appendix 2.1.A  
Bus Companies in the Grand Terminal

1. N. dela Rosa
2. Jam Transit
3. RRCG
4. CERES
5. DLTB Co.
6. SJ Park
7. Supreme
8. Star Express
9. KL
10. Batman
11. Alps the Bus
12. Alps Transit
13. Barney

Appendix 2.1..B  
Jeepney Routes in Batangas City

1. Batangas – Alangilan
2. Batangas City – Balagtas
3. Batangas City – Lipa
4. Batangas City – Rosario
5. Batangas City – Balete
6. Batangas City – Bauan
7. Batangas City – Mabini
8. Batangas City – Lemery
9. Batangas City – Banaba

## ANNEX 2.2 Project Concept Note for the MCT Port Expansion

Project Name : MCT Port Expansion  
Proponent : PHIVIDEC Industrial Authority  
Sector : Industrial

### A. About the Project

#### *Project Historical Background*

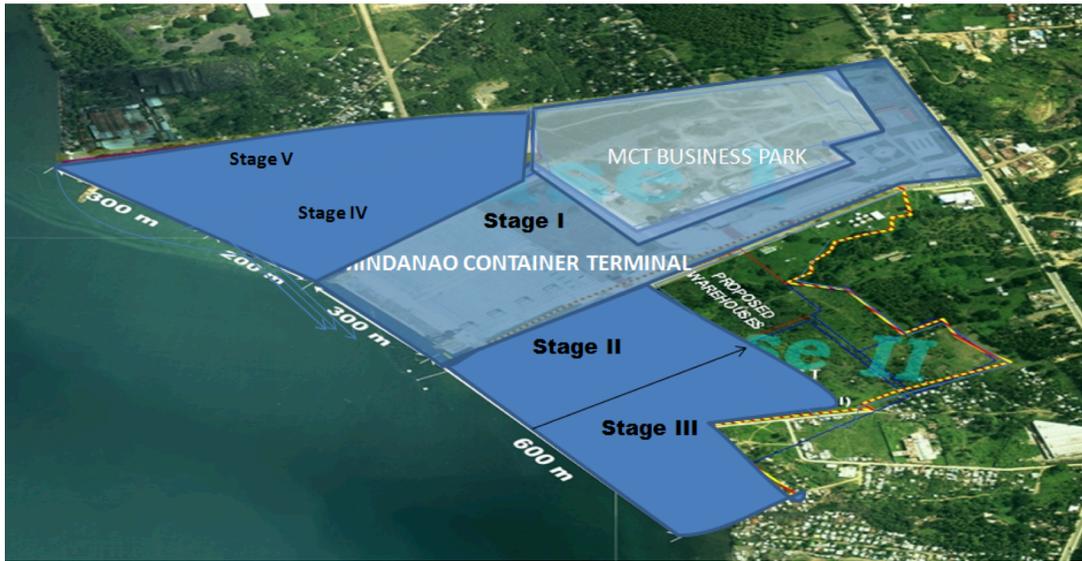
The existing Mindanao Container Terminal (MCT) of the PHIVIDEC Industrial Authority (PIA), located within the PHIVIDEC Industrial Estate-Misamis Oriental, is currently serving containerized cargo only. It has an area of 48 hectares and a design capacity of 270,000 Twenty-Equivalent Units (TEUs) expandable to 500,000 TEUs. Figure 1 presents an aerial view of the MCT. Below is the existing MCT facilities and development plan:

- CRANES - 2-units Quay Gantry Crane (QGC) & 4-units Rubber-Tired Gantry (RTG) Crane
- REFRIGERATED RACKS - 262 Outlets
- CRANE PRODUCTIVITY - 25 moves per hour per crane

**Figure 2.2.1. An Aerial View of the Mindanao Container Terminal**



**Figure 2.2.2 A Long-Term Development Plan of the Mindanao Container Terminal: The Phasing of Development**



The MCT started operations in 2006. In 2008, the International Container Terminal Services, Inc. (ICTSI) won the bidding for a concession contract to operate and manage it. The ICTSI then organized a subsidiary corporation, the Mindanao International Container Terminal Services, Inc. (MICTSI), to implement the concession contract. Since 2006, its cargo throughput has consistently increased, reaching 215,000 TEUs in 2012, about 80% of MCT's berth utilization (refer to Figure 2.2.3).

**Figure 2.2.3. MCT: Container Throughput from 2006 to 2012**



### ***Rationale***

Under the Concession Contract for the management and operation of the MCT between the ICTSI and PIA, the former has the prerogative to develop the concession area including the expansion of its berth length. The current increase in containerized cargo throughput indicates that there is an imminent need to expand the berth area. The Preparatory Study on Mindanao Logistics Infrastructure Improvement Project, funded by the Japan International Cooperation Agency (JICA), recommended berth expansion as soon as fifty percent (50%) utilization is realized. The 80% berth utilization in 2012 clearly indicates the need for berth expansion.

The PIA sought the opinion of the Government Procurement Policy Board (GPPB) on the legality of the MCT operator undertaking the expansion project. The GPPB opined that the MCT expansion has to undergo a public bidding.

### ***Brief Description***

The MCT expansion will consist of an additional 200 meters length to the existing 300-meter berth area.

The perceived and envisioned economic contributions of MCT to the Region and to the Country are:

- to spur additional development in the area
- to improve access to international markets
- to enhance linkages between BIMP-EAGA & neighbouring countries
- to decongest vessel traffic along the berth area
- to make turn-around of vessel operation faster
- to accommodate docking of large vessels
- to increase revenues from the maximum use of berthing capacity

The main direct and immediate beneficiaries of the MCT berth expansion are the exporters, importers, and shipping industry in Northern Mindanao

### ***Implementation Schedule***

The MCT berth expansion is targeted for completion within 390 person-days.

**Table 2.2.1. Project Implementation Schedule**

<b>Activity</b>	<b>Specific Task</b>	<b>Key Actor</b>	<b>Timeframe</b>
Pre-FS completion	Gathering data/ conceptualization of the project	Port expansion committee	30 days
FS completion	Finalization & refinement of financial & technical analysis	Port expansion committee/ consultant	45 days
Approval of the Project	Presentation for approval to the Administrator & Board of Directors	Administrator & Board of Directors	30 days

<b>Activity</b>	<b>Specific Task</b>	<b>Key Actor</b>	<b>Timeframe</b>
Preparation of bid documents	Drafting & finalization of Terms of Reference	Port expansion committee/ consultant	30 days
Bidding Process		Bids & Awards Committee (BAC)	60 days
Implementation			195 days

***List of previous studies***

- A Preparatory Study on Mindanao Logistics infrastructure Improvement Project in the Philippines made by Japan International Cooperation Agency (JICA)
- Mindanao Container Terminal Feasibility Study, Phase 1
- Mindanao Container Terminal Development Plan
- Mindanao Container Terminal ECC
- Prefeasibility Study for the Bulk and Grains Terminal

**B. TRANSACTION ADVISORY SERVICES REQUIREMENTS**

***Scope of private sector involvement***

Private sector proponents are expected to propose the design of the project, an implementation plan for the construction and operation of the project, and a financial proposal. The winning bidder will build and operate the project at the agreed terms and conditions.

***Scope of transaction advisory service***

The city government of Cagayan de Oro requires the technical assistance of the following experts in designing and implementing the berth expansion of the MCT Port.

**Table 2.2.2. Experts/Expertise Required by the CDO City Government**

<b>Activity</b>		<b>Expert/s Required</b>
1.	Pre-Feasibility Study	1. Civil / Structural Engineer 2. Financial Expert on Ports and Port Services
2.	Design Stage	1. Civil / Structural Engineer 2. Electrical Engineer 3. Geotechnical Engineer
3.	Construction Stage	1. Civil / Structural Engineer 2. Geodetic Engineer 3. Electrical Engineer 4. Geotechnical Engineer

### **C. IMPLEMENTING AGENCY**

#### ***Legal Authority to undertake PPP***

PHIVIDEC Industrial Authority is a government-owned and controlled corporation created by virtue of Presidential Decree 538 as amended by PD 1492. It is mandated to manage and operate the PHIVIDEC Industrial Estate-Misamis Oriental (PIE-MO). It is also vested with governmental powers such as the establishment of port and other infrastructure facilities within the Estate.

#### ***Resources to be provided by the proponent***

Office space	-	Php 20,000.00/mo.
Transportation Costs	-	Php 25,000.00/mo.
Counterpart staff (3)	-	Php124,000.00/mo.
Total	-	Php169,000.00/mo.

## **Annex 2.3 Project Concept Note for the Establishment of CDO Food Terminal Center**

Project Name : Establishment of the Cagayan de Oro Food Terminal Center  
Proponent : City Government of Cagayan de Oro  
Sector : Agribusiness and Food Sector

### **A. About the Project**

**A.**

#### **A. Rationale of the Project**

**A.**

Northern Mindanao, with Cagayan de Oro as its regional center, is a services and agri-based economy. In 2011, agriculture accounted for 28% of its Gross Regional Domestic Product. In 2010-2011, the growth rate of agriculture in the region doubled to 5.9% from 2.9% the year before. In 2011, 4 out of the 10 top exports sales in the region were generated from agribusiness activities.

This agribusiness sector is comprised of large companies, complemented by small and medium industry processors and producers. The major agribusiness operations are in the following sectors:

- Fruits, nuts, and vegetables
- Aquamarine/Aquaculture products
- Coconut and coconut-based products
- Fresh and processed meat
- Dairy products
- Coffee

As in the rest of the country, the potential of the agribusiness sector to contribute to the economic growth and development of Northern Mindanao is severely constrained by inefficient postharvest handling and processing. Postharvest losses account for 10-40% of farm output, depending on the nature of the agricultural product and the availability and appropriateness of postharvest facilities. Moreover, domestic and international markets for these products is restricted to a similar degree because of the inability of local producers to comply with strict quality, safety, packaging, and, in the case of exports, traceability standards and requirements. Enabling agricultural producers, especially micro-, small- and medium- sized enterprises (MSMEs) to minimize postharvest losses and maximize market potentials require availability of the appropriate postharvest facilities and services at reasonable costs. The availability of such facilities and services should lead to the development of the food sector in the region, specifically in Cagayan de Oro City, the region's trading center.

Among the postharvest facilities that are required in Northern Mindanao are those for warehousing, cold storage, packaging and labeling, and transportation and logistics. Most needed among the postharvest services in the region are market development, laboratory services, and investment promotion.

Results of previous studies on the growth and development of the agribusiness sector in Northern Mindanao support this proposition. A study conducted by Japan Marine Science Inc. in 2010 pointed out that there is inadequate "farm-to-shelf" infrastructure for the agri-based and food industries in the region, thus pushing for, among other measures, the establishment of a regional food processing industry. In 2012, the Mindanao University for Science and Technology (MUST) provided the technical and financial underpinnings of the establishment of a packaging and labeling services center in Region X.

The establishment of the Cagayan de Oro Integrated Food Terminal Center is hereby proposed. It is further proposed that this facility be located in the Bulua Westbound Terminal and Public Market, a three-hectare area of the city government, which currently hosts the bus terminal, market, bagsakan center for vegetables, and the fish landing area. These facilities occupy approximately two (2) hectares. It is in the one-hectare area of the facility that the food terminal center is proposed to be located.

### ***Brief Description of Project***

#### **Project Components**

1. ***Packaging and Labeling Center.*** The Center will cater to the packaging and labeling needs of MSMEs in the city and in the region. It will service packaging requirements for the following products: grains, nuts, powder, cereals, liquids and semi-liquid products, processed meat/fruits/fish, dairy, sugar and vegetables. As a one-stop-shop, the Center will offer the following services:
  - a. ***Labeling.*** This includes the production of customized die-cut label stickers in rolls. This type of packaging technology is currently not available in the city and in Mindanao;
  - b. ***Toll Packaging.*** This includes product packaging in sachets, bags, and bottles for both dry and wet food products, as well as the repacking of bulk products into individual consumer packs. At present, there is no service provider in Cagayan de Oro, Cebu or Davao, which offers toll packaging services to MSMEs. A common use facility for such services in the city will promote cost efficiencies among producers and processors in the region and eliminate the need for SMEs to either buy their own packaging equipment or securing the services of Manila-based packaging firms;
  - c. ***Supply of Packaging Materials.*** The Center will serve as a supplier of the commonly-used and enhanced packaging materials of MSMEs like label stickers, vacuum bags, PET and glass bottles, bottle caps/seals, plastic pouches, laminated metalized pouches, sachets, paper/box/carton, aluminum foil packs, and printed sacks. With the Center providing this service, MSMEs will be able to procure their packaging materials requirements at the appropriate volume and as needed. The existing purchasing set-up requires MSMEs to buy generic materials in bulk at a minimum set volume that is often more than what they need, which is an expensive and impractical scheme for the MSMEs.
  - d. ***Branding.*** The Center can be used to establish a Cagayan de Oro City or Northern Mindanao quality branding system through the use of a common quality logo in packaging materials.
2. ***Laboratory and Testing Center.*** The Center will provide MSMEs testing services to enable them to penetrate new domestic and foreign markets that demand compliance with higher quality and safety standards from food and other agri-based products;

3. **Logistics Facilities.** These facilities will assist MSMEs in their logistics requirements;
4. **Research and Development Facility.** Research and Development will focus on technology and systems development, e.g., innovations in food production and preservation technologies, as well as on packaging and labeling.
5. **Business Assistance Center.** This will provide the following services to locators and investors: trade and investment promotion, registration and licensing facilitation, consultancy and training, and database development. The other services that will be offered by the Center include the use of business facilities such as conference/meeting rooms, telephone/telefax services, photocopying/printing services, and Internet access.
6. **Cold Storage Facilities**
7. **Warehousing Facilities**
8. **Waste Management Program.** The envisioned Waste Management System will adopt best practices in waste disposal within the Center's premises, and institutionalize and enforce waste management policies.

#### **Target Beneficiaries**

The intended beneficiaries of the development of the Food Terminal Center are agribusiness and food industries of Northern Mindanao and its neighboring regions.

#### **Implementation Schedule**

The development of the Food Terminal Center is expected to be implemented in 2015 below describes the preparatory activities needed prior to project implementation.

**Table 2.3.1. Project Implementation Schedule**

<b>Activities</b>	<b>Implementation Phases</b>		
	<b>2013</b>	<b>2014</b>	<b>2015 onwards</b>
<ul style="list-style-type: none"> <li>- Packaging and Labeling Center</li> <li>- Laboratory and – testing center</li> <li>- Business assistance center – Regulatory agencies</li> <li>- Toll packaging</li> <li>- Logistics Systems</li> </ul>	<ul style="list-style-type: none"> <li>- Submission of Project Document Concept</li> <li>- Approval of project concept</li> </ul>	<ul style="list-style-type: none"> <li>- Full blown FS Study</li> </ul>	<ul style="list-style-type: none"> <li>- Implementation</li> <li>- Accreditation</li> </ul>

### ***List of Previous Studies***

- The Philippine Agriculture and Fisheries Modernization Plan
- NICCEP Industry Studies prepared by the Department of Trade and Industry
- Preparatory Study on Mindanao Logistics Infrastructure Improvement Project (JICA)
- A Project Proposal prepared by Mindanao University for Science and Technology (MUST)

## **B. Transaction Advisory Services Requirements**

### ***Scope of Private Sector Development***

Possible areas for private sector involvement:

- Funding for FS
- Provision or establishment of facilities
- Management of the center
- Operation and marketing

### ***Scope of Transaction Advisory Services***

- Preparation of the Market/Feasibility Study
- Preparation of Demand-Supply Study
- Conceptual Design
- Conduct of the Environmental Impact Assessment
- Conduct of Financial Analysis
- Provision of assistance/support in ensuring ICC approval

### ***Experts/Expertise Required***

For project implementation, the city government of Cagayan de Oro would require the assistance of the following experts and/or specialists:

1. **Agricultural Business Center Specialist**
2. **Experts on agricultural business center operations and management**
3. **Food Technology Specialist**
4. **Product / Label Designers**
5. **Quality Assurance Specialist**
6. **Waste Management Officer**
7. **Packaging Manager/ Engineer**

## **C. Implementing Agency**

The City Government of Cagayan de Oro shall be the implementing agency for the project. It possesses legal authority to undertake PPP as stipulated under the following laws:

1. Republic Act No. 6957
  - *Revised Implementing Rules and Regulations of R.A. No. 6957, "An Act Authorizing the Financing, Construction, Operation and Maintenance of Infrastructure Projects by the Private Sector and for Other Purposes", as Amended by Republic Act No. 7718;*

2. Executive Order No. 8
  - *Reorganizing and Renaming the Build-Operate and Transfer (BOT) Center to the Public-Private Partnership (PPP) Center of the Philippines and Transferring its Attachment from the Department of Trade and Industry to the National Economic and Development Authority and for other Purposes;*
3. Republic Act No. 8974
  - *An Act to Facilitate the Acquisition Of Right-Of-Way, Site Or Location For National Government Infrastructure Projects And for Other Purposes; and*
4. Republic Act No. 8975
  - *An Act to Ensure the Expeditious Implementation And Completion Of Government Infrastructure Projects By Prohibiting Lower Courts From Issuing Temporary Restraining Orders, Preliminary Injunctions Or Preliminary Mandatory Injunctions, Providing Penalties For Violations Thereof, And For Other Purposes.*

***Resources to be provided by the proponent***

The City Government of Cagayan de Oro shall provide for the following support services:

1. Maintenance and administration of existing facilities;
2. Construction of on-site and off-site facilities for expansion purposes such as roads, water and electric supply, building, and manpower complement; and
3. Provision of business development services.

## **Annex 2.4 Project Concept Note for CDO Septage Management Project**

Project Name : Cagayan de Oro Septage Management Project  
Proponent : Cagayan de Oro City Government  
Sector : Environment Sector

### **A. About the Project**

#### ***Project Historical Background***

The project was conceptualized given the following developments:

- Wastewater management was identified as a priority concern of the city in 2009 due to worsening pollution of its waterways through the AECOM-PSA USAID project;
- The need for environmental mitigation measures along CDO city's waterways was highlighted in December 2011 when the city was hit by Typhoon Sendong;
- A pre-feasibility study on wastewater, watershed and solid waste management was conducted through the Cities Development Initiative for Asia (CDIA) project of the Asian Development Bank (ADB) in March 2012

#### ***Rationale***

The city's sanitation system consists of water-sealed toilets with septic tanks, flushed toilets with septic tanks, and communal faucets. According to the 2010 Census Report, Cagayan de Oro City has 113,112 households, about 109,000 of which have existing septic tanks. Although this ratio of households with septic tanks may seem adequate at the household level, the city has no city-level sewerage system. The current system, in existence since the 1950s, consists of rivers and creeks within the city providing a natural drainage for wastes. Septic tanks are only capable of reducing pollution by an average of 30-40%. They allow the supernatant (clearer wastewater) to be discharged while retaining both scum and sludge inside the facility. Further treatment is necessary to achieve the required pollution parameters set by the DENR for domestic wastewater.

The discharge of untreated wastes into streams, rivers and the bay constitutes a serious threat to the health of the residents of the city as well as to the environment. As population increases, this threat magnifies.

#### ***Brief Description of the Project***

The proposed project is the construction of a Septage Treatment Plant to be located in either Barangay Bonbon or Barangay Pagatpat in Cagayan de Oro with a capacity of 150 cubic meter of septage per day. The project is considering two options for the technology that would be used in the plant:

- Option 1: Soft System which is a combination of mechanized and non-mechanized system; and,
- Option 2: A fully mechanized system

Both options will require an area of 50,000 sq. m. If Option 1 will be chosen, the city would still need to acquire the area where the plant will be located. In contrast, the area for Option 2, located in Barangay Pagatpat, is already owned by the City Government.

### ***Implementation Schedule***

Table 2.4.1. Proposed Implementation Schedule

<b>Activities</b>	<b>Task</b>	<b>Key Actor</b>	<b>Timeframe</b>
Completion of the Pre-Feasibility Study	Finalization and refinement of financial and Technical Analysis	CPDO/LEIPO	October 2012
Decision on alternatives	Committee Level Discussion and Approval	City Council	November 2012
Preparation of Bid documents	Drafting and Preparation of Terms of Reference	CPDO/LEIPO	December 2012 – Jan. 2013
Formation of BAC	Drafting and signing of EO	City Administrator	January 2013
Bidding Process	-Publication -Pre-bid conference -Pre-qualification of bidders -Short listing -Receipt and opening of bid documents	BAC	February – July 2013
Awarding of contract	-Final Negotiations with winning bidder -City Council Approval -Authority for the mayor to sign the contract -Signing of contract	BAC City Council City Mayor City Legal Office City Administrator	August – October 2013
Construction	-Contractor Mobilization -Construction	CEO OBO CLENRO	-November 2013 -December 2013 – April 2014
Project Operation	Monitoring and Periodic Evaluation	PMO	Monthly

### ***List of Previous Studies***

- Pre-Feasibility Study on Wastewater, Watershed, and Solid Waste Management in Cagayan de Oro City (conducted by CDIA-ADB)

## **B. Transaction Advisory Services Requirements**

### ***Scope of Private Sector Involvement***

It is proposed that the private sector partner handle the treatment of the sludge while the Cagayan de Oro Water District collects the fees for sludge collection and treatment.

## **Annex 2.5 Project Concept Note for CDO City's Solid Waste Management Project**

Project Name : Cagayan de Oro Solid Waste Management Project  
Proponent : Cagayan de Oro City Government  
Sector : Environment

### **A. About the Project**

#### ***Project Historical Background***

The proposed project was conceptualized given the following developments:

- In 2006, the city government of Cagayan de Oro drafted the Solid Waste Management Plan to respond to the growing need of the city to address its solid waste management problems.
- In 2010, the Department of Environment and Natural Resources issued Republic Act No. 9003, otherwise known as the Ecological Solid Waste Management Act, which mandated LGUs to close their open dumpsites and establish a sanitary landfill that would meet DENR standards.
- In March 2012, the ADB, through its CDIA Project, conducted pre-feasibility studies on wastewater and solid waste management in Cagayan de Oro City. others.

#### ***Rationale***

The city's only dumpsite in barangay Carmen has been operating for more than 25 years and is almost filled to capacity. Its existence is a violation of the DENR directive under R.A. 9003 and poses health hazards to the populace in surrounding areas.

It is therefore necessary to close the dumpsite and establish an appropriately-engineered Sanitary Landfill (SLF) in a new area. At the same time, a stricter implementation of waste segregation and collection, as well as the issuance of anti-littering/anti-dumping laws and ordinances is imperative to: (1) reduce waste around the city and (2) efficiently recover recyclable materials.

#### ***Brief Description of the Project***

The Solid Waste Management Project is proposed to enable the city to comply with the various provisions of R.A. 9003, such as segregation at source, segregated collection, recycling and composting, and establishment of appropriate disposal sites.

The main components of this project are: (1) construction of the necessary solid waste management infrastructure (landfill and solid waste transfer station); (2) collection and hauling of garbage; and (3) construction of the solid waste treatment facility. The proposed location for the sanitary landfill and solid waste transfer station is in Barangay Pagatpat and Barangay Agusan, respectively.

### **Implementation Schedule**

The construction of the Solid Waste Treatment Facility is expected to be completed in October 2014. The activities and tasks required for project completion is described in the table below.

**Table 2.5.1. Project Implementation Schedule**

<b>Activities</b>	<b>Tasks</b>	<b>Key Actors</b>	<b>Timeframe</b>
Review of Pre – Feasibility Study Final Report	TWG level Discussion	CPDO/LEIPO	May 2013
Decision on alternatives	Committee Level Discussion and Approval	City Council	June 2013
Preparation of Bid documents	Drafting and Preparation of Terms of Reference	CPDO/LEIPO	July – August 2013
Formation of BAC	Drafting and signing of EO	City Administrator	July 2013
Bidding Process	-Publication -Pre-bid conference -Pre-qualification of bidders -Short listing -Receipt and opening of bid documents	BAC	August 2013 – January 2014
Awarding of contract	-Final Negotiations with winning bidder -City Council Approval -Authority for the mayor to sign the contract -Signing of contract	BAC City Council City Mayor City Legal Office City Administrator	February – April 2014
Construction	-Contractor Mobilization -Construction	CEO OBO CLENRO	- May 2014 - June – October 2014
Project Operation	Monitoring and Periodic Evaluation	PMO	Monthly

### **List of Previous Studies**

- PUM Mission report Solid Waste Management
- Pre-FS Study on Wastewater, Watershed, and Solid Waste Management in Cagayan de Oro City (conducted by CDIA-ADB)

## **B. Transaction Advisory Services Requirements**

### **Scope of Private Sector Involvement**

The proposed project is intended to be implemented by the city government of CDO and a private sector entity who will handle the whole operation of the solid waste management system. The private sector partner will also fund the construction of the solid waste

infrastructure (i.e., engineered sanitary landfill facility and ancillary facilities) while the city will provide the land for the project and the necessary manpower.

The private sector partner is expected to recover costs and earn returns from the collection of existing garbage fees collected from the businesses during the registration period. These revenues are to be supplemented by the garbage fees collected from households.

### **Scope of Transaction Advisory Service**

Cagayan de Oro City requires the following expertise to implement its Solid Waste Management Project:

**Table 2.5.2. List of Experts Required**

<b>INTERNATIONAL EXPERTS</b>		
	<b>EXPERTISE</b>	<b>TASK</b>
<b>1</b>	Solid Waste Management Specialist	Team Leader. He will provide overall management and implementation process of the project.
<b>2</b>	Waste Water Management Specialist	He will take the lead on all technical aspects in developing a sustainable concept for wastewater treatment.
<b>3</b>	Infrastructure Finance Specialist	He will provide overall management of the financial components of the project.
<b>NATIONAL EXPERTS</b>		
<b>1</b>	Drainage and Wastewater Management Specialist	He will support the international waste water management specialist and will work closely with the city government on the project.
<b>2</b>	Solid Waste Management and Climate Change Specialist	He will provide expertise in solid waste management with focus on Philippine regulatory framework and practices and experiences from other Philippines cities.
<b>3</b>	Capacity Development Specialist	He is mainly responsible for assisting the city government in assessing and planning capacity building and institutional strengthening needed to manage its role and responsibilities to the project.
<b>4</b>	Resettlement and Social Development Specialist	He will be responsible for ensuring that the proposed interventions and investments are properly made in relation to social, gender and poverty related issues.
<b>5</b>	IEC Specialist/ Social Marketing Expert	He will conceptualize strategies to strengthen the relationship of the city government and stake holders for the sustainability of the project.
<b>6</b>	Financial Expert	He will conceptualize cost-recovery schemes.

**Estimated Funding Requirements for the Transaction Advisory Service**

**Table 2.5.3 Breakdown of Project Cost**

<b>PRIVATE SECTOR</b>				
<b>International/National Experts</b>	<b>Duration (Month)</b>	<b>Monthly (USD)</b>	<b>For the Project (PhP)</b>	<b>In USD</b>
Team Leader - Solid waste Management Specialist	4	24,000.00	3, 936,000.00	96,000.00
Wastewater Treatment Specialist/ Engineer	3	20,000.00	2,460,000.00	60,000.00
Financial Analyst/Economist	2	20,000.00	1,640,000.00	40,000.00
Resettlement Specialist	2	4,500.00	369,000.00	9,000.00
SWM (Collection) Specialist	3	4,500.00	553, 500.00	13,500.00
Drainage Specialist	3	4,500.00	553,500.00	13,500.00
Social Development Specialist	2	4,000.00	328,000.00	8,000.00
Capacity Development Specialist	1	4,000.00	164,000.00	4,000.00
IEC Expert/Social Marketing Expert	2	4,500.00	369,000.00	9,000.00
<b>Subtotal</b>		<b>90,000.00</b>	<b>10,373,000.00</b>	<b>253,000.00</b>
<b>Miscellaneous Expenses</b>				
Travel, Per Diem, Other Expenses			<b>1,043,636.55</b>	<b>25,454.55</b>
<b>Construction of the new SLF</b>				
Access, site preparation & Cell 1 (Basic and Detailed Design)			21,525, 000.00	525, 000
Works Supervision			11,275, 000. 00	275, 000
Quality Control			2, 460, 000. 00	60, 000
Works and Construction			630,375, 000.00	15, 375,000
Works Contingencies			63,037, 500.00	1, 537, 500
Operations and Maintenance (Yearly Budget)			17,280, 270.00	421, 470
<b>Subtotal</b>			<b>745, 952,770.00</b>	<b>18, 193, 970.00</b>

<b>City Government</b>				
<b>Local Experts</b>	<b>Duration (Month)</b>	<b>Monthly (PhP)</b>	<b>For the Project (PhP)</b>	<b>In USD</b>
Resettlement/Community Development	1	30,000.00	27,954.62	681.82
Local Ciivil Engineer	2	30,000.00	55,909.24	1,363.64
Gender Development Specialist	2	30,000.00	55, 909.24	1,363.64
<b>Subtotal</b>		<b>90,000.00</b>	<b>139,772.69</b>	<b>3,409.09</b>
<b>Seconded Staff</b>				
CLENRO (2 personnel)	6	60,000.00	335,454.62	8,181.82
Solid Waste Management Division - CPSO (2 Personnel)	6	60,000.00	335,454.62	8,181.82
City Engineer's Office (2 Personnel)	6	60,000.00	335,454.62	8,181.82
City Planning and Development Office (2 personnel)	6	60,000.00	335,454.62	8,181.82
<b>Subtotal</b>			<b>1,341,818.07</b>	<b>32,727.27</b>
<b>Other Expenses:</b>				
Office Rental	6	25,000.00	139,772.69	3,409.09
Vehicle rental with fuel	6	95,000.00	531,136.55	12,954.55
Workshops and meetings			465,909.24	11,363.64
Equipment rentals			139,772.69	3,409.09
Supplies and materials			139,772.69	3,409.09
Contingencies			186,363.45	4,545.45
<b>Subtotal</b>			<b>1,602,727.31</b>	<b>39,090.91</b>

<b>SUMMARY</b>				
International/National Experts	Private		10,373,000.00	253,000.00
Construction of the new SLF			745,952,770.00	18,193,970.00
Miscellaneous Expenses			1,043,636.55	25,454.55
Local Experts	City Government		139,772.69	3,409.09
Seconded City Staff			1,341,818.07	32,727.27
Other Expenses			1,602,727.31	39,090.91
<b>TOTAL PROJECT COST</b>			<b>760,453,724.62</b>	<b>18,547,651.82</b>
	Dollar Rate USD	41.00		

### **C. Implementing Agency**

The City Government of Cagayan de Oro shall serve as the implementing agency for the project.

#### ***Legal Authority to undertake PPP***

The authority of the city government to undertake this project under a PPP scheme can be drawn from existing laws and policies, as follows:

1. Republic Act 7718 and its IRR, under which the implementing agency/local government units (IAs/LGUs) can implement their PPP/BOT projects either through solicited or unsolicited modes;
2. The Local Government Code (RA 7160) and RA 6957 known as “An Act Authorizing the Financing, Construction, Operation and Maintenance of Infrastructure Projects by the Private Sector, and for the Other Purposes” as amended by RA 7718. RA 6957 recognized the “indispensable role of the private sector as the main engine for national growth and development” and was meant to mobilize 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;
3. Republic Act 7718, which mandates the provision of financial incentives and the minimizing of government regulations to motivate and supports the private sector in undertaking certain projects; and
4. Executive Order Number 8, entitled “Reorganizing and Renaming the Build-Operate and Transfer (BOT) Center to the Public-Private Partnership (PPP) Center of the Philippines and Transferring its Attachment from the Department of Trade and Industry to the National Economic and Development Authority and for Other Purposes,” which emphasizes the need to expedite programs and projects as major strategies for achieving the country’s economic growth.

#### ***Resources to be provided by the proponent***

The City Government of Cagayan de Oro will provide the area for the SLF in accordance with Ordinance No. 12081-2011 dated August 2011. The city will also be responsible in the street cleaning utilizing the City Public Services Office (CPSO) and CLENRO services.

## **Annex 2.6 Project Concept Note for Jaro Big Market Redevelopment Project**

Project Name : Jaro Big Market Redevelopment Project  
Proponent : Iloilo City Government  
Sector : Economic

### **A. About the Project**

#### ***Project Historical Background***

The Jaro Big Market is the economic center of the district and has been the main urban destination for the towns in the Metro Iloilo-Guimaras region. The market's redevelopment aims to transform Jaro District into a competitive, attractive and dynamic place for businesses and where existing community therein can grow in a pleasant, safe and healthy environment.

The strategy for development is centered on the improvement of both public infrastructure and utilities and private establishments in a manner that will make the area attractive and convenient for urban consumer markets in general.

#### ***Rationale of the Project***

The Jaro Big Market is a proposed building construction project aims to optimize the land use of the site. The development plan for the market thus calls for the creation of a comparatively vast urban mix of essential facilities and services that will give the complex an edge over other places.

#### ***Brief Description***

The Jaro Big Market Redevelopment Project is located adjacent to the New Iloilo Central Business District. This area is a potential area for a Central Business District (CDB) as it strategically contains the critical mass of Iloilo's commercial structures.

The 15,000m<sup>2</sup> site is a market complex owned by the city government. It is presently classified as commercial, consisting of interconnected shops and stalls. While the complex continues to function as a market today, the structures therein are not optimally operated and in a state beyond repair.

Implementation Schedule: 2013 - 2015

List of Previous Studies: Iloilo Downtown CBD Project

## **B. Transaction Advisory Services Requirements**

Experts / Expertise Required:

1. PFS consultant (international expert) - Licensed engineer with 10 years in experience in urban planning, commercial building development;
2. Finance expert (national expert) - Licensed CFO with 10 years in experience in financial planning and development;
3. Environment Specialist (national expert) - Environmental engineer with 10 years in experience

## **C. Implementing Agency**

Legal Authority to undertake PPP: Local Chief Executive C

Resources to be provided by the proponent: Land, existing facility