

Technical Assistance on Strengthening Public Private Partnerships Program in the Philippines (2011-2021)

Final Evaluation Report

13 December 2021

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Activity Summary

Aid Activity Name	Strengthening Public Private Partnerships (Philippines)		
Commencement date	4 April 2011	Completion date	31 March 2021
Total Australian \$	AUD28,350,516.00 (USD22,000,000.00)		
Delivery organisation(s)	Asian Development Bank Public Private Partnership Center (Philippines)		
Country/Region	Philippines		
Primary Sector	Public sector policy and administrative management; Infrastructure		

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Executive Summary

Australia's contribution to the Technical Assistance on Strengthening Public Private Partnerships (PPP) Program in the Philippines (2011-2021) through the Asian Development Bank (ADB) was an effective way to garner private sector investment to address infrastructure gaps in the Philippines.

Program partners highly valued the support provided by DFAT, which contributed significantly to building a pipeline of PPP projects, strengthening the policy environment for PPPs, and improving government capacity to administer PPP projects and integrate safeguarding requirements for climate resilient infrastructure.

The Program is referred to as the 'TA' throughout this document. This is distinct from the 'PPP Program', which refers to the national Philippines PPP Program supported by the TA and administered by the ADB.

Key evaluation findings were:

- The TA significantly contributed to the Philippines PPP structure and the high capacity and excellence of government agencies which strongly advanced the PPP Program. This capacity cascaded outwards to Philippine national government partners such as Department of Finance (DOF), National Economic and Development Authority (NEDA), and the PPP Center and downwards to implementing agencies and Local Government Units (LGU), creating awareness of the PPP modality and its use and value, and increasing momentum for PPP projects across the country.
- Sharing of Australian expertise and lessons from practice were well leveraged through the TA, significantly contributing to its effectiveness and enhancing bilateral relations with the Philippines. While Australian links were firmly formed in the first half of the Program, there were some missed opportunities to sustain and further embed Australia's strategic engagement during the second half of the Program.
- The TA was designed for an era where there was strong political support. It faced challenges when there were significant changes in policy direction. The TA responded to aspects of the changing context and supported the Philippines to harness PPPs to meet critical infrastructure development needs. However, if a more formal and high-level TA strategy realignment was undertaken in response to changes in the policy environment, it may have resulted in a more targeted approach to advancing the PPP modality in line with Philippine government directions, addressing bottlenecks and extending the gains of DFAT's investment.
- The flexibility of the TA enabled a focusing of support in line with evolving needs marked by a shift from national big-ticket PPP projects in the earlier years, towards supporting local governments and non-traditional agencies such as water districts, state universities and colleges, and economic zones to develop and advance a diverse range of smaller-scale PPP projects across the regions. This positioned the Government of Philippines well to respond to later rulings on decentralisation that will result in a substantial increase in funding allocated to local government units to meet local infrastructure development needs in 2022.
- Support provided through the Project Development and Monitoring Facility (PDMF) was effective in capitalising on momentum and jumpstarting PPP projects in the early years by expediting procurement of pre-selected international consultants. This arrangement would ordinarily be challenging without foreign funding and without the cover of an international executive agreement (such as a Technical Assistance Agreement with ADB) under Philippine

national procurement laws. While the procurement mechanism was appropriate at the time, and effective in quickly bringing in the right expertise, challenges to sustainability remain.

- The modality of working through the ADB was highly effective in meeting the support needs of partners, and delivered a flexible and fit-for purpose program well suited to the high level of capacity among Philippine government partners. While the benefits of the modality far outweigh associated limitations and inefficiencies, there were missed opportunities for both DFAT and the ADB to strengthen engagement and develop a more comprehensive partnership approach.
- Strong policy and resource foundations were built for improving management of social and environmental safeguards, along with developing a high level of multi-stakeholder awareness and commitment. Some progress was made in embedding inclusion and safeguarding across various PPP stages. But additional effort would have been required to build more specialised technical and sectoral capacity and introduce monitoring and accountability measures to ensure inclusion and safeguarding were firmly embedded across PPP projects.
- The TA's monitoring and evaluation framework¹ remained relatively rigid and did not produce sufficient qualitative information and analysis, nor did it evolve appropriately over the ten-year period to enable DFAT to sufficiently tell the TA's performance story or make evidence-based investment decisions. Monitoring and evaluation could have been strengthened by more strongly drawing on and analysing PPP Center data as part of political economy monitoring, linked to strategy testing and development.

The evaluation recommended that DFAT should remain in the PPP sector in the Philippines and continue to build on its long-standing engagement and contribution. The implications of key findings informed the development of nine recommendations for consideration as part of a future program of support were:

- Bring Australian partners (including private sector) into a **joined-up Whole of Government strategy** that links other programs and priority areas (good governance, climate change, peace and security, indigenous people) in a holistic approach and seeks to increase Australian private sector investment and linkages (such as by providing non-ODA funding to Australian private sector entities to fund bids to increase engagement).
- Ensure DFAT undertakes a formal **political economy analysis** in the design of new infrastructure programs (and that implementing partners hold ongoing responsibility for undertaking structured political economy analysis, including upon a change of government). Package support in line with a new government's policy direction and preferred brand of PPPs, and ensure communication and engagement with senior government personnel is core to any new program.
- Detail a **formal partnership approach within the design document and contract agreement**. Clear roles and communication mechanisms should be articulated to ensure DFAT's engagement in strategic direction, monitoring and governance. Build in policy-based triggers to payments, rather than just disbursing tranche payments.
- Invest in building stronger building partnerships and maintaining more proactive engagement when working through the ADB or other **multilateral institutions, to ensure strategic relationships and engagement** with a broad range of stakeholders, including by allocating additional staffing resources within DFAT Post to support strategic and partnership engagement.

¹ This includes the Design and Monitoring Framework (DMF) and other monitoring and evaluation exercises.

- Ensure **monitoring and evaluation supports adaptive management and strategy testing approaches** for DFAT programs that are strongly shaped by political-economy factors and work closely with national governments. This may require DFAT to negotiate, contribute to and resource a separate monitoring and evaluation framework when working through multilateral institutions.
- Explore opportunities to **integrate a future PPP element into existing DFAT investments**, with PPPs positioned as one of several modalities to support inclusive infrastructure development.
- Consider engagement with the Australian private sector for proposed new projects in targeted **Australian niche areas** such as gender equality, disability and social inclusion (GEDSI), and safeguarding, new technology, quality of infrastructure, and anti-corruption.
- Link with **DFAT’s regional initiative ‘Partnerships for Infrastructure’** to support continued sharing of Australian expertise, technical assistance and to strengthen bilateral links.
- Prioritise investment in capacity development for public financial management, program development, planning and contract management for **enhanced infrastructure development at the local level**, drawing on the approach used by DFAT’s humanitarian program in the Philippines, ‘Strengthening Institutions and Empowering Localities against Disasters and Climate Change’ (SHIELD).

Terminology and Glossary

Acronym	Terminology and Glossary
ADR	Alternative Dispute Resolution
ADB	Asian Development Bank
BOT	Build Operate and Transfer
DAC	Development Assistance Committee
DBCC	Development Budget Coordination Committee
DFAT	Department of Foreign Affairs and Trade
FS	Feasibility Study
DMF	Design and Monitoring Framework
DOF	Department of Finance
DOTr	Department of Transportation
DPWH	Department of Public Works and Highways
EO	Executive order
GEDSI	Gender Equality, Disability and Social Inclusion
GOCC	Government-owned and controlled corporation
IA	Implementing Agency
ICC	Investment Coordination Committee
IC	Infrastructure Development
IFC	International Finance Corporation
INSW	Infrastructure New South Wales
KEQs	Key Evaluation Questions
KPI	Key Performance Indicator
LGU	Local Government Unit
M&E	Monitoring and Evaluation
MPSS	Minimum Performance Standards and Specifications
NEDA	National Economic and Development Authority
NGA	National Government Agencies
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PDMF	Project Development and Monitoring Facility: refers to the Philippine Government's revolving fund created under Executive Order (EO) No .8, series of 2010 as amended by EO 136, series of 2013 managed by the PPP Center. It was established to enhance the investment environment for PPPs and develop a robust pipeline of viable and well-prepared PPP infrastructure project in accordance with the Build-Operate-and-Transfer (BOT) Law, Government Joint Venture Guidelines, and Philippines' Local Government Unit (LGU) Public Private Partnership (PPP) Codes.

Acronym

Terminology and Glossary

PDMF funds	The facility funding amounting to USD 104.5 M, with contributions from the Government of Australia, and the Urban Climate Change Resilience Trust Fund through the Asian Development Bank (Technical Assistance 7796 -PHI: Strengthening PPPs in the Philippines).
PDMF Panels	Refers to the Philippine Government's four panels of consulting firms (i.e., Project Preparation and Transaction Support, Probity Advisor, Independent Consultant, Resilient PPPs of Local Implementing Entities) established with a view of enhancing the expertise available for PDMF-funded projects.
PDP	Philippine Development Plan
PIMS	Project Information and Management System
PPP	Public Private Partnership
RA	Republic Act
SUC	State Universities and Colleges
TA	Technical Assistance
TOR	Terms of Reference
WOG	Whole of Government

Currency Equivalents

average foreign exchange for February 2021

AUD 1 = USD 0.776

AUD 1 = PHP 36.7

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1 Purpose

The purpose of this report is to present the findings and recommendations of the independent evaluation of the Technical Assistance (TA) on Strengthening Public-Private Partnerships (PPP) in the Philippines (2011-2021). The Program is referred to as 'TA' throughout this document. This is distinct from the 'PPP Program', which refers to the national Philippines PPP Program supported by the TA and administered by the Asian Development Bank (ADB).

The evaluation was commissioned by the Department of Foreign Affairs and Trade (DFAT) and took place over the period from 28 January – 11 February 2021. This evaluation was undertaken by an independent evaluator, Michelle Besley of Collective Insights.

The aim of the evaluation was to assess the effectiveness, efficiency, relevance and sustainability of the TA program. It focused on assessing DFAT's contribution, the effectiveness of the modality in working through a multilateral agency, and the satisfaction of partners and stakeholders. The evaluation was primarily undertaken to assess the TA's performance and provide insights into how the PPP Program could be strengthened and lessons for similar programs in the future. It also seeks to assist the Australian Embassy in Manila (DFAT Manila) to identify areas of future need in relation to PPPs in the Philippines and infrastructure development in general, and options for potential Australian Government support through other development cooperation activities.

2 Introduction

2.1 Program overview

The TA was partner-led, designed and implemented by the Asian Development Bank (ADB). The Philippines National Economic and Development Authority (NEDA) was the executing agency, while the PPP Center and the Department of Finance (DOF) were the implementing agencies.

The initiative was co-financed by ADB (USD 2 million), DFAT (USD 22 million), Canada (USD 4.2 million), Urban Climate Change Resilience Trust Fund managed by ADB (USD 3 million), and counterpart funding from the Government of the Philippines amounting to USD 83.93 million. DFAT's support for the TA spanned ten years (4 April 2011 - 31 March 2021). The ADB will continue TA implementation until 31 December 2022, after the end of Australia's arrangement.

The TA consisted of two components: i) Capacity Building which accounts for USD 4 million of Australia's contribution; and ii) a Project Development and Monitoring Facility (PDMF) which was a revolving fund co-funded by USD 18 million of Australia's contribution². The TA was designed to be

² USD1.88 million were later realigned to the capacity building component of the TA, as approved by ADB and DFAT.

responsive to the support needs of the Philippines Government with a great degree of flexibility to respond to needs and priorities.³

The TA aimed to improve the Philippine Government's capacity to promote, develop, and implement PPP projects. It aimed to help the Government achieve five outcomes:

- 1) improved the PPP enabling framework
- 2) strengthened the institutional set-up and capacity in PPPs
- 3) institutionalised PPP best practices
- 4) helped establish infrastructure investment financing and risk guarantee mechanisms to facilitate private sector interest; and
- 5) helped structure bankable PPP projects through sustainable project development financing.

2.2 Policy Context

The TA was designed under the Aquino administration (2010 – 2016) which sought ways to increase revenue and investment in the Philippines. It came into government during a constrained fiscal environment and a large infrastructure gap. As such, there was a strong shift towards using the private sector to fuel development, and strong optimism towards the use of the PPP modality. The TA sought to build on this momentum, and a large-scale program was designed in the context of the scaling up of the Australian Aid Program prior to AusAID's integration with DFAT in 2013.

At the time of design, governance issues, exposure to fiscal risks (particularly related to a host of unsolicited projects), and public concern with privatisation, were seen as barriers to the PPP modality. In addition, both public and private sector officials were unfamiliar with and unprepared to navigate PPPs. As such, the TA was designed to assist government in developing bankable PPP projects and to increase the capacity and transparency of government in administering PPPs. It was premised on the idea that government bureaucracy would struggle to fulfill this agenda without a significant boost. Strong support for the development of a PPP Program and the TA was present across the highest level of government. In accordance with this momentum, the early years of the PPP Program focused on supporting large national big-ticket PPPs for traditional infrastructure implementing agencies, such as the Department of Transportation (DOTr) Department of Public Works and Highways (DPWH), and specific sectors (such as transport, aviation, roads, and bridges) driving key legislative reforms.

The Duterte administration came into power in 2016, inheriting a good fiscal budget and liquidity, with significantly different macroeconomic and fiscal conditions to those inherited by the Aquino administration. The economic situation in 2016, including fiscal reforms and investment grade rating, enabled the Duterte administration to benefit from having fiscal space, better credit conditions, and strengthened bilateral relations that afforded them access to more assistance from China, Japan and multilateral agencies. While there remained a strong focus on infrastructure development, as illustrated by the *Build-Build-Build Infrastructure Development Program* under the Philippine Development Program (2017-2022), the Duterte administration had a greater portfolio choice on how to finance and implement infrastructure projects (i.e., government budget, government borrowings and private sector financing via PPPs).

³ The TA also included a financial arrangement with the International Finance Cooperation (IFC) for Advisory Services from May 2011 to June 2016, to the amount of AUD 4.5 million. The IFC component focused on development and implementation of individual projects to the selection of winning private investors and award of tenders, and on building government capacity through a learning-by-doing approach. The investment was assessed as successful, with its performance and contribution to specific PPP projects well documented in a separate report. As such this component was not included within the scope of the evaluation.

The five years of PPP Program implementation prior to the change in administration resulted in a maturing of approach to PPPs in the Philippines. These factors led to the Duterte administration adopting a more nuanced approach, whereby PPPs were seen as one of the options to financing infrastructure development, and borrowing and leveraging of private sector investment was considered on a case-by-case basis. A shift took place towards the use of hybrid modalities and unsolicited PPP projects. Recent developments saw the PPP option regain traction as one of the strategies to compensate fiscal challenges brought about by the COVID-19 pandemic, and to address infrastructure gaps across social and economic sectors in recovering from the pandemic induced economic shocks, as per the Updated Philippine Development Plan (PDP) 2017-2022⁴.

While the PPP Program continued to support national PPP projects, it expanded and shifted its focus on supporting Local Government Units (LGUs) and non-traditional clients⁵ to develop their capacity to administer smaller scale local PPPs. This trajectory was well aligned to the *Mandanas* ruling⁶ scheduled for implementation in 2022, that will result in a 56 per cent revenue increase (totalling approximately AUD 49 billion⁷ (PHP 1.8 trillion)) allocated to local government units to provide services and address infrastructure needs of populations residing in cities and regional areas. The Executive Order directing the full devolution of certain functions of the executive branch to local governments and Local Government Code (Republic Act No. 7160⁸) will spur a process of transition planning that will encompass capacity development of local government units and the devolution of projects to the local government unit level.

A timeline outlining key political economy developments and program events and developments is provided in [Annex 1](#).

2.3 Evaluation approach

A set of Key Evaluation Questions (KEQs) were identified in the Terms of Reference (TOR) for the evaluation, which were then further refined in the Evaluation Plan. While the findings were presented against the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) criteria in the main body of the report, [Annex 4](#) outlines how each KEQ was responded to in the report.

To answer KEQs, various lines of evidence were gathered from a range of sources. Data collection consisted of: a desk review of a wide range of program documentation; remote individual and group interviews through phone and video conferencing with a range of stakeholders based in Australia and the Philippines from 28 January– 11 February 2021; presentation of the aide memoire and feedback and verification meeting with DFAT post, ADB and Government of Philippines partners; written feedback on the draft evaluation report⁹.

In total, 31 interviews were conducted with different stakeholder groups including: Philippine partners (19); ADB (1); DFAT representatives (5); other Australian partners (2); Philippine private sector entities

⁴ NEDA (2021) Updated Philippine Development Plan 2017-2022, p. I-15 and Chapter 15 – Ensuring Sound Macroeconomic Policy

⁵ Non-traditional clients include for example state universities and colleges, economic zones and water district authorities.

⁶ Supreme Court ruling which provides that the just share of local government units from the national taxes is not limited to “national internal revenue taxes” collected by the Bureau of Internal Revenue (BIR) but includes collections (custom duties) from the Bureau of Customs (BOC). More information on the *Mandanas* ruling and its implications can be found [here](#).

⁷ Based on average Forex as of the time of the evaluation in February 2021: AUD1=PhP36.7

⁸ Local Government Code or Republic Act No. 7160 legislated the grant of local autonomy and devolution of powers to the local governments.

⁹ Written feedback was received from DFAT, the PPP Center, NEDA and the ADB.

(2); and Australian private sector entities (2). A full list of respond groups and individuals consulted is at [Annex 4](#).

During the course of the evaluation mission, the evaluator undertook a rapid assessment of the political economy of the state of PPPs in the Philippines as a basis for assessing the performance of the TA. Key findings of this assessment are presented throughout the document, including in Section 3.5 Relevance, and in the visual timeline provided in [Annex 1](#).

2.4 About this document

This main body of the report presents the findings, lessons learned and recommendations. More detailed information relating to the assessment of activities and program outcomes are provided in annexes to this report including:

- A timeline outlining key political economy developments and program events and developments is at [Annex 1](#).
- Results Charts detailing key results under each of the five program outcomes can be found in [Annex 2](#).
- A summary of PDMF data, including of feasibility studies and transaction advisory provided through the PDMF and number and status of supported projects for implementing agencies and local government, is provided in [Annex 3](#).
- A more detailed methodology is provided in [Annex 4](#).

3 Findings

3.1 Effectiveness

This section assesses the effectiveness of the TA and its two components broadly, highlighting the key outcomes to which the TA has contributed. An assessment and summary of results against the five planned outcomes of the TA is provided in [Annex 2](#): Results Charts.

The TA significantly contributed to the Philippines PPP business structure and the high capacity and excellence of government agencies which have strongly advanced the PPP Program. Project Development and Monitoring Facility (PDMF) support has resulted in the award of 12 PPP projects between 2011-2021 with a project cost of USD 2.9 billion (approximately AUD 3.7 billion) and the development of a credible PPP project pipeline, including at the local level. Overall effectiveness diminished to some extent due to the lack of an adaptive management approach and ADB's monitoring and evaluation systems. These issues are discussed under Section 3.5 Relevance, and Section 3.6 Monitoring and Evaluation.

The TA played a key role in strengthening the delivery, capacity and professionalism of the Philippines PPP Program which emerged as a leader in the region. The Philippines consistently ranked in the upper tier of the World Bank's benchmarking framework that assesses the quality of regulatory frameworks governing PPP projects¹⁰. It was ranked second in the 2018 Economist

¹⁰ Source: The World Bank, [Benchmarking Infrastructure Development](#) 2020. Thematic scores for PPPs in the Philippines include: Preparation (79), Procurement (58), Contract management (94), Unsolicited Proposals (75), noting the highest score is 100.

Intelligence Unit's ranking of Asian countries most conducive to PPPs. It also won a series of awards¹¹ which is a strong testament to the performance of the PPP Program.

A notable example provided by an international private sector firm through this evaluation was the high level of transparency and accessibility provided by the government as part of bidding processes, which reportedly affords private sector entities a high degree of confidence. The IT platform established with the support of the TA strongly promoted the transparency and reliability of the PPP process. Significantly, the PPP Center provided the middle ground for meaningful discussions between Government and the private sector. The TA contributed to this culture of excellence and professionalism by providing staff with opportunities to work with international experts and gain exposure to international best practice (as outlined in Section 3.3).

The Philippines saw a positive shift towards the PPP modality, which was not in favour in the years preceding the TA. It supported the Philippine government's advancement on promoting PPP as a mode of supplementing public resources and freeing up fiscal space that can be allocated to other important public services and recovery programs. The TA contributed to this by building up a new agency, PPP framework and modality. This saw the PPP Center establish policies and policy monitoring groups, develop the first PPP Strategic Plan which built the vision, mission and goals of the PPP Program, its scope of services along with the service structures and infrastructure to perform its mandate.

The TA has continued to strengthen the PPP Program and structures, iteratively developing the capacity of government partners to develop, administer, evaluate and contract PPPs in a more in-depth technical manner. The PPP guidelines, manuals, training modules and templates developed with the support of the TA have built awareness of stakeholders of the PPP modality and its value, including among national government agencies, implementing agencies, local governments and private sector partners. The TA contributed to strengthening the policy environment of PPPs with the creation of the PPP Governing Board, the overall policy-making body for PPPs in the country.

The TA was instrumental in ensuring a robust approach of national government in undertaking PPPs. There has been a significant improvement in terms of the assistance of government in supporting PPPs and their implementation, with reports that the perception of PPPs among government and community was changing as projects were opening up, and starting to bring benefit. The PPP Program successfully maximised private sector participation in building the country's infrastructure, noting limitations in the policy environment which has limited impact (discussed further in Section 3.3).

The TA provided capacity building support to the PPP Center, which is itself a capacity building agency. It helped the PPP Center to perform its mandate, with the benefits of the TA cascading outwards and downwards to clients of the various PPP Center services. Significantly, the PPP Center formalised and mainstreamed PPP Center capacity to its clients and providers, including non-traditional local partners. It developed its own PPP training modules, circulars and tools in evaluating unsolicited proposals to build the capacity of implementing agencies and local governments, and provide shared knowledge and resources with its clients in all stages of the PPP cycle. This increased the confidence and capacity of implementing agencies and local governments to prepare and evaluate projects and structure contracts. The impact of this is exemplified by key implementing agencies. such as the Department of Public Works and Highways which established and rapidly expanded their own internal PPP support unit and pipeline of PPP projects.

Effective improvements also took place at the local level, where the PPP Program increased its focus through the development of a local PPP strategy. It rolled out basic and more technical training

¹¹ Awards include: Best Central Government PPP Promoter - Gold Award Partnerships Awards 2014; Asia-Pacific Grantor of the Year IJGlobal Awards 2014; PH: Most-improved in Asia-Pacific for PPP Readiness INFRASCOPE 2014; PPP Agency of the Year - The ASSET Triple A Asia Infrastructure Awards 2015; and Best Central Government PPP Promoter - Silver Award Partnerships Awards 2016.

packages to local governments, prepared business cases hand in hand with local governments and national consultants supported by the TA and developed a compendium of PPP practices to support local governments to engage on PPPs through a step-by-step guide tailored to different sectors. Several local governments and non-traditional clients such as the University of the Philippines now consider PPPs to be a major development option. University of the Philippines developed a series of PPP projects, and at the time of writing were investing in building up their own internal capability to administer PPPs with only specialised and highly technical support required from the PPP Center.

DFAT provided USD 18 million (of which 16.1 million has been spent) to the PDMF¹², a revolving fund for PPP project preparation, which the PPP Center uses to prepare transactions using internationally recognised firms. It has developed the Philippine Government's transparency and capacity in administering projects, including project selection, evaluation, and bidding. The PDMF saw the development of a credible PPP project pipeline, core to demonstrating the Government's ability to use the PPP financing modality.

The effectiveness and value of DFAT's investment can be assessed from several perspectives including: i) the institutional capability built to administer high quality and transparent PPP projects; ii) the funds leveraged, and value generated by awarded PPP projects; iii) and the demonstrated viability and endorsement of the PPP financing modality. While the first two indicate a high level of value, the third holds some limitations.

i) The institutional capability built to administer high quality and transparent PPP projects

The TA helped to set up and institutionalise the PDMF with strong buy in and support from government to improve the technical capacity of PPP Center staff to prepare and evaluate projects to technical standards. The consultants engaged through the PDMF panels brought substantive benefit to supported PPP projects, particularly through the feasibility study process. For example, Ormoc City local government officials noted that when previously approached by private sector companies to undertake partnerships, they did not have the expertise in environmental analysis and infrastructure development to undertake the appropriate assessment and gather the data to determine whether to proceed with their potential water supply project. In the case of Lake Danao, they were unable to determine how quickly the lake would replenish after water was taken out, and as a result did not proceed with discussions with potential partners.

Feasibility Studies brought technical rigour to the assessment, and gave confidence and assurance that a project would not fail in the future. This was a particularly significant finding, with respondents noting that if concerns are not adequately identified and addressed at this stage and a mistake is made in the early stage, it could be very difficult to change course, with the Feasibility Study setting a project up for success or failure. From this perspective, the funds provided to the PDMF have been of significant benefit. This assessment would be further supported by comparative data outlining the differences in the quality of projects that went through the PDMF (i.e., in terms of social and environmental safeguarding and technical quality) compared to those that did not receive PDMF support. An exceptionally high degree of transparency was brought to the PPP process.

ii) The funds leveraged and value generated by awarded PPP projects

The support provided through the PDMF, and seed funding from DFAT, was effective in capitalising on momentum and jumpstarting PPP projects in the early years of the Program by expediting the procurement of pre-selected international consultants. These efforts resulted in seven PDMF-supported PPP projects (total investment of USD1.52 billion, or AUD 1.96 billion) being awarded during 2011–2015.

In addition, the project pipeline increased from 11 projects (USD3.3 billion, or AUD 4.25 billion) in November 2010 to 45 projects (USD23.2 billion, or AUD 29.9 billion) in March 2015. This robust PPP

¹² USD1.88 million was later realigned to the capacity building component of the TA, as approved by ADB and DFAT.

rollout sent a strong signal that the government intended to boost private investment in infrastructure¹³. From 2016-2021 a total of five PPP projects were awarded totalling USD1.38 billion (AUD 1.78 billion). Over the total life of the project, PDMF support resulted in the award of 12 PPP projects with a total project cost of USD 2.9 billion (AUD 3.7 billion).

It is difficult to compare the number and financial value of PDMF versus non-PDMF supported projects prior to 2010 as the PDMF did not exist. Over the project period from 2011-2021, a total of 21 PPP projects assisted by the PPP Center (both PDMF supported and non-PDMF supported) were awarded with a total project cost of USD 21.7 billion (AUD 27.9 billion). This can be compared to a total of six PPP projects awarded from 1992-2010. A total of 91 PPP projects were awarded between 2011 to the present, comprising both national and local PPP projects, 21 of which were assisted by the PPP Center and 12 of the 21 were PDMF-supported. This marks a substantial increase in the use of the PPP modality across the Philippines.

In addition to garnering private sector investments, the Philippine Government allocated USD17.24 million for the PDMF in the 2016 General Appropriations Act which essentially doubled the working fund provided by DFAT. PDMF resources increased due to USD13 million (AUD 16.7 million) equivalent contributions by line-departments. A further USD6 million (7.7 million) was reimbursed from four successfully bid out PPP projects. Over the course of the TA, a total of 12 PPP projects supported by the PDMF were awarded with an approximate total project cost of USD2.9 billion. This resulted in a range of services now available across the country, such as schools, airports, health centres and water supply projects (see [Annex 2](#)) that were likely to have had a tangible benefit across the country. This assessment would be supported by PPP project social and environmental impact monitoring. When viewed from an overall fiscal perspective, the funds and value of investment generated, and impact of development projects bid out from the PDMF, and implemented, indicates that DFAT's contribution was of high value and impact.

iii) The demonstrated viability and endorsement of the PPP financing modality

Effectiveness of DFAT's investment could also be considered in relation to the extent to which the TA has supported the successful promotion, adoption, and administration of the PPP modality in the Philippines and addressed constraints in the policy and operating environment. While NEDA approval rates (81 per cent) were touted as an indicator of success of the PDMF, this was but one milestone in the PPP project phase. Other milestones should have been considered such as the number of awarded PPP projects supported by PDMF, with signed contracts with the private sector, which is a total of 60 per cent). This measure could be considered in relation to the Department of Transportation (DOTr), which received considerable support through the PDMF.

DOTr had a total of 20 projects developed with funding support from the PDMF, with 16 out of 17 of projects approved by the main approving body for national PPP projects, the NEDA-Investment Coordination Committee (ICC). However, only 4 projects (20 per cent of total projects developed) were awarded. This may signal that the TA did not sufficiently work to understand and address the concerns of the private sector, or the concerns of the implementing agency in continuing the procurement and award of the developed projects, such as timing and political considerations. This resulted in DFAT's investment not achieving optimal impact¹⁴.

¹³ Source: [ADB Completion Report, Philippines: Expanding Private Participation in Infrastructure Program](#), September 2020, Pg. 1.

¹⁴ Feedback suggests a series of projects have not progressed due to private sector concerns on a lack of shared which reduces investor confidence. It should be noted that the government has established the Risk Management Program, which is funded annually in the government's budget. Another posited reason for the non-awarding of DOTr contracts is changes in policy stance following a change in leadership: many of the projects were airport projects, which were the subject of constantly changing policy of the agency on whether to proceed as solicited PPP or through ODA.

However, it is difficult to assess the success rate of DOTr PPP projects, and the implications of this for the TA, without having data on the status of each PPP¹⁵, comparative country data on non-PDMF supported projects (attempted versus awarded projects), or comparative data sets for countries meeting international standards. While the full benefits of the suite of supported PPP projects may not be known until the longer term¹⁶, limitations in award and implementation of PPP projects may hinder the government's ability to promote PPPs as a viable funding modality for both parties.

With the help of ADB national consultants, a PPP monitoring framework was developed and approved by the PPP Governing Board. This increased the PPP Center's database of PPP projects moving from 78 to 176 projects being tracked, and taking stock of all awarded projects.

The monitoring division of the PPP Center evolved to provide assistance in PPP projects under implementation, and positioned the PPP Center to answer these value questions more comprehensively in future.

3.2 DFAT's contribution

While it is not possible to separate out DFAT's specific contribution to the outcomes outlined above due to the pooled funding arrangement, DFAT can claim a high level of contribution. DFAT provided the majority share of combined donor funding (approximately 71 per cent). Its investment was pivotal in establishing PDMF panels and building momentum for PPP projects, particularly in the early stages of the TA. It also made a significant contribution to the Capacity Building component which was highly impactful and sustainable.

Australian expertise was well leveraged through the TA, significantly contributing to effectiveness and to improved bilateral relations. DFAT and Australian stakeholders contributed through a range of non-financial means, including through direction setting by DFAT, and the sharing of Australian expertise and lessons from practice by Australian firms. While downstream partners may not have been aware of the level of DFAT's funding contribution¹⁷, engagement by Australian agencies gave the TA strong Australian visibility. While Australian links were firmly formed in the first half of the TA, opportunities were missed to sustain and further embed Australia's strategic engagement over the entire life of the TA.

DFAT made an important contribution to the design by drawing on lessons learned in supporting PPP programs in other countries. It is credited with factoring in the political positioning of the PPP Center by considering and fostering its political clout to influence and commitment from the highest levels of government. DFAT also sought to promote a focus on Gender Equality, Disability and Social Inclusion (GEDSI) and social and environmental safeguarding over the life of the TA. While Philippine stakeholders were not well aware of DFAT's engagement in these areas, DFAT's prompting on inclusion and safeguarding as part of reporting was seen to have heightened a focus on these aspects.

Australian entities were engaged to share expertise through the TA, either by sending Australian experts to the Philippines, or by hosting Philippine partners in Australia. Australian firms and institutions played a large and highly valued contribution at critical points of the TA, particularly in

¹⁵ It is difficult to analyse the success level without data related to whether the other 12 projects have been discontinued, or are still under negotiation, and a window would need to be defined to undertake this analysis (i.e., number awarded within 12 months of approval).

¹⁶ This would require knowledge of how all supported PPP projects play out (i.e., are discontinued or contracted and successfully implemented), with many currently in various stages of development, and pre and post approval.

¹⁷ Interviews with Philippine-based respondents indicated that while closely supported national government partners such as representatives from the PPP Center had a firm understanding of the level of financial support provided by the Australian government, other partners at the national level and downwards at the local level (local government units were unaware of the level of Australia's financial contribution).

shaping and setting up the Philippine PPP Program, building foundational expertise and fostering early PPP projects. For example, GHD International (Australia) sent a team of consultants to help establish the structure and divisions of the PPP Center Capacity Building and Knowledge Management Service. They developed the first PPP manuals and templates which were touted as highly effective capacity building tools. Australian firms also led early TA initiatives to set up the PPP Center's Information and Communications Technology systems and infrastructure. The first pipeline of PPP projects were health and schools projects, supported strongly by Australian expertise. An Australian expert was brought to the Philippines to help establish the first health PPP project (an orthopaedic service), and in 2014 a team of Philippine health sector professionals visited a series of health projects in Australia. The Australian anti-corruption policies and standards by which Australian consultancy firms on the PDMF panel were bound were also seen to enhance the credibility of the PDMF panel.

Of particular note is the Twinning Partnership under the TA between the PPP Center and Infrastructure New South Wales (INSW), entered into in May 2014. The arrangement, which focused on knowledge sharing on PPP practices through roundtable discussions and site visits for PPP Center staff and their external clients, was regarded by country partners as highly valuable and instrumental in building capacity. The arrangement resulted in a range of tangible changes which positively impacted on the PPP policy discourse and capacity. For example, in response to initial resistance by legislators to the PPP Act, in November 2014, INSW and the PPP Center co-sponsored a Philippine-Australia PPP Policy Dialogue in Sydney, where INSW shared Australia's PPP experiences and best practices, including on processing of unsolicited proposals, bid approval processes, and PPP contract disclosures. The dialogue was attended by several Philippine Congressional Representatives and Cabinet Members to expose legislators to PPP best practices to support reforms in the amendments to the Build Operate Transfer (BOT) Law being advocated by the PPP Center. The visit reportedly helped to build an appreciation of PPP as a Program, garnered recognition of the need for supportive legislation, and shifted the dialogue from whether to use a PPP modality to the types of PPP modalities available. In March 2017, two PPP Center staff and two Department of Transportation (DOTr) staff participated in a study visit to INSW in Sydney to learn about how INSW manages its PPP projects over the project life cycle. During the visit, staff learned about the role of public sector comparators in Value for Money analysis and obtained skills in actual project processing and contract management, which are now being applied to their work at the PPP Center. Due to changes in staffing at INSW, the twinning arrangement is no longer active¹⁸.

The Australia Awards Scholarship Program also effectively aligned with and contributed to program outcomes. In addition to facilitating short courses, four scholarships were provided to PPP Center staff. Alumni and their supervisors reported the courses to be highly relevant and practical, strongly contributing to the technical skills of alumni which has benefited the PPP Center. For example, one alumnus who undertook a Master of Law at the University of Melbourne, learned about Australia's best practices in relation to the use of Alternative Dispute Resolution (ADR) in PPP projects. Since completing his scholarship and returning to the Philippines in December 2020 he has led efforts to develop ADR guidelines, which includes establishment by implementing agencies of their respective dispute review boards under the contracts. Success can be partially attributed to the strong alignment of the Australian Awards Philippines (managed by then Coffey International Ltd¹⁹) to the infrastructure development sector. Active engagement of key partner Carnegie Mellon University also contributed. It worked to establish ongoing relationships with Philippine partners, develop a

¹⁸ The arrangement has not been renewed as the INSW staff person with which the PPP Center and ADB were liaising has left, and despite attempts to renew this arrangement, the PPP Center and ADB have been unable to forge a link with another staff member.

¹⁹ Coffey International Ltd was fully merged with Tetra Tech in 2016.

sound understanding of the context including the legal and regulatory environment, and develop tailored subjects and internships to meet priority needs.

A high level of effort was placed in facilitating Australian engagement in the first half of the TA (2011-2015). However, during the second half of the program, DFAT missed opportunities to further nurture and extend links and identify ongoing entry points for Australian private sector engagement. Austrade, ADB and DFAT collaborated effectively to host a series of PPP policy dialogue sessions and roadshows in Melbourne and Sydney in 2014 and 2015 aimed at garnering private sector investment and involvement in the Philippines including Australian firms on the PDMF panel. After these arrangements were put in place, Austrade and the PPP Center continued to present investment, construction, and consulting opportunities in PPP projects to Australian construction and investment firms. However, DFAT did not appear to have pursued a joined-up whole of government strategy for encouraging Australian private sector investment and bidding of PPP projects in collaboration with Austrade under the TA.

Additionally, while the PPP Center attempted to renew its twinning arrangement with Infrastructure NSW with the help of a probity advisor, it was unsuccessful. DFAT did not appear to have played an active role in supporting this process. DFAT's diminished engagement is likely due to: the strong start of the Program, which appropriately linked Australian firms at the outset; the TA's ten-year timeframe which did not see a refresh; the lack of embedding a partnership approach into the design, which would have delineated DFAT's role in the TA, or prompted DFAT to revisit its engagement; and the lack of provision for DFAT resources and personnel (discussed in Section 3.3).

3.3 Efficiency

The modality of working through the ADB was highly effective in terms of meeting the support needs of partners and delivering a flexible fit-for purpose program of support that was well suited to the high level of capacity among Philippine government partners. While the benefits of the modality far outweighed associated limitations and inefficiencies, there were missed opportunities for both DFAT and ADB to strengthen engagement and develop a more comprehensive partnership approach.

The TA was well aligned to the needs and priorities of the Philippines PPP Program. It contributed to its set up and launch of its strategy, the development of specialised skills, resources, and PPP business case initiatives. This support enabled country partners to amplify their work and reach a greater number of local government units, and respond to the evolving needs of clients as insights related to issues and needs emerge. ADB adopted an excellent approach in assessing and responding to needs when delivering TA, considering the needs of the centre as a whole, in addition to the needs of particular services, providing tailored and holistic support. The approach was appropriate given the high level of maturity of the PPP Center and its strong internal systems that supported systematic capacity assessment and needs identification and prioritisation. A mature and equal partnership was established between ADB and Philippine government program partners.

A series of success factors contributed to the success of TA activities facilitated by the ADB. Having an ADB Advisor located at the PPP Center was highly beneficial. The TA has also engaged a range of high-quality consultants and firms²⁰, providing access to a diversity of technical and sectoral experts. Capacity building support brought experts to the Philippines, and supported Philippine stakeholders to visit other countries for practical exchange and exposure visits. It targeted a diversity of stakeholders in capacity development, including implementing agency and local government unit representatives in addition to direct counterparts. For example, it launched training on legal

²⁰ One respondent from a national implementing agency noted that in the early years, the quality of some of the consultants on the panel was low, though stated that this issue was addressed over the years.

principles and provisions to ensure both private sector and government parties contribute to safeguarding, inviting both PPP Center lawyers, and lawyers working for local government units on PPPs. Another element key to the success of the TA was that it did not solely focus on the technical aspects, but also built the supportive elements such as public communications, information technology and knowledge management.

While overall, national counterparts and other program stakeholders were highly satisfied with the support provided, some issues were highlighted during consultations for this evaluation. Some respondents reported an overweighting of Project Development and Monitoring Facility (PDMF) panels towards international consultants, with some firms not perceived as having sufficient appreciation of the local and national contexts and institutional dynamics and arrangements, resulting in a lack of contextually applicable solutions²¹. The TA sought to address this issue, to some extent, by increasing the number of local consultants on the panels. It should also be noted that the exposure to international best practices in PPPs facilitated by the TA was commonly cited as one of the most significant benefits of the TA.

DFAT was responsive and flexible in its approach to budget allocation and re-allocation when changes were required. Its contribution for equipment and IT procurement was critical as ADB's systems did not easily support spending in these areas. DFAT's support in these areas contributed to efficiencies, particularly in the context of the emergence of the COVID-19 pandemic in 2020, as the PPP Program pivoted to carrying out capacity building, including of local clients, through online and e-learning platforms. DFAT funding also enabled the PPP Center to set up online platforms which has supported coordination between national and local partners. For example, domestic and international COVID-19 travel restrictions in the Philippines made it difficult for consultants to obtain data for feasibility studies, with local partners taking on some activities in this area, guided by national and international agencies. Online platforms enabled regular meetings to support this process, and reduced delays in developing and progressing PPP projects.

The TA was fit for purpose at the time of its design in 2010, drawing on the strengths of the ADB and donors, and well positioned to the political economy context. The design however did not have a formally articulated partnership approach which documented the roles and expectations of both DFAT and ADB in terms of partnership and program engagement. Over the course of the ten-year period, there was a turnover of program staff within both DFAT and ADB, resulting in ad hoc and diminished levels of engagement in some instances. For example, while ADB and DFAT carried out joint review missions in 2012, 2013 and 2014, this practice appears to have been discontinued. Furthermore, while several partnership meetings were agreed, these were not outlined in the co-financing arrangement, and the ADB has not ensured these meetings have been systematically convened. For example, in 2017 an agreement to conduct tripartite meetings between the ADB, the PPP Center and DFAT was reached. However, tripartite meetings were not conducted regularly, but were arranged in response to requests and needs, rather than serving as purposeful oversight and governance mechanism, diminishing efficiency to some extent²².

Despite being the administrator of the funds, the ADB also did not drive the convening of joint donor meetings on a systematic basis²³. While the TA's progress was reported to the government (PPP Center, NEDA and DOF) and ADB via the Technical Advisor's quarterly progress reports, the TA was not supported by a joint Government of Philippines, ADB and donor governance mechanism, which could have brought donors and implementing partners together to discuss progress and issues arising from monitoring and reporting. Such a mechanism could have helped to address challenges

²¹ During evaluation consultations, NEDA noted that the PPP Center may consider revisiting the implementation arrangements of the PDMF, in favour of involving more local consulting firms.

²² Meetings have been called for example when the PPP Center is seeking to discuss a particular proposal. No TOR or formally mandated process is embedded.

²³ It is reported that while joint donor meetings occurred in the earlier years, this practice ceased over time.

relating to political and policy matters, and the low utilisation of DFAT contribution to PDMF²⁴. As part of evaluation consultations, NEDA also noted that such a mechanism would be desirable and support monitoring, review of targets and sharing of results from reports. The lack of a formal joint governance mechanisms for DFAT and other key stakeholders to discuss and elevate issues, potentially hindered the TA's ability to optimally identify and mitigate risks and issues, and as a result, diminished overall efficiency.

The TA saw efficient use of resources in the first half of the Program period. However, 2016-2021 saw several delays in expenditure, and Australian funds were unspent for large portions of this period. This was largely due to challenges resulting from a change of administration and government staff turnover that were beyond the program's scope of control. This is to be considered part and parcel of working with and through government systems and an unavoidable consequence given the extremely high level of change and upheaval taking place at the time of transition. For example, with regards to the PDMF component, a range of large-scale PPPs were cancelled due to their association with the previous administration. Executives from line agencies required to sign off on milestones before PDMF funds were able to be expended, delayed the sign off on payments due to uncertainty on the new administration's perception of PPPs, creating stagnation as funds did not move.

Delays in this area had flow on effects as the PPP Center was not able to push line agencies to spend funds and move projects to the next level, or to reallocate funding for other projects, despite knowing that some projects would not proceed. Thus, while in theory funds could have been spent faster, in practice the PPP Center could not move some projects forward due to factors outside its control. With regard to capacity building, the PPP Center experienced a significant loss of staff during 2016, losing 32 out of 100 staff through resignation and retirement. While the underspend issues related to capacity building were addressed in 2020, there were challenges in doing so earlier due to COVID-19, and the need to pivot to and set up online and hybrid capacity development platforms. Further amendments in 2020 appropriately reallocated funds to the capacity building component which helped in lowering the amount of unexpended Australian funds upon the TA's completion in 2021. DFAT and ABD managed these issues soundly, and to the extent possible considering limitations in the operating environment.

The TA was designed prior to the integration of AusAID and DFAT and was envisaged in the years of the scaling up of the Australian aid program. The modality was selected in part due to its ability to program relatively large amounts of funding. While playing a strong role in the set-up of the program, DFAT did not maintain the same level of proactive engagement over the life of the initiative, and did not have a joined-up Australian whole-of-government strategy or an integrated policy agenda. Opportunities were potentially missed to better leverage DFAT's technical expertise in health and in social infrastructure projects.

In hindsight, and for future programs, there is opportunity for DFAT to clarify the type of partnership it is seeking when working through multilateral institutions, be it of close strategic and technical engagement, or a more hands-off arrangement, and ensure this is reflected in a formal partnership agreement or co-financing arrangement. There are clear benefits to enhanced DFAT engagement, which positions DFAT to access more up to date information, be more informed of the different sectoral areas DFAT has interest in, increase its visibility to partner governments, and broaden its network and access to partners. However, an enhanced approach would need to be mandated by senior levels and more strongly resourced.

While overall, the ADB performed strongly and the modality of funding through a multilateral institution has been effective, some limitations exist in garnering DFAT participation in program

²⁴ Proactive monitoring of utilisation commenced in late 2017-2018 when it was clear that DFAT funds were not being fully utilised. Proactive monitoring of utilisation commenced in late 2017-2018 when it was clear that utilisation rate of DFAT funds did not meet annual targets.

governance and oversight (discussed above). While DFAT funding saw good visibility among directly funded partners such as NEDA, it did not achieve high visibility across national government or downstream partners. Furthermore, ADB's Monitoring and Evaluation (M&E), reporting and management systems did not support adaptive management and program evolution well, somewhat diminishing relevance and effectiveness as outlined in Sections 3.5 and 3.6. This also created challenges for DFAT in meeting internal reporting requirements. There was opportunity for ADB to draw on its own internal expertise and resources more strongly. For example, the ADB could have leveraged and aligned with other units, such as the renewable energy division, and Office of Public-Private Partnership which provides transaction advice to PPP projects in the Philippines including on joint venture projects. Sharing of insights into why PPP projects are structured in certain ways, and how standards can best be integrated, would have been of particular benefit to PPP Center staff.

3.4 Inclusion and safeguarding

A strong policy and resource foundation was built for inclusion and safeguarding along with a high level of awareness and commitment among stakeholders. Some progress was made in embedding inclusion and safeguarding across various PPP stages, by including provisions in terms of references (TORs) and contracts supported by the Project Development and Monitoring Facility (PDMF) which sought to clarify related outputs, and by factoring inclusion and safeguarding into the review of bids. Additional effort would be required to build more specialised technical and sectoral capacity, and to introduce monitoring and accountability measures to ensure inclusion and safeguarding are firmly embedded across PPP projects.

Strong progress was made in gender equality which was well prioritised over the life of the TA, despite the design not encompassing an articulated gender strategy and approach. The TA supported gender-related policy and direction setting by the Philippines PPP Program following the release of the Investment Coordination Committee Policy on Integrating Harmonized Gender and Development Guidelines in the ICC Process (2016)²⁵, and the PPP Governing Board Resolution on Mainstreaming Environment and Social Safeguards (2018). PPP Program stakeholders, including PPP Center and implementing agency staff were well sensitised to gender inclusion principles through a range of training opportunities. In 2014, Australian company GHD International () developed a seminal toolkit for mainstreaming gender across the PPP cycle which contained useful prompts and checklists for implementation.

TA activities and efforts by government partners and funders²⁶ contributed to enhanced gender systems and capacity across the PPP Program. While these efforts had not yet resulted in gender inclusive PPP projects across the board at the time of writing, there were some pockets of inclusive practice. For example, some constructed facilities included separate toilets, more restrooms for women, and diaper-changing areas and breast-feeding stations in airports. The Automatic Fare Collection System Project also saw women regularly participate in technical working group meetings to address gender concerns related to the design of machines and equipment in infrastructure construction projects.

At a systems level, all PDMF transaction advisory contracts required a social safeguard assessment and mitigation plan in PPP projects, supported by the PDMF to ensure gender responsiveness is integrated. PPP project contracts also contained output-based specifications²⁷ included in Annex 6 - Minimum Performance Standards and Specifications (MPSS), of the PPP Project Contract. However,

²⁵ This was not an output of the PPP Program.

²⁶ ADB is credited with contributing through its strong gender policy, the Canadian Government with ensuring a focus on gender in the design, and Australia through a focus on reporting and sharing valuable lessons from practice.

²⁷ Specifications outline what is required from the private sector entity to comply with output requirements such as compliance with gender inclusivity standards.

standards were not comprehensively detailed and tailored to the specific type of project, and input specifications as to how the private sector entity should comply with the standards was dependent on the private sector entity. Hence there were examples of variable practice as a result of different levels of private sector gender expertise and capability. In addition to building the PPP Center's capacity to more fully detail GESDI requirements and specifications according to project type, the Center would also benefit from support to monitor private sector compliance through more specialised GESDI support.

Given that the program started building foundational capacity in PPPs only ten years earlier, it is perhaps unrealistic to expect a high-level gender inclusion tailored to the technical and thematic specifications of PPP projects after only ten years. However, achieving, documenting and showcasing gender inclusion across a handful of PPP projects would have been a stronger result for the TA, and may have occurred if more focus and resourcing on gender equality had been provided. Nevertheless, the positive developments and progress in the area of gender equality were not small or insignificant, particularly in the area of infrastructure development which can be a difficult sector in which to make gains.

Disability inclusion was not as well progressed by the TA, and there were missed opportunities to integrate disability inclusion more strongly into policy, guidelines, and capacity building. Disability inclusion is referenced in the PPP Governing Board Resolution on Mainstreaming Environment and Social Safeguards (2018)²⁸ and the National Government Agency (NGA) Guidelines for Gender Mainstreaming in PPP Projects²⁹. While policy and guidelines were set a high-level mandate for disability inclusion across PPPs, the practical steps and mechanisms to facilitate disability inclusion in the scoping, design, planning, and monitoring of PPP projects were not sufficiently detailed. For example, building on the approach taken to gender mainstreaming, examples of strategies could have included: forging networks and Memoranda of Understanding or contracts with disabled peoples organisations to provide advisory support, capacity building of government and private sector partners and accessibility audits; set up committees with membership of people with disability to review PPP Center policies and guidelines, and discuss issues and complaints on construction and service delivery related to specific projects: and contributed solutions to enhance service performance.

It is noted however, that a handful of PPP projects did include accessible facilities. For example, in the Mactan-Cebu International Airport New Passenger Terminal Building Project washrooms and elevators took into account unassisted requirements of people with disability, such as electric doorknobs and accessible elevator buttons. The Clark International Airport Project built accessible toilet facilities and offers free services at all passenger terminals including mobility carts and wheelchairs. The Southwest Integrated Transport System Project provides accessible facilities including separate toilets, ramps, signage, handles and parking areas. However, as outlined above in relation to gender equality, these outcomes cannot be wholly attributed to the PPP Program or TA as while contracts specify that inclusion standards must be met, the input specifications on how to comply with these standards are not comprehensively detailed or nuanced to each project type, with the level and quality of inclusion dependent on the capacity, expertise and drive of the private sector partner³⁰.

²⁸ The [PPP Governing Board Resolution 2018 12-02 on Mainstreaming Environment and Social Safeguards](#) includes people with disability as a vulnerable group requiring protection and consideration (see Section 4 Safeguarding Scope, Pg. 3) and references disability inclusion in the annexes, such as by providing examples of disability inclusion in MPSS and KPIs.

²⁹ The [NGA PPP Manual, Vol. 4, Annex 4 on Guidelines for Gender Mainstreaming in PPP Projects](#), 2014, requires that project design integrate proposed strategies and measures to avoid or mitigate the significant potential impacts of the project on people with disability, and monitor and evaluate the benefit of the PPP project to people with disability (see General Procedures for Mainstreaming Gender in PPP Projects, Pg. 5).

³⁰ One private sector partner who designed strongly accessible procedures asserted that this was solely due to their own impetus, and was not required by the PPP project contract specifications.

Australia is well placed to contribute to disability inclusion in a future program, such as by promoting links and partnerships with Australian firms leading in universal design standards for accessibility for particular types of infrastructure development projects, and opening training opportunities up to program partners³¹.

The PPP Governing Board Resolution on Mainstreaming Environment and Social Safeguards (2018) strongly mandated social and environmental safeguarding. The guideline aimed to support implementing agencies to integrate safeguarding in: the development phase by identifying applicable laws and regulations to ensure safeguards were considered in Feasibility Study and design; the review and approval phase by ensuring safeguards are appropriately identified and mitigated; the procurement phase by ensuring safeguarding provisions are reflected in the contract; and into monitoring and feedback mechanisms to ensure safeguarding measures are embedded and complied with. There was a high level of awareness of safeguarding requirements, with PDMF consultants providing valuable inputs related to social and environmental safeguarding assessment through Feasibility Studies, and the TA building capacity on safeguarding through targeted sessions and trainings.

There were examples of strong environmental safeguarding practice within PPP projects. For example, the Lumbo Spring Bulk Water Supply Project, led by two implementing agencies (San Pablo City Water District in Laguna Province, and Dolores Water District in the Province of Quezon) involved the financing, construction, operation, and maintenance of the bulk water facility. Key components included: source development; installation of transmission pipe gaps from the Lumbo Spring to province delivery points; and supply of 12,000 cubic meters of water per day to each of the provinces. It incorporated three environmental safeguarding measures: i) construction of slope protection along the edge of the spring to prevent water turbidity³²; ii) a requirement that the private sector partner monitor the actual yield and submit a monthly report of the spring production³³; and iii) a requirement that the private sector partner remit 2 per cent of its total gross revenue as an environmental protection fee that will be used for the conservation of the watershed along the Lumbo Spring water source.

The focus on safeguarding can be expected to grow and strengthen, with high impetus to drive climate resilient infrastructure projects, particularly among local government units. The PDMF Panel of Consultants for Resilient PPP Projects of Local Implementing Agencies³⁴ was well positioned to support smaller local projects in this area. Several issues relating to safeguarding did not receive sufficient attention by the TA. Displacement safeguards related to Right of Way acquisition including of informal settler families posed a significant challenge for several private sector companies who bore financial costs from lengthy delays³⁵. While such safeguarding protections were appropriate and necessary, the TA potentially could have been directed to support stakeholders implementing agencies including for unsolicited PPPs, and the PPP Center) to analyse issues likely to result in delays and work to build capacity of implementing agencies to progress resolutions. DFAT and partners also should have been mindful of positive biases in the TA that risked doing harm. The TA was designed to build a pipeline of PPP projects, with a government respondent raising concern that Feasibility Studies were geared towards requiring consultants to identify safeguarding measures to

³¹ It was reported by a DFAT Canberra-based official various DFAT programs have a practice of opening up disability inclusion training sessions and capacity building initiatives to multilateral partners.

³² During heavy rains, suspended solids increase, which affect water quality and result to a higher turbidity reading. High turbidity would require more treatment and would result to additional expense on the part of the private sector partner

³³ This seeks to ensure that the extraction rate of water does not exceed the allowable volume indicated in the water permit, and sustainability of the water spring source.

³⁴ A PDMF panel of experts that provides advice in the development, preparation, and tender of climate change-adaptive and disaster risk-resilient PPP Projects of local implementing agencies.

³⁵ Several private sector respondents reported three-year delays, with no update on outcomes or resolution timeframes (noting implementing agencies hold responsibility for progressing and addressing Right of Way issues for PPPs under their purview).

move projects forward, rather than placing equal emphasis on the option to recommend that a project not proceed if significant safeguarding concerns are identified³⁶. The ADB is urged to explore this issue as part of its final evaluation of the TA.

The next stage of the PPP Program's journey required the development of more specialised technical capacity and resources in inclusion and social safeguarding to support different types of sectors and projects. Policy and guidelines required the incorporation of GEDSI considerations into Minimum Performance Standards and Specifications (MPSS)³⁷ and key performance indicators. However, further effort is required to formulate and integrate standards into contracts targeted to different technical and sectoral areas (i.e., facility type) to ensure private sector partners track and report on inclusion and safeguarding and are appropriately held to account for delivering in these areas.

There is also recognition that the PPP monitoring component must go beyond monitoring of contract deliverables to assess the positive and negative impacts at the community level, including from a GEDSI and social and environmental safeguarding perspective, which includes a consideration of the longer-term impact on indigenous people and resettlement impact.

3.5 Relevance

The TA was designed for an era where there was strong political support, and faced challenges when there were significant changes in policy direction. While the TA responded to aspects of the changing context and supported the Philippines to harness PPPs to meet critical infrastructure development needs, undertaking a more formal TA strategy realignment upon a change in the policy environment may have resulted in a more targeted approach to advancing the PPP modality in line with government directions, addressing bottlenecks and extending the gains of DFAT's investment.

The TA continued to meet government priorities to address infrastructure gaps constraining development. The 2010-2016 Aquino administration saw a new emphasis on infrastructure as a key driver of equitable development with PPP identified as a key component of an overall growth strategy. The PPP Program thrived in this enabling environment, driving reforms and successfully stimulating the development of the Philippines' PPP market and national infrastructure development projects³⁸. While the government's policy direction shifted in 2016, as outlined in Section 2.2, the TA remained relevant to the Duterte administration's (2016-2021) focus on infrastructure development, captured in the government's Build-Build-Build infrastructure program under the Philippines Development Program (2017–2022).

The TA supported advancement of strategies embodied in Chapter 19: Accelerating Infrastructure Philippine Development Plan (PDP) 2017-2022, particularly on improving the government's PPP Program as a vehicle for private sector participation in financing infrastructure projects. It assisted in providing a strategic direction to address bottlenecks in PPP planning and implementation through framing infrastructure development strategies and building government institutional capacity. The PPP Program was also reflected in the government's "0-10-Point Socioeconomic Agenda".

³⁶ This is contested by the PPP Center which states that PDMF-supported Feasibility Studies Typically contain exhaustive project implementation options, including concerns and mitigation measures, and analysis as to why the project may not be suitable for PPP implementation. It is then up to the implementing agency to decide on whether to proceed with the project.

³⁷ The MPSS details the minimum technical specifications and minimum required performance levels of a project based on the demand study, as well as existing local and international industry standards and best practices. These could also be based on local laws and building regulations as well as service level targets determined by the NGA.

³⁸ The Philippine PPP Framework and Programme; An OECD Review in co-operation with the Government of the Philippines, January 2016, Pg. 14.

The TA and its focus gained increased relevance in the context of the COVID-19 pandemic of 2020-21. The TA remained pertinent to addressing health infrastructure gaps brought into focus through COVID-19. The TA built a foundation as the government strives to implement the strategies espoused in the updated Philippine Development Plan 2017-2022, particularly on encouraging greater private sector involvement to compensate for the narrower fiscal space brought about by the COVID-19 pandemic. The strategy was expected to ease the pressure on the national government's fiscal position. PPP could also supplement the limited capacities in project implementation at the local government level.

The TA was aligned to the Australian Government's Philippines COVID-19 Development Response Plan, Partnerships for Recovery, which focused on health security and economic recovery. The TA was consistent with the Australian Government's Foreign Policy White Paper (2017) and the previous strategy underpinning Australia's aid program to the Philippines (2015-2018) which had a focus on infrastructure development and economic growth. It was also consistent with the ADB's Strategy 2008-2020 (Strategy 2020), with infrastructure being one of ADB's five core operational areas.

While the early years of the Program (2011-2015) saw impressive momentum and success, efforts did not come to the same level of fruition in subsequent years (beginning 2016 to about 2018) due to a change in policy environment. It was perhaps expected that the success and momentum from previous years would continue. In hindsight, respondents commonly highlighted the political nature of PPPs, and lessons learned around the need to listen to and realign to a new government's brand and vision of PPPs.

The current Duterte administration's vision shifted towards unsolicited PPP projects and hybrid modalities, and held concerns for the PPP modality related to contingent liabilities³⁹. The TA supported work in these areas⁴⁰, and DFAT approved the use of Australian Government funds for unsolicited projects, with capacity to evaluate unsolicited proposals strengthened. Partner agencies have also gained insights into planning hybrid-projects⁴¹. The TA also adapted in response to the change in administration in 2016 through the formulation and launch of the PPP Center's Local Strategy with a refocusing TA support to developing local PPP projects⁴². However, a formal political economy analysis and repositioning of the TA upon a change of administration in 2016 was not undertaken by the ADB, such as re-setting of TA objectives and outcomes (in line with the new administration's brand of PPPs), and the inclusion of other components such as high-level government engagement and communication on PPPs.

A reset would have enabled the TA to better listen to and align with the policy direction of the Duterte government. For example, a stronger and earlier pivot to unsolicited proposals such as assisting the Philippine government to establish a framework for estimating contingent liabilities may have been more relevant, and yielded an increase in the number of PPP projects by addressing

³⁹ The lack of framework to enable government to estimate contingent liabilities reportedly made government hesitant to enter into contracts with the private sector, and assign a disproportionate amount of financial risk to the private sector, who in turn were less willing to take on large scale infrastructure projects.

⁴⁰ For example, repositioning of the TA upon the change in Administration led to the formulation and launch of the PPP Center's Local PPP Strategy, increased emphasis on new, non-traditional sectors such as health, water and sanitation, solid waste, waste-to-energy, renewable energy, green vertical infrastructures and tourism and PDMF support for evaluation of unsolicited proposals and for hybrid PPP operations.

⁴¹ With regards to hybrid projects, NEDA recognises the importance of planning the projects as a whole, which implies that operation and maintenance shall be an integral part of project planning and project structuring, instead of being dealt with post-construction.

⁴² Typically, for similar DFAT projects that are strongly shaped by political-economy factors and work closely with national governments, administering partners hold responsibility for conducting political economy analysis throughout the initiative in consultation with key stakeholders, and for revising and adapting a program's strategy to align with key changes in the context.

issues that prevented private sector firms from entering into contracts⁴³. The development of a mechanism was needed, that prioritised and communicated PPP projects in which the government is seeking private sector engagement (by sector, facility type, location) which would have ensured targeted unsolicited proposals in line with government needs, and could have built government expertise to evaluate the technical dimensions of priority projects would perhaps have better positioned the PPP Center to perform its intermediary role more strongly. This also would have served to facilitate more meaningful discussions between government and private sector entities and ensure the program's relevance to government⁴⁴. While the TA provided some support in the area of unsolicited proposals⁴⁵ a more extensive pivot may have resulted in enhanced effectiveness.

In response to these limitations in the enabling environment and opportunities at the local level, the PPP Program re-calibrated initiatives, shifting towards supporting local governments and local-level non-traditional clients to develop and advance a diverse range of smaller-scale PPP projects. In 2017, the PPP Center launched the Local PPP Strategy which included the roll out of in-house, project-based assistance and partnerships with training institutions. Of particular note was the business case initiative tool developed to build local government capacity, which adopted a collaborative learning by doing approach⁴⁶.

The PPP Center also established a separate PDMF Committee for local projects and a new panel of consultants for local resilient PPP projects. DFAT in turn, agreed to amend the use of Australian Government funds for the PDMF for local government projects. Utilising this support, two local government PPP projects were awarded, one was tendered, and two feasibility studies were completed, and 10 local government units PPPs were under development at the time of writing⁴⁷. This approach enabled the PPP Program to target local implementing agencies and local government units outside of Metro Manila⁴⁸ in areas where the benefits of PPP projects would also be experienced outside the capital city, directly responding to Government priorities to disperse benefits to the regions. This well positioned the government of the Philippines to respond to the decentralisation established by the Mandanas ruling, that will result in a substantial increase in devolved funding to be re-allocated from national agencies directly to local governments to meet local infrastructure development needs in 2022 as outlined in section 2.2.

3.6 Monitoring and Evaluation

The TA's monitoring and evaluation framework, designed and administered through the ADB, remained relatively rigid and did not produce sufficient qualitative information and analysis, or appropriately evolve over the 10-year Program period to enable DFAT to effectively tell the TA's

⁴³ It is noted that this issue is also affecting PS. For example, several private sector companies are reportedly not entering into contracts as the risks are perceived to be unfairly weighted towards private sector entity. The timeframes for unsolicited proposals are too lengthy, with several private sector firms stating it had been three years without receiving a response on proposals.

⁴⁴ Private sector firms recommended that PPP Center also play this role for unsolicited projects, noting challenges in dealing with implementing agencies directly without the support of the PPP Center, and not having an ally in government, with proposals not kept track of, and issues and delays left uncommunicated to private sector.

⁴⁵ This occurred through: i) the passage of the PPP Governing Board Guidelines on Managing Unsolicited Proposals under Republic Act No. 6957 as Amended by Republic Act No. 7718; and ii) introducing amendments to the PDMF Guidelines to allow assistance to implementing agencies in evaluating and negotiating unsolicited proposals.

⁴⁶ Under the tool, national consultants and Program Development Service staff work side by side with a local government unit, where they are in charge of developing a business case for local government units. The process draws on the team's experience in handling national projects. The success of the approach is due to its collaborative and practical nature, whereby trainers and local government unit staff have a similar skill set and are working and learning together on small projects, learning and building confidence over time.

⁴⁷ ADB report, Pg. 6.

⁴⁸ Such as water districts and authorities, special economic and tourism enterprise zones.

performance story or make evidence-based investment decisions. The TA's monitoring and evaluation could have been strengthened by more strongly drawing on and analysing PPP Center data as part of political economy monitoring, linked to strategy testing and development.

The TA design was developed through the use of ADB's systems and processes, and does not have an articulated Program Logic or Theory of Change typically required by DFAT-led design processes. Rather, a broad set of outcomes were established from the outset and retained, guiding the TA over the course of the ten-year period. The five outcomes provided a strong shared vision and foundation for focusing the TA's efforts. They were used as a basis for reporting against outcomes, with the Design and Monitoring Framework (DMF) structured around the five outcomes. The DMF was periodically updated, with new activities, targets and indicators, and timelines set under each outcome. However, this did not occur in the context of the attainment of increased funding, resulting in the bar being set too low.

While monitoring and evaluation and TA reporting tell DFAT where and how the money was spent, it did not provide the full performance story, including quality of the intervention and development outcomes nor did it generate sufficient data to enable DFAT and the PPP Center to track against key markers such as efficiency, relevance and sustainability. For example, the data provided does not speak to the ownership and credibility of the Project Development and Monitoring Facility (PDMF), the capacities built among Philippine national counterparts, and how these in turn have impacted on the quality and effectiveness of various stages of the PPP business cycle, or on particular PPP projects.

Furthermore, Program reporting is largely descriptive rather than analytical. For example, information was provided on the number of projects competitively tendered, awarded, and reaching financial close. There was little qualitative analysis of key trends such as why projects are or are not moving to approval, or being approved, progressing to award and successfully contracted, or being implemented and closed out according to established timeframes. This is limited analysis of the value of the PDMF⁴⁹ in project reporting to DFAT, such as whether it was resulting in a high number of PPP projects reaching approval and contracting phases, or whether it improved safeguarding measures when compared with non-PDMF supported projects. The social value created by PPP projects was also not captured in monitoring and evaluation or reporting. This created challenges in assessing the value of DFAT's contribution beyond one-dimensional metrics such as the number of PDMF-supported projects awarded to date and the dollar value generated, and hindered DFAT's ability to recommend program enhancements and make evidence-based decisions regarding its investment. The absence of analysis on this front also downplayed the PDMF value in adopting its guidelines to cater to local governments, or enabling support for joint-venture structures and expanded unsolicited proposal evaluation.

These issues also appeared to stem from the lack of an appropriate monitoring and evaluation framework in the original design which was guided by quantitative data tracking, and did not meet DFAT's monitoring and evaluation standards, nor did it generate the level of qualitative analysis and reporting typically required by DFAT. Furthermore, DFAT did not appear to have ensured this through the contracting process. It is likely that the ADB and PPP Center would have required additional resources and technical support to develop a more adaptive monitoring and evaluation framework that meets DFAT's standards and requirements.

The lack of a more holistic, contextually located monitoring and evaluation framework also created limitations in assessing the TA's performance. The DMF essentially defined success as the meeting or exceeding of established targets and indicators, which resulted in the TA being assessed as high performing. However, arguably the design set the bar very low. A more sophisticated assessment

⁴⁹ Some analysis of the PDMF is illustrated in World Bank - "[Mobilization of Private Finance by MDBs](#)": Case Study #1 on the PDMF, The World Bank, June 2018, Page 34.

framework would have considered the extent to which the TA had supported optimal change and outcomes within the constraints of the political and operating environment. Moreover, the PPP Center established and maintained an excellent database that enabled systematic tracking against key metrics, as illustrated by the PDMF data provided in Annex 3⁵⁰. Embedding enhanced analysis and sensemaking in relation to this data into the DMF would have served to provide a more comprehensive impact and performance story, and would have supported adaptive management, with the TA being directed towards addressing critical issues limiting impact.

While the ADB undertook reviews and adaptation over the course of the ten-year timeframe⁵¹, as outlined in Section 3.4 Relevance, it did not embed formal periodic political economy analysis, linked to strategy testing and resetting or redesign despite significant shifts in national policy direction. While this is now common practice in DFAT-funded programs and aligns with DFAT's approach of thinking and working politically, it should be noted that at the time, monitoring and evaluation theory and practice was not as progressive, and such an approach was not mandated upon design or included in the funding agreement between DFAT and the ADB.

Formally revisiting the strategic positioning of the TA and building adaptive management into M&E would likely have enhanced the effectiveness of the TA. For example, such measures may have prompted an examination of the appropriateness of the positioning of the PPP Program in relation to the political context, and whether such a singular focus on promoting and driving the PPP modality should have been maintained, or whether it should have shifted course, and been repackaged to respond to the priorities of the new administration in 2016⁵².

Challenges were exacerbated by a lack of clarity and shared expectations of the role and responsibilities of partners in monitoring and evaluation processes. While the Philippines PPP Program and TA were closely intertwined, with the TA seeking to strengthen and increase the impact of the PPP Program, a distinction between the monitoring and evaluation of the TA and the PPP Program was not been clearly delineated. There also appeared to be a lack of clarity on project reporting, and whether national partners were required to report against TA indicators, or whether an additional layer of reporting and analysis was required by the ADB to support reporting in relation to aspects of the TA's performance in supporting the PPP Program.

These aspects and associated roles were not clearly outlined in documentation. While DFAT played a more hands-on monitoring role at various points including through joint ADB-donor monitoring missions in 2012-2014, this appears to have diminished over the course of the TA, with DFAT's engagement limited to reviewing reports submitted by ADB in later years. While a process for

⁵⁰ There is opportunity to augment this data, such as by tracking the status of each PPP project (whether in development, approval, procurement or implementation), and capturing key data as to why particular projects are being cancelled, rejected, not contracted or delayed to identify trends and issues. Conducting qualitative data collection with implementing agencies and private sector firms would assist in this process, and ensure issues are not assessed from the government perspective only.

⁵¹ ADB led a mid-term review of the TA in April 2013 which led to a reset in the cost-sharing ratio, update of the outcome indicators and establishment of important policy reforms. Over the course of the ten-year timeframe, ADB has initiated Major and Minor Changes in Implementation Arrangements for the TA to respond to developments in the TA and to national policy directions, such as the PDMF's support to unsolicited proposals and the PPP Governing Board policy guidelines for managing hybrid PPPs. Finally, the ADB supported the launch of the PPP Center's Local Government Unit (LGU) PPP Strategy and held various fora to support the PPP Center's shift to strategic sectors such as health and renewable energy such as solid waste management and waste-to-energy projects.

⁵² It is noted that the ADB met with DFAT in June 2017 to seek its approval to allow the PDMF to fund evaluation of unsolicited proposals at the time when the Government was encouraging unsolicited proposals to increase private participation in funding infrastructure requirements. However, the evaluation finding argues a more significant repositioning of the program was needed including change of direction and outcomes that went beyond changes at the activity level, given the large change in policy direction that occurred through the change in administration and its impact on the TA.

reporting of the TA was in place and was systematically executed by ADB⁵³, a more considered and detailed articulation of the roles of key government partners, ADB and DFAT, to garner greater levels of participation in monitoring and evaluation, learning, reflection and oversight would have perhaps enabled a more effective monitoring and reporting process of value to all stakeholders. DFAT has learned lessons in this area, including the importance of ensuring clearer roles, communication of wins, and monitoring and evaluation that enables it to tell a clearer performance story, and supports performance management and programmatic decision making.

There are some features unique to PPP projects that may have created challenges in establishing monitoring and evaluation systems linked to ODA-funded projects⁵⁴. Furthermore, the lack of a dedicated monitoring and evaluation unit in the PPP Center may have contributed to a limited focus and investment in monitoring and evaluation in relation to PPPs. However, there are enabling factors and opportunities to strength the PPP Center's monitoring and evaluation in the future. For example, a Project Information and Management System (PIMS) was being developed at the time of writing to support ease of monitoring and evaluation information access, reporting, sharing and utilisation of PPP projects. Monitoring and evaluation could be enhanced through the development of a M&E capacity development roadmap for PPP Center and institution of regular implementation reviews among development partners and implementing units to discuss the progress of PPP projects against set timeframes, and resolve bottlenecks in the whole PPP business cycle - from approval, contracting and awarding to implementation and closing.

3.7 Sustainability

There was strong sustainability of outcomes facilitated under the Capacity Building component of the TA. As outlined in Section 3.1, a high level of individual and institutional capacity was developed. Sustainability was supported by a focus on policies, systems and guidelines which helped to build the institutional capacity of the PPP Center, irrespective of staff turnover. Individual knowledge and expertise were widely built among government counterparts. The capacity building role performed by various PPP Center service divisions required staff to apply knowledge and teach others the concepts they learned, strongly supporting knowledge and skills development and retention. While there was turnover of PPP Center staff over the ten-year period, several personnel went on to become consultants on Project Development and Monitoring Facility (PDMF) panels, or to work for Philippine private sector companies. This worked to keep knowledge within the sector and further supported knowledge transfer to different stakeholders.

The PPP Center could be expected to operate sustainably without the continued support of the TA. However, the advancing level of maturity of the Philippine PPP Program still requires assistance in addressing more complex concepts in PPPs, such as management of contingent liabilities, including at the local level, structuring social and basic infrastructure projects (such as health, sanitation, solid waste management, and renewable energy), and incorporation of more technical GEDSI, climate change and sustainability considerations in PPP projects, among others. Thus, there are still more opportunities for targeted and specialised TA support from international development partners.

Capacity building interventions were able to reach agencies and units at the local level. While the PPP Center could largely be expected to deliver support to clients at its current level, it does not

⁵³ The primary function for TA reporting is vested with the Technical Advisor through quarterly reports on the progress of each output of the TA, issues, challenges and recommendations. The quarterly reports also incorporate DFAT's new reporting requirements, such as recently on GEDSI. These reports are submitted regularly to the Executing Agency, the Implementing Agencies and the Development Partners (PPP Center, NEDA, DOF, ADB).

⁵⁴ The duration and implementation of PPP Projects span until completion of operation based on agreements with PS, which can be of a longer time frame when compared with ODA-supported projects, with average implementation of 3-6 years.

have the human resources and budget required to meet the increase in demand expected to result from requests for support from local governments due to the expected decentralisation of funds in 2022 as a result of the Mandanas ruling. While NEDA notes that the PPP Center should source and allocate budget and provide the necessary manpower to support and enable the continuation of benefits gained from the TA, the absence of PPP Center units coordinating at the local level may pose a challenge in the sustainability of efforts in future. Sustainability could also be enhanced through the establishment of a formal certificated training course, accessible to local government officials. At the time of writing, the PPP Center was in talks with the Asian Institute of Management, Ateneo de Manila University and University of the Philippines regarding development of modules and diplomas on PPPs that could give recognition and be formally mainstreamed into the Philippine system over the long term⁵⁵.

The PPP Program was effectively institutionalised by the Government of Philippines through the issuance of executive orders (EOs). The EOs institutionalised the PPP Governing Board and the PDMF (through the provision of funding, staff and issuance of governance and operational guidelines, and the consultant engagement framework). The Development Budget Coordination Committee approved Resolution No. 2015-2 (creation of the Technical Working Group on Contingent Liabilities), and established a risk management program under the Philippine government's unprogrammed appropriations, which institutionalised the funding for government direct and contingent liabilities arising from PPP projects. While the PPP Program was firmly embedded and grew in size and scale, some challenges and lessons related to sustainability were highlighted by the ADB⁵⁶. These included the imperative of the PPP Center to maintain its independence from political process to ensure continued confidence in the Center and its decisions, and the need to shorten local government project cycles so that projects could achieve physical and financial closing within three-year local election cycles to address delays and cancellations that occur due to a change of leadership.

While reforms passed in the early years successfully stimulated private sector investment and infrastructure development, the full set of reforms required were not legislated under the previous Aquino administration (2010-2016), limiting sustainability. Challenges persisted as the PPP Act has not been legislated into law. This hinders the enabling environment as there are a range of gaps and issues (such as Joint Ventures) that remain open to interpretation due to a lack of legislated policy direction, causing confusion, challenges in contract structuring, delay and a lack of clarity in communication to the private sector. Proposed amendments to the Republic Act (RA) No. 6957 (as amended by RA 7718), otherwise known as the Build-Operate-and-Transfer (BOT) Law, were initiated in 2010 to address various issues, ambiguities, bottlenecks, and challenges to effective implementation. While the amendments will expand coverage to all undertakings related to private participation, including joint ventures, as of the time of writing (August 2021) these had not yet been approved⁵⁷.

As outlined in Section 3.1, support provided through the PDMF was effective in capitalising on momentum and jumpstarting PPP projects in the early years by expediting the procurement of pre-selected international consultants, an arrangement that would be challenging under national procurement laws without the cover of an international executive agreement (such as a Technical Assistance Agreement with ADB). While the procurement mechanism was appropriate at the time and effective in quickly bringing in the right expertise, challenges to sustainability remain. In the event that the TA ceases and no further international funds are provided, the PDMF fund would

⁵⁵ Under the TA an arrangement was in place with Foster Infrastructure, which provided PPP training to partners and issues a formal certificate.

⁵⁶ Source: [ADB Completion Report, Philippines: Expanding Private Participation in Infrastructure Program](#), September 2020, Pg. 14.

⁵⁷ During the July 24, 2020 INFRACOM-Cabinet Committee meeting delisted the proposed amendments to RA No. 6957, as amended by RA 7718, or the Philippine BOT Law from the list of priority legislative agenda for the infrastructure sector of the Updated PDP 2017-2022.

continue⁵⁸, however, it would be bound by local procurement processes established by Republic Act 9184 (Government Procurement Reform Act). This would result in the PDMF panels being disbanded⁵⁹ which would likely have implications on the PPP Center's ability to market the PDMF and may result in some transaction advisors being unable to complete milestones reaching beyond the TA's end date, and in turn cause delays in the procurement of consultants. Hence, while the procurement mechanism was appropriate at the time, sustainability could perhaps have been better supported by increasing the number of local consultants on the panels⁶⁰, and by exploring other options for engaging international consultants in accordance with local procurement laws, such as directly through Philippine private sector entities. While such an approach would be more challenging for donors, a future program that supports locally led partnering that is harmonised with partner-country systems, would be well aligned with a paradigm shift supported by the Philippines' trajectory towards becoming an upper middle-income country.

4 Lessons Learned

The following lessons learned and success factors were identified in relation to both the TA and the PPP Program, and were highlighted by the stakeholders involved in the evaluation:

- **The importance of engaging the international and local private sector in market soundings prior to the tendering of a project**, to test the specifications and terms with private sector entities and make amendments to enhance the acceptability of terms from the private sector perspective. This would ensure alignment viability and increase the likelihood that private sector partners would enter into contracts.
- **Local and international consultants perform two distinct but valuable functions**; local consultants are typically better able to mainstream practices into different implementing and oversight agencies, whereas international consultants have a strong role to play in introducing best practices.
- **It is important to consider political positioning**, such as by packaging support to align with national government agendas, and by targeting local leaders and decision-makers (such as city mayors) in the development of PPP projects through short briefings and events, which can serve to secure buy-in and support to mitigate and overcome PPP project challenges.
- **Local governments face challenging planning horizons because of the election cycle**, with projects that have not been completed and carried over to the current administration often facing delays or cancellation. To address this limiting factor, options for supporting projects to achieve physical and financial closing within local election cycles could be explored⁶¹.

⁵⁸ Funds that would continue include those resulting from Philippine Government funding and funds disbursed from the TA grant which will be received as reflows from reimbursements by the winning bidder and Implementing Agencies.

⁵⁹ This would occur due to restrictions in the local procurement law that prevent the hiring of international consultants.

⁶⁰ The composition of Project Development and Monitoring Facility (PDMF) panels of consultants is based on approved Expressions of Interests received from various national and international firms. While composition is not under the control of PPP Center or ADB, additional targeting and promotion of the panels to national firms may increase their level of representation.

⁶¹ This should be done with consideration of the institutional readiness of the local government unit (competency and availability of human resources), fiscal absorptive capacity if they were to consider availability-based PPPs, the internal approval process, and the dynamics between the local government unit legislative and executive branches.

- **Negative stakeholder perceptions of a program can result in its cancellation**, even when safeguards are well managed and a strong case for community benefit has been made; the importance of in-depth and continuous stakeholder consultation cannot be over-stated.
- **Having a dedicated communications expert on board is essential in overcoming challenges** and countering issues in PPP projects being delayed by proactively communicating with the public and key stakeholders, and taking control of the narrative⁶².
- **The engagement of core technical staff based in the PPP Center has been essential**, despite high turnover and changes in departments, a core group of technical staff remained in their roles, holding institutional memory and supporting consistency of the PPP Program across a change in administration.
- **Learning from failures as well as success is a powerful learning tool**; it is a key method used by international institutions, and was highly endorsed by partners who participated in learning and exchanges.
- **The success of a PPP relies strongly on the capability of project implementers**; capacity should continue to be directed and expanded towards working with local governments and implementing agencies, and building their capacity to implement.
- **Some twinning partners such as Carnegie Mellon University invested in building their own understanding** of the Philippine context through discussions with country stakeholders to understand the legal and regulatory environment and the needs and challenges of those working in PPPs to develop tailored context-informed sessions that go beyond theory.
- The structure of having the **ADB Technical Advisor physically located at the PPP Center** served to embed linkages and relationships, and ensured greater alignment of the TA with the PPP Program.
- **Close engagement between private sector partners implementing PPP projects with government departments during PPP design and implementation**, such as marketing through local TV and radio, working with the Department of Tourism helped enhance utilisation of some private sector facilities such as the Clark Airport project.
- **Court decisions can have a major impact on private sector sentiment**, with judgements against the private sector chilling private sector sentiment, and judgements for the private sector reinforcing confidence⁶³, a key component that needs to be considered in political economy analysis.
- **Government's success in facilitating transparency and a high degree of information sharing** during the bidding process supported private sector bidders to consider the best solutions, noting that getting the best projects is not only about the structure of the project, but the solution it offers.
- **A design that does not embed a clear partnership approach between donors, the administrator implementing partners**, and leaves roles and expectations unarticulated may result in ad hoc engagement, with levels of engagement determined by the individual preferences of staff.

⁶² A communications expert was engaged through the TA, providing spokesperson training to implementing agencies and capacity to develop communication strategies, develop press releases, and hold press conferences.

⁶³ A winning bidder reported being challenged by the second highest bidder. The Supreme Court ruled in the winning bidder's favour, giving confidence in due process and Philippines legal framework.

5 Recommendations

Recommendations to improve the Philippines PPP Program

Recommendations were provided for consideration by the Philippine Government and ADB. These were formulated from recommendations provided directly by stakeholders, and from the evaluator's analysis. These recommendations are intended as suggestions for improvement only, and can be taken up or left by program partners, at their discretion.

- I. Focus and **accelerate priority aspects of the PPP Program** that could be achieved before the national elections in 2022.
- II. Prioritise and ramp up efforts to **address common challenges impeding the approval, negotiation, and implementation** of PPP projects (i.e., contingent liabilities, joint ventures and hybrid modalities) and garner support for the passing of proposed amendments to the Build-Operate-and-Transfer (BOT) law.
- III. Continue support for local Implementing agencies and local governments to advance PPP projects that **foster inclusive and climate resilient infrastructure in priority sectors** (i.e., health, waste management, energy and water, agricultural-based enterprises, research development, environment, tourism, public markets, and rainwater harvesting) including by exploring bundles of support for program development, planning, management, and monitoring.
- IV. Provide support for the Philippine **government to transition to the “new normal” post-pandemic for PPPs in operation** by ensuring capacity building activities focus on risk mitigation, considering the adverse impacts on access to financing for PPP projects due to the business shocks and economic downturn brought about by COVID-19⁶⁴.
- V. Revisit the **PPP Center mandate and services structure in relation to its high level of maturity, capacity, and country context** to ensure it remains relevant (i.e., explore the pros and cons of becoming an infrastructure agency with a broader mandate - a PPP in itself that brings private sector operators, lenders and investors in, engagement in unsolicited and intermediary role between private sector and government).
- VI. That the PPP Center continues to progress its plan to **create a national PPP certification program**, to support sustainable long-term capacity development.
- VII. **Develop a mechanism that prioritises PPP projects in which government is seeking private sector engagement** (sector, facility type, location) and identifies the type of modality sought (i.e., full PPP, hybrid) to ensure targeted unsolicited proposals in line with government needs and build government expertise to evaluate the technical dimensions of priority projects.
- VIII. **Develop a more holistic monitoring and evaluation system** that also supports the collection of qualitative data and analysis and reflection of data for use in strategic decision-making and strengthen monitoring and evaluation through the development of monitoring and evaluation capacity development roadmap for the PPP Center, and institution of regular reviews to assess progress of PPP projects against set timeframes and resolve bottlenecks in the whole PPP business cycle.
- IX. **Expand monitoring systems to capture perspectives of the private sector**, including barriers to bidding and entering into contracts, and conduct analysis of trends in PPP data by

⁶⁴ During the COVID-19 pandemic, airport and port infrastructures serve as the gateway to international and local borders, and hence are highly prone to become hotspots of the virus. There is a need to augment the capacity of the Government, operators, airlines, and cargo vessels, in terms of institutionalising health protocols and stringent measures to manage suspected COVID-19 cases in terminals.

considering private sector perspectives in addition to the experience of government counterparts and clients.

- X. That the **ADB convene periodic meetings between Government's executing and implementing agencies and development partners** to monitor the progress of the TA, review the achievement of targets, and share and discuss findings from the Technical Advisor's quarterly report.
- XI. Conduct a PPP assessment with the aim of informing national government on PPP related concerns and issues to **ensure transparency and accountability on the reforms** needed to enable more competitive, accountable PPPs and address concerns by members of the public who will ultimately have to pay for PPP services.
- XII. To support strengthened transparency and information sharing as per the recommendation above, **support the harmonisation and integration of existing PPP data into the proposed Project Information and Management System (PIMS) to track and analyse the status of PPP projects**, and include information on technical dimensions, value and bankability of priority PPPs for private sector engagement.
- XIII. **Develop a mechanism to assess the social value of PPP projects** beyond the point of asset delivery, including alignment with public expectations and value.

Recommendations and Implications for future DFAT programming

DFAT should continue to work in the sector, building on its long-standing engagement and contribution. A program of future support should:

1. Bring Australian partners (including private sector) into a **joined-up Whole of Government strategy** that links other programs and priority areas (good governance, climate change, peace and security, indigenous people) in a holistic approach, and seeks to increase Australian private sector investment and linkages (such as by providing non-ODA funding to Australian private sector entities to fund bids to increase engagement).
2. Ensure DFAT undertakes a formal **political economy analysis** in the design of new infrastructure programs (and that implementing partners hold ongoing responsibility for undertaking structured political economy analysis, including upon a change of government), package support in line with a new government's policy direction and preferred brand of PPPs, and ensure communication and engagement with senior government personnel is core to any new program.
3. Detail a **formal partnership approach within the design document and contract agreement** that articulates clear roles and communication mechanisms to ensure DFAT's engagement in strategic direction, monitoring and governance, and build in policy-based triggers to payments, rather than just tranche payments.
4. Invest in building stronger partnerships and maintaining more proactive engagement when working through ADB or other **multilateral institutions to ensure strategic relationships and engagement** with a broad range of stakeholders, including by allocating additional staffing resources within the Embassy to support strategic and partnership engagement.
5. Ensure **monitoring and evaluation supports adaptive management and strategy testing approaches** for DFAT programs that are strongly shaped by political-economy factors and work closely with national governments, noting that this may require DFAT to negotiate, contribute to and resource a separate monitoring and evaluation framework when working through multilateral institutions.

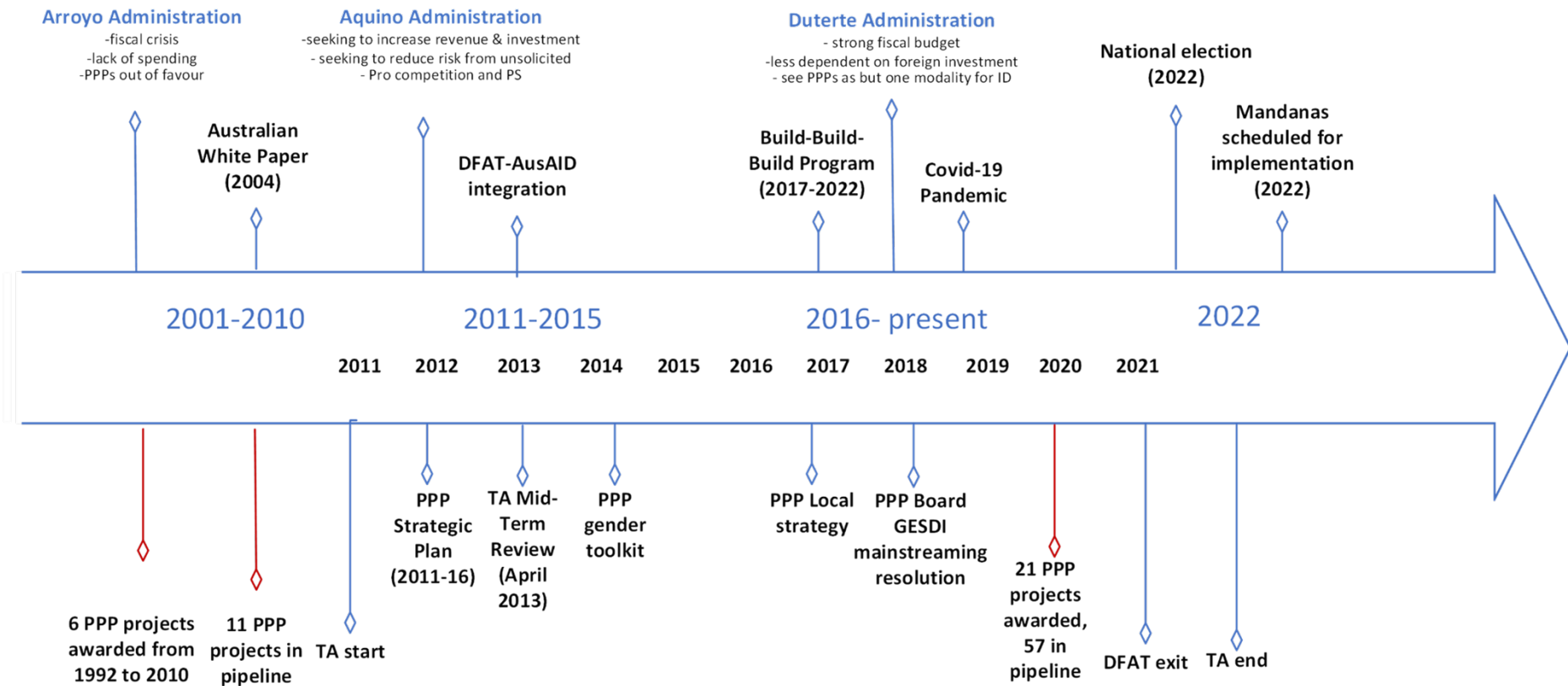
6. Explore opportunities to **integrate a future PPP element into existing DFAT investments**, with PPPs positioned as one of several modalities to support inclusive infrastructure development.
7. Consider engagement with the Australian private sector for any new project in targeted **Australian niche areas** such as gender equality, disability and social inclusion (GEDSI) and safeguarding, new technology, quality of infrastructure, and anti-corruption.
8. Link with **DFAT’s regional program ‘Partnerships for Infrastructure’** to support continued sharing of Australian expertise, technical assistance and strengthening of bilateral links.
9. Prioritise investment in capacity development in the Philippines for public financial management, program development, planning and contract management for **enhanced infrastructure development at the local level**, drawing on the approach used by DFAT’s humanitarian program in the Philippines (SHIELD).

6 Conclusion

The TA was an effective program that was highly valued by Philippine country partners. The TA was targeted and flexible, with an approach that was well suited to the maturity of Philippine partner institutions and personnel, and significantly contributed to the Philippines PPP structure and the capacity of Philippine government agencies which strongly advanced the PPP Program. Sharing of Australian expertise and lessons from practice were well leveraged through the TA, significantly contributing to the TA’s effectiveness and to bilateral relations. While the TA remained relevant over the course of the ten-year period, effectiveness could have been enhanced through a more formal TA strategy realignment upon a change in the policy environment. The COVID-19 pandemic highlighted key infrastructure gaps, signalling the continued need for the PPP modality, along with the need to create inclusive climate resilient infrastructure that protects against environmental threats. Country partners are well positioned to meet future needs, with the next step in the Philippines PPP Program’s development marked by a directive to support local governments to develop capacity, particularly in program development and management in the face of a new decentralisation process in 2022. Australia is well positioned to provide targeted support, and pursue a more strategic and proactive engagement, that fully leverages its networks and expertise.

7 Annexes

Annex 1: Timeline



Annex 2: Results Charts

Outcome 1: Improve the PPP enabling framework

Extent to which the outcome has been achieved	Key results
<p>Reforms passed in the early years successfully stimulated private sector investment and infrastructure development. However, challenges persisted as the PPP Act was not been passed, hindering the enabling environment</p> <p>Australia played a key role in shifting the mindsets of legislators in the early years, and TA has supported the development of appropriate reforms, noting mixed success in their adoption</p>	<ul style="list-style-type: none"> • Issuance of Build-Operate-and-Transfer (BOT) Law’s Revised Implementing Rules and Regulations and efforts to amend BOT Law via PPP Act (while proposed amendments were delisted as per footnote 57 hearings on the PPP Act were still proceeding in Congress in the House of Representatives⁶⁵ and Senate⁶⁶) at time of writing. • Issuance of Executive Order No. 136, s. 2013, which created the PPP Governing Board (PPGGB) and Project Development and Monitoring Facility (PDMF) Committee • Issuance of 14 PPP Policy Circulars and Guidelines by PPGGB • Formulation of tools and templates for reviewing PPP Codes and projects • Inter-agency collaborations for issuance of circulars on guidelines for implementation of PPPs by local governments, reporting of public and private sector spending, and exemption from notice requirements for PPP projects pursuant to competition regulations • PPP policy improvements with support from ADB TA 9229-(RETA), EPIP 2, AP3F for the PIMS Project, Infrastructure Asia, UNESCAP, ASEAN, and other international development partners

Outcome 2: Strengthen the institutional set-up and capacity in PPPs

Extent to which the outcome has been achieved	Key results
<p>The PPP Program and PPP structure was strengthened, increasing capacity of national partners to administer PPP projects in a way that promoted transparency and safeguarding</p> <p>The TA provided flexible support, targeting the right partners in the right ways, strongly meeting needs. Australian firms contributed to</p>	<ul style="list-style-type: none"> • 30 “On-call” consultants provided capacity building to PPP Center on PPP projects and policy formulation/review • 55 Knowledge Sharing Sessions delivered by Consultants on various PPP topics • 132 Officials of PPP Center, NEDA, DOF and other implementing agencies undertook external training funded by the TA • NEDA Regional PPP Knowledge Corners in place to establish PPP Center’s presence throughout the Philippines • 3 Institutional arrangements with Infrastructure New South Wales (INSW), Carnegie Mellon University (Australia) and Australia Awards Scholarships

⁶⁵ House of Representatives: The House TWG version of the PPP House Bill was finalised last February 18, 2021. It was agreed that the TWG version will be presented in the next House Committee Meeting.

⁶⁶ Senate of the Philippines. The consolidated Senate version of the PPP Bill (Senate Bill No. 2074) was sponsored on the floor by Senator Emmanuel D. Pacquiao, Chairperson of the Senate Committee on Public Works, on March 24, 2021.

Extent to which the outcome has been achieved	Key results
the strengthening of the PPP Program in important ways.	<ul style="list-style-type: none"> • 3 IT platforms implemented (e.g., Knowledge Management Portal, Virtual Data Room, and other IT systems and technology upgrade) • 10 Case studies of PPP projects with considerable impact on learning

Outcome 3: Institutionalised PPP best practices

Extent to which the outcome has been achieved	Key results
<p>The PPP Program firmly embedded best practice approaches across PPP training modules and modalities, capacity development approaches, policies guidelines and other knowledge products which were being used by Philippine partners throughout the PPP project cycle</p> <p>The TA has ensured content reflects technical standards and supports inclusion and safeguarding. Australia has contributed substantially through the sharing of lessons of its own PPP experience, and support for the government’s IT infrastructure which has enabled wide ranging dissemination</p>	<ul style="list-style-type: none"> • 179 PPP briefings with implementing agencies and private sector • 207 PPP workshops for local governments • 60 local governments and water districts benefitting from project assistance • 12 Memorandum of Agreements with implementing agencies for development of PPP projects • 54 Study visits to PPP Center / dialogues with international PPP counterpart-institutions • 4 International roadshows • Mainstreaming and monitoring of Environmental and Social Safeguards on all PPP projects and business cases • PPP Book of pre-configured contract templates for implementing agencies • Developed PPP Curriculum for executive courses of Development Academy of the Philippines, and University of the Philippines National College of Public Administration and Governance • PPP Manuals and Knowledge Products for implementing agencies • Under development at time of evaluation: Guidelines for solid waste management, water supply, and health PPP projects⁶⁷

Outcome 4: Help establish infrastructure investment financing and risk guarantee mechanisms to facilitate private sector interest

Extent to which the outcome has been achieved	Key results
While investment financing of PPPs increased, and important advances in this area were made, key bottlenecks remained, creating viability concerns within both government and private sector entities (such as contingent	<ul style="list-style-type: none"> • Establishment of the Risk Management Program under the unprogrammed funds of the General Appropriations Act, and creation in 2015 of the Technical Working Group on Contingent Liabilities (TWG-CL) focusing on the monitoring of contingent liabilities (CL) arising from contractual obligations of the national government and government-owned and controlled corporations (GOCCs)

⁶⁷ Guide on Developing Solicited Health PPP Projects was published in the PPP Center’s website on December 31, 2021

Extent to which the outcome has been achieved	Key results
<p>liabilities), constraining investment and preventing some private sector from entering into contracts.</p> <p>The TA was well directed along the pathway towards tackling important issues, however, was not given sufficient focus and investment to addressing key stumbling blocks.</p>	<ul style="list-style-type: none"> • Issuance of Department of Budget and Management (DBM) National Budget Circular (NBC) No. 538 providing guidelines on the submission of agency budgetary proposals, to be funded from the PPP Strategic Support Fund • Provision of advice on long-term financing and risk guarantee mechanisms as well as financial issues related to PPP projects and policy from a dedicated Risk Management Consultant • Publication of “Philippines: Management of Contingent Liabilities arising from Public-Private Partnerships Projects” book • Developments in the financing of PPP projects by the private sector through: Issuance by the Bangko Sentral ng Pilipinas (BSP) of special regulations on single borrower’s limits related to PPP borrowings; and Issuance by the Philippine Stock Exchange (PSE) of Listing and Disclosure Rules for PPP companies.

Outcome 5: Help structure bankable PPP projects through sustainable project development financing

Extent to which the outcome has been achieved	Key results
<p>The number of PPPs was increased, with a series of big-ticket national PPPs awarded and implemented, and an expansion in the number of smaller local PPPs developed or in the pipeline in priority sectors, holding significant potential benefit to communities.</p> <p>The Capacity Building component supported the strengthening of Implementing agencies and local governments to develop and administer PPPs. The support provided through the PDMF provided technical analysis and rigour to the assessment and development of</p>	<ul style="list-style-type: none"> • 21 Awarded Projects (since 2010⁶⁸) PHP 1,064 Billion (USD 21.7 Billion): 19 National PPPs (PHP 1,064.33), 2 local PPPs (PHP 0.13) • 57 Projects in the Pipeline, PHP 7,166 Billion⁶⁹ (USD 146 Billion): 39 National PPPs (PHP 7,111), 18 local PPPs (PHP 55) • 12 awarded PPP projects supported by PDMF with total project cost of \$2.9 billion • 41 signed PDMF contracts • 84 per cent of PDMF Project Preparation and Transaction Advisory (PPTA)- supported projects submitted to approving body were approved • 9 ongoing PDMF-supported contracts at the time of evaluation • PPP Center’s Local PPP Strategy launched to develop projects for regional economic development and targets set: by 2020 Robust pipeline of local PPP projects in expanded priority sectors; by 2022 successful showcase of at least 3 projects for replication; within 6-8 years acquire expertise for continuous project development

⁶⁸ As of 31 March 2021. This Includes one project that was awarded prior to 2010.

⁶⁹ Total cost at the time of virtual review mission in February 2021 does not include projects with costs that are yet to be finalized

Extent to which the outcome has been achieved	Key results
a range of sectoral and thematic projects.	<ul style="list-style-type: none"> • Pipeline of local projects: 4 Water supply & sanitation; 3 Solid waste management; 4 Vertical infrastructure / government property development (e.g., town center, public markets); 3 Tourism; 4 others (e.g., IT, transport) • Pipeline of national projects: 25 Transportation (airport, road, rail, port, and terminal); 6 Health (hospital facilities and services); 4 Vertical infrastructure / government property development; 4 Others (IT system and reclamation)

Annex 3: Project Development and Monitoring Facility (PDMF) data

This section contains summary data (as of February 2021) on the PDMF supported projects and the inputs provided over the ten-year period. Table 1 contains a summary of PDMF metrics. Table 2, Column A provides a summary of the number of PPP projects supported in project preparation phase, such as through Feasibility Studies (FS) and Transaction Advisory (TA) services up to award, and their status in the development / approval / contracting cycle. Column E refers to supports provided under the PDMF for approved projects, or those accepted by the implementing agency (including unsolicited). Supports provided under Column E may include the engagement of consultants to review and vet bids, assistance requested for competitive challenge, or the contracting of supervisors for construction. In some cases, supports provided in the later stages (under Column E), may be the same projects that were supported in the development phase (Column A), or they may be for different projects, as support has been provided for both solicited and unsolicited projects. Table 3 provides a list of supports provided through the PDMF (Column A and E) for each implementing agency and local government unit.

Table 1a: PDMF Metrics

Total number of services provided by the PDMF	Total	%
No. of projects supported for conduct of feasibility studies (FS) and transaction advisory (TA)	36	78%
No. of projects supported only for TA and/or independent consultancy services	10	22%

Table 1b: PDMF Metrics

Total number of projects supported by PDMF during FS preparation and submitted to NEDA-ICC for evaluation	Total	%
No. of projects approved by NEDA-ICC	21	81%
No. of projects not approved by NEDA-ICC	3	12%
No. of projects that are undergoing evaluation by NEDA-ICC	2	8%

Table 1c: PDMF Metrics

Total number of awarded PPP projects supported by PDMF ^{70*}	Total	%
No. of awarded PPP projects supported by PDMF for FS and TA	6	46%
No. of awarded PPP projects supported by PDMF only for TA and/or independent consultancy services	7	54%

⁷⁰ This includes the Modernization of the Philippine Orthopaedic Center Project that was awarded to a private sector partner but subsequently terminated by such partner.

Table 2: Status of Implementing Agency (IA) projects supported by the PDMF: Projects supported by PDMF for the conduct of feasibility studies (FS) and transaction advisory (TA) services (bundled support) as of February 2021

Implementing agency (IA)	No. of projects supported by PDMF for FS and TA (A) (=B+C+D)	Status Ongoing conduct of FS (B)	Status FS completed but project discontinued by IA (C)	Status Submitted to NEDA-ICC for evaluation (D)	Status at NEDA-ICC Ongoing evaluation (D-1)	Status at NEDA-ICC Not approved (D-2)	Status at NEDA-ICC Approved (D-3)	No. of supports provided by PDMF only for TA and/or independent consultancy services (E)	Total no. of PDMF-supported projects (F) (=A+E)	No. of awarded PPP projects supported by PDMF (i.e., with signed contracts with private sector) (G)
Department of Transportation - national	20	0	3	17	0	1	16	0	20	4
Department of Public Works and Highways - national	3	1	1	1	0	1	0	3	6	2
Metropolitan Waterworks and Sewerage System - national-GOCC	3	0	0	3	0	0	3	0	3	1
Bases Conversion and Development Authority - national-GOCC	1	0	1	0	0	0	0	2	3	2
Department of Education - national	0	0	0	0	0	0	0	2	2	2
Philippine Statistics Authority - national	0	0	0	0	0	0	0	1	1	1

Implementing agency (IA)	No. of projects supported by PDMF for FS and TA (A) (=B+C+D)	Status Ongoing conduct of FS (B)	Status FS completed but project discontinued by IA (C)	Status Submitted to NEDA-ICC for evaluation (D)	Status at NEDA-ICC Ongoing evaluation (D-1)	Status at NEDA-ICC Not approved (D-2)	Status at NEDA-ICC Approved (D-3)	No. of supports provided by PDMF only for TA and/or independent consultancy services (E)	Total no. of PDMF-supported projects (F) (=A+E)	No. of awarded PPP projects supported by PDMF (i.e., with signed contracts with private sector) (G)
Department of Health - national	1	0	0	1	0	0	1	0	1	1
Department of Agriculture - national	1	0	1	0	0	0	1	0	1	0
Department of Justice - national	1	0	0	1	0	0	1	0	1	0
Philippine National Oil Company - national-GOCC	1	0	0	1	0	1	0	0	1	0
Philippine Ports Authority - national-GOCC	0	0	0	0	0	0	0	2	2	0
University of the Philippines (UP) - national-SUC	2	1	0	1	1	0	0	0	2	0
Zamboanga City Special Economic Zone Authority - local-GOCC	1	0	0	1	1	0	0	0	1	0

Implementing agency (IA)	No. of projects supported by PDMF for FS and TA (A) (=B+C+D)	Status Ongoing conduct of FS (B)	Status FS completed but project discontinued by IA (C)	Status Submitted to NEDA-ICC for evaluation (D)	Status at NEDA-ICC Ongoing evaluation (D-1)	Status at NEDA-ICC Not approved (D-2)	Status at NEDA-ICC Approved (D-3)	No. of supports provided by PDMF only for TA and/or independent consultancy services (E)	Total no. of PDMF-supported projects (F) (=A+E)	No. of awarded PPP projects supported by PDMF (i.e., with signed contracts with private sector) (G)
Local Government of Ormoc City - local-LGU	1	1	0	0	0	0	0	0	1	0
Bislig City Water District - local-WD	1	1	0	0	0	0	0	0	1	0
TOTAL	36	4	6	26	2	3	21	10	46	13

Table 3: Summary of projects per Implementing Agency (IA) and supports provided through the PDMF

Implementing Agency	Project	Status	Scope of PDMF support	PDMF consultants
Department of Transportation	Mactan-Cebu International Airport Passenger Terminal Building	Awarded	Project preparation and transaction advisory	<i>Project finance</i> - Deloitte (India) <i>Legal</i> - Puyat Jacinto Santos (PJS) Law (Philippines) and Classis Law (India) <i>Technical</i> - Deloitte (India), Leading Edge Aviation Planning Professionals (Malaysia), and freelance experts
	Automatic Fare Collection System			<i>Project finance</i> - RebelGroup (Netherlands) <i>Legal</i> - Allen & Overy (Hongkong) and PJS Law (Philippines) <i>Technical</i> - Crisil Risk and Infrastructure Solutions (India) and Royal Haskoning (Netherlands)

Implementing Agency	Project	Status	Scope of PDMF support	PDMF consultants
	Parañaque Integrated Terminal Exchange (PITx) (Integrated Transport System Southwest)			<i>Project finance</i> - Feedback Infra (India) <i>Legal</i> - GHK Consulting (UK) <i>Technical</i> - GHK Consulting (UK)
	Taguig Integrated Terminal Exchange (Integrated Transport System South)			
	Road Transport IT Infrastructure Project - Phase II	Approved but not yet awarded; Ongoing	Project preparation and transaction advisory	<i>Project finance</i> - Deloitte (India) <i>Legal</i> - J. Sagar Associates (India), DLA Piper (Australia), and Baniqued & Baniqued (Philippines) <i>Technical</i> - Deloitte (India) and freelance experts
	Laguindingan Airport Development	Approved but not awarded	Project preparation and transaction advisory	<i>Project finance</i> - Deloitte (India) <i>Legal</i> - PJS Law (Philippines), Classis Law (India) (1st Amendment), Romulo Mabanta Buenaventura Sayoc & de los Angeles (Philippines), and DLA Piper (Australia) (3rd Amendment) <i>Technical</i> - Deloitte (India) and freelance experts
	Iloilo Airport Development			
	Davao Airport Development			
	Bacolod Airport Development			
	New Bohol (Panglao) Airport Development			<i>Project finance</i> - RebelGroup (Netherlands) <i>Legal</i> - Allen & Overy (Hongkong) and PJS Law (Philippines) <i>Technical</i> - Crisil Risk and Infrastructure Solutions (India) and Royal Haskoning (Netherlands)
	Puerto Princesa Airport Development			

Implementing Agency	Project	Status	Scope of PDMF support	PDMF consultants
Department of Transportation	Light Rail Transit Line 6	Approved but not awarded	Project preparation and transaction advisory	<u>First PDMF contract (for project preparation and transaction advisory):</u> <i>Project finance</i> - CPCS Transcom (Canada), Development Equity Initiatives (USA), and Infrastructure Development Finance Company (India) <i>Legal</i> - Cruz Marcelo & Tenefrancia (Philippines) <i>Technical</i> - CPCSTranscom (Canada), Lufthansa Consulting GmbH (Germany), CFP Strategic Advisors (Philippines), Orient Integrated Development Consultants (Philippines), and Philkoei International (Philippines) <u>Second PDMF contract (for transaction advisory only):</u> <i>Project finance</i> - Ernst & Young (EY) (Singapore) <i>Legal</i> - Ashurst LLP (Singapore) and Gatmaytan Yap Patacsil Gutierrez & Protacio (Philippines) <i>Technical</i> - EY (Singapore)
	North-South Railway Project (Integrated Luzon Railway Project)			<i>Project finance</i> - CPCS Transcom (Canada), Infrastructure Development Finance Company (India), and freelance expert <i>Legal</i> - CPCS Transcom (Canada) <i>Technical</i> - CPCSTranscom (Canada), Lufthansa Consulting GmbH (Germany), and freelance experts
	Ninoy Aquino International Airport Development			<i>Project Finance</i> - EY (Singapore) and Mott MacDonald (UK and Singapore) <i>Legal</i> - Ashurst LLP (Singapore) and Gatmaytan Yap Patacsil Gutierrez & Protacio (Philippines) <i>Technical</i> - EY (Singapore) and PRIMEX (Philippines)
	Mass Transport System Loop			<i>Project finance</i> - RebelGroup (Netherlands) <i>Legal</i> - Allen & Overy (Hongkong) and PJS Law (Philippines) <i>Technical</i> - Crisil Risk and Infrastructure Solutions (India) and Royal Haskoning (Netherlands)

Implementing Agency	Project	Status	Scope of PDMF support	PDMF consultants
	C-5 Modern Bus Service Transport System			<i>Project finance</i> - CPCS Transcom (Canada), Development Equity Initiatives (USA), and Infrastructure Development Finance Company (India) <i>Legal</i> - CPCS Transcom (Canada) and Orient Integrated Development Consultants (Philippines) <i>Technical</i> - CPCS Transcom (Canada), Lufthansa Consulting GmbH (Germany), Orient Integrated Development Consultants (Philippines), and Philkoei International (Philippines)
Department of Transportation	Motor Vehicle Inspection System	Submitted but not approved	Project preparation and transaction advisory	<i>Project finance</i> - CPCS Transcom (Canada), Development Equity Initiatives (USA), and Infrastructure Development Finance Company (India) <i>Legal</i> - Cruz Marcelo & Tenefrancia (Philippines) <i>Technical</i> - CPCS Transcom (Canada), Lufthansa Consulting GmbH (Germany), CFP Strategic Advisors (Philippines), Orient Integrated Development Consultants (Philippines), and Philkoei International (Philippines)
	Integrated Transport System - North	FS completed		<i>Project finance</i> - Feedback Infra (India) <i>Legal</i> - GHK Consulting (UK) <i>Technical</i> - GHK Consulting (UK)
	Manila Bay-Pasig/Marikina River-Laguna Lake Ferry System	FS completed		<i>Project finance</i> - CPCS Transcom (Canada), Development Equity Initiatives (USA), and Infrastructure Development Finance Company (India) <i>Legal</i> - CPCS Transcom (Canada) and Orient Integrated Development Consultants (Philippines) <i>Technical</i> - CPCS Transcom (Canada), Lufthansa Consulting GmbH (Germany), Orient Integrated Development Consultants (Philippines), and Philkoei International (Philippines)
	Clark International Airport	FS completed		<i>Project finance</i> - Deloitte (India) and SPACEM Design & Associates (Philippines) <i>Legal</i> - DLA Piper (Australia) and Tantoco Villanueva De Guzman & Llamas Law Offices (Philippines) <i>Technical</i> - Deloitte (India), Landrum & Brown Worldwide Services (Australia), SPACEM Design & Associates (Philippines), and Binary Life (UK)

Implementing Agency	Project	Status	Scope of PDMF support	PDMF consultants
Department of Public Works and Highways	Cavite-Laguna Expressway	Awarded	Transaction advisory	<i>Project finance</i> - KPMG-Manabat Sanagustin & Co. (Philippines) and KPMG (Australia) <i>Legal</i> - Allens Arthur Robinson (Australia) and ACCRALAW (Philippines) <i>Technical</i> - KPMG-Manabat Sanagustin & Co. (Philippines) and PRIMEX (Philippines)
	NLEx-SLEx Connector Road	Awarded		<i>Project finance</i> - Castalia Strategic Advisors (Australia) and Mazars Advisory (Australia) <i>Legal</i> - Follosco Morillos & Herce (Philippines) <i>Technical</i> - Aurecon Australia (Australia)
Department of Public Works and Highways	Laguna Lakeshore Expressway Dike	Approved but not awarded	Transaction advisory	<i>Project finance</i> - Jones Day (USA) <i>Legal</i> - Puno & Puno Law Offices (Philippines) <i>Technical</i> - Engineering and Development Corporation (Philippines) and Jacobs Engineering Group (USA)
	Plaridel By-Pass Toll Road	Submitted but not approved	Project preparation and transaction advisory	<i>Project finance</i> - ITAC (Spain) <i>Legal</i> - Brandt Chan & Partners with Dentons HK LLP (Hongkong) and Romulo Mabanta Buenaventura Sayoc & de los Angeles (Philippines) <i>Technical</i> - ITAC (Spain) and GHD (Philippines and Australia)
	Improvement/Rehabilitation of the Quirino Highway	FS completed		<i>Project finance</i> - ICRA Management Consulting Services (India) <i>Legal</i> - Freelance expert <i>Technical</i> - International Technology Management Corporation (Philippines)
	Rehabilitation/Reconstruction/Improvement, Operation and Maintenance of Kennon Road	Ongoing		<i>Project finance</i> - RebelGroup (Netherlands) <i>Legal</i> - PJS Law (Philippines) <i>Technical</i> - Systra (Philippines)
Metropolitan Waterworks and Sewerage System	Bulacan Bulk Water Supply	Awarded	Project preparation and transaction advisory	<i>Project finance</i> - IMC Worldwide (UK) <i>Legal</i> - IMC Worldwide (UK) and freelance expert <i>Technical</i> - IMC Worldwide (UK), EMCCI (Philippines), and PRIMEX (Philippines)

Implementing Agency	Project	Status	Scope of PDMF support	PDMF consultants
	New Centennial Water Source	Approved but not awarded		<i>Project finance</i> - RebelGroup (Netherlands) <i>Legal</i> - Clyde & Co. (India) and PJS Law (Philippines) <i>Technical</i> - Crisil Risk and Infrastructure Solutions (India) and Royal Haskoning (Netherlands)
	Rehabilitation, Operation & Maintenance of the Angat Hydro-Electric Power Plant Turbines 4&5	Approved but not awarded		<i>Project finance</i> - RebelGroup (Netherlands) <i>Legal</i> - Allen & Overy (HK) and PJS Law (Philippines) <i>Technical</i> - Crisil Risk and Infrastructure Solutions (India) and Royal Haskoning (Netherlands)
Bases Conversion and Development Authority	Clark International Airport Expansion - Engineering, Procurement and Construction	Awarded	Independent consultancy	DCCD Engineering Corporation (Philippines) and Egis Avia (France)
	Clark International Airport Expansion - Operations & Maintenance	Awarded		
	Upgrading of the San Fernando Airport	FS completed	Project preparation and transaction advisory	<i>Project finance</i> - RebelGroup (Netherlands) <i>Legal</i> - Allen & Overy (HK) and PJS Law (Philippines) <i>Technical</i> - Crisil Risk and Infrastructure Solutions (India) and Royal Haskoning (Netherlands)
Department of Education	PPP for School Infrastructure Project Phase 1	Awarded	Transaction advisory	<i>Project Finance</i> - EY (Australia) and EY-SGV (Philippines) <i>Legal</i> - Ashurst LLP (Singapore) and ACCRALAW (Philippines) <i>Technical</i> - EY-SGV (Philippines)
	PPP for School Infrastructure Project Phase 2	Awarded		<i>Project Finance</i> - IMC Worldwide (UK) <i>Legal</i> - IMC Worldwide (UK) and freelance expert <i>Technical</i> - IMC Worldwide (UK) and PRIMEX (Philippines)

Implementing Agency	Project	Status	Scope of PDMF support	PDMF consultants
Philippine Statistics Authority	Civil Registry System Information Technology - Phase II	Awarded	Transaction advisory and independent consultancy	<u>Transaction advisory:</u> <i>Project finance</i> - PriceWaterhouseCoopers (PWC) (Singapore) and PWC-Isla Lipana & Co. (Philippines) <i>Legal</i> - Gatmaytan Yap Patacsil Gutierrez & Protacio (Philippines) <i>Technical</i> - PWC (India) and PWC-Isla Lipana & Co. (Philippines) <u>Independent consultancy:</u> Eptisa Servicios de Ingenieria (Spain) and Eptisa (Philippines)
Department of Health	Modernization of the Philippine Orthopedic Center	Awarded	Project preparation and transaction advisory	<i>Project finance</i> - Deloitte (India) <i>Legal</i> - Classis Law (India) and PJS Law (Philippines) <i>Technical</i> - Technecon Healthcare (India), Kapoor and Associates (India), DCCD Engineering Corporation (Philippines), and Techteam Solutions (Philippines)
Department of Agriculture	Establishment of Cold Chain Facilities Covering Strategic Areas in the Philippines	FS completed	Project preparation and transaction advisory	<i>Project finance</i> - PWC (Singapore and Philippines) <i>Legal</i> - Hogan Lovells (Singapore) <i>Technical</i> - PWC (Singapore and Philippines)
Department of Justice	Regional Prison Facilities through PPP	Approved but not awarded	Project preparation and transaction advisory	<i>Project finance</i> - RebelGroup (Netherlands) <i>Legal</i> - Allen & Overy (HK) and PJS Law (Philippines) <i>Technical</i> - Crisil Risk and Infrastructure Solutions (India) and Royal Haskoning (Netherlands)
Philippine National Oil Company	Batangas-Manila Natural Gas Pipeline I (BatMan I)	Submitted but not approved	Project preparation and transaction advisory	<i>Project finance</i> – Rebel Group (Netherlands) <i>Legal</i> - Allen & Overy (HK) and PJS Law (Philippines) <i>Technical</i> - Crisil Risk and Infrastructure Solutions (India), Tractebel Engineering (Philippines), and Royal Haskoning (Netherlands)
Philippine Ports Authority	Davao Sasa Port Modernization	Ongoing	Transaction advisory	<i>Project finance</i> - RebelGroup (Netherlands) <i>Legal</i> - Puno & Puno Law (Philippines) <i>Technical</i> - DMI Management and Consulting Services (Philippines)
	Development, Operations and Maintenance of General Santos Port	Ongoing		

Implementing Agency	Project	Status	Scope of PDMF support	PDMF consultants
University of the Philippines	UP Philippine General Hospital in Diliman	Ongoing	Project preparation and transaction advisory	<i>Project finance</i> - PWC-Isla Lipana & Co. (Philippines) and PWC (Singapore and India) <i>Legal</i> - PJS Law (Philippines) <i>Technical</i> - Villarosa Architects and Engineers (Philippines) and Tractebel (Philippines)
	UP Los Baños Agro-Industrial and Information Technology Parks	Ongoing		<i>Project finance</i> - EY-SGV & Co. (Philippines) and EY (Singapore, Australia, and India) <i>Legal</i> - Gatmaytan Yap Patacsil Gutierrez & Protacio (Philippines) <i>Technical</i> - EY-SGV & Co. (Philippines), EY (Singapore, Australia, and India), and Consultants for Comprehensive Environmental Planning (Philippines)
Zamboanga City Special Economic Zone Authority	San Ramon Newport	Ongoing	Project preparation and transaction advisory	<i>Project finance</i> - BDO (UK) and IMC Worldwide (UK) <i>Legal</i> - Clyde & Co. LLP (UK) and Puno & Puno Law (Philippines) <i>Technical</i> - IMC Worldwide (UK), Port Mintes Pty Ltd. (Australia), and PRIMEX (Philippines)
Local Government of Ormoc City	Ormoc Water Supply System	Ongoing	Project preparation and transaction advisory	<i>Project finance</i> - Orient Integrated Development Consultants (Philippines) <i>Legal</i> - Orient Integrated Development Consultants (Philippines) <i>Technical</i> - Engineering and Development Corporation (Philippines) and UPLB Foundation (Philippines)
Bislig City Water District	Bislig City Bulk Water Supply and Septage	Ongoing	Project preparation and transaction advisory	<i>Project finance</i> - Eptisa (Philippines) <i>Legal</i> - Eptisa (Philippines) <i>Technical</i> - Eptisa (Philippines)

Annex 4: Methodology

Key evaluation questions

The DFAT TOR for the evaluation provided a set of preliminary evaluation questions against the DAC Criteria. These were subsequently reviewed and refined by the evaluator in evaluation planning and re-framed as six KEQs with guiding questions for investigation.

KEQ 1: To what extent has the Program generated outcomes that are significant, enduring, and relevant to the Philippine context?

- 1.1 What changes in infrastructure development and the PPP policy and operating environment has the Program contributed to, including at national and local levels (intended and unintended outcomes, both positive and negative and notable achievements)?
- 1.2 Are PPP projects receiving sustainable development financing and is it likely that improvements in capacities of participating Government agencies will continue after the TA ends?
- 1.3 What is the level of satisfaction of partners and stakeholders with the outputs and outcomes, and level of progress achieved by the TA?

KEQ 2: What do stakeholders perceive to be Australia's contribution and value-add, in terms of funding and beyond?

- 2.1 What is the visibility of DFAT's funding contribution and how far does it extend down the line to partners? What has worked to enhance and limit DFAT's visibility in the context of working through a multilateral agency?
- 2.2 How has DFAT positively affected the Program such as through direction setting and sector engagement on DFAT priority areas? What are the notable achievements?
- 2.3 To what extent has DFAT and other participating Australian institutions (such as those involved in twinning arrangements and the provision of TA) added value?

KEQ 3: How relevant is the Program to previous, current and future Australian and Philippine policy settings and directions?

- 3.1 To what extent were the TA outputs and outcomes consistent with the Philippine Government's development strategies, priorities, and objectives, and Australia and ADB's country strategies and objectives over the implementation period to date?
- 3.2 To what extent did the TA appropriately respond to the changes in the operating environment?
- 3.3 What current and future policy settings and directions from the Philippines and Australian governments are foreshadowed and what implications do these have on the Program's relevance for the remaining period (December 2022), and a future phase of support?

KEQ 4: To what extent has the Program built capacity to bring about inclusive infrastructure and PPP projects, including for women, men and people with disability?

- 4.1 To what extent has the Gender, Disability and Social Inclusion (GESDI) mainstreaming activities and target setting (i.e., toolkits, guidelines, appraisal processes) resulted in inclusive PPP projects and facilities?
- 4.2 To what extent did the TA appropriately integrate gender equality and disability inclusion considerations across TA components to ensure the need of women, men and people with disability are factored into PPP projects?
- 4.3 What are the major barriers and enablers to inclusion within implementing agencies, including capacity (knowledge, skills, expertise), networks, resources, will and M&E?

KEQ 5: Were the TA modality, governance, management and M&E arrangements efficient and effective mechanisms for implementing the TA - what has and has not worked well and what lessons can be learned?

- 5.1 How effectively did the modality (i.e., multilateral, partner-led, partner systems, multi-donor funded) enable DFAT to: i) leverage ADB expertise and other donor funding; ii) engage and influence; and iii) bring about strong bilateral relationship - what were the benefits and limitations?
- 5.2 How efficient and effective was the modality in providing quality, targeted and timely TA, bringing about outcomes, and managing sustainability risks and Australia Government funds?
- 5.3 Was the M&E framework and system fit-for-purpose and did it generate sufficient and timely information to guide decision making by project implementers and donors and implementation for results across all TA components.

KEQ 6: What learnings, recommendations and opportunities are there for Australia to effectively and efficiently contribute to the Philippine infrastructure and PPP sector going forward?

- 6.1 For the remaining months of implementation (to December 2022) to improve overall TA implementation and strengthen outcomes within the framework of achievements to date
- 6.2 For Future support:
 - I. *To PPPs and infrastructure development in the Philippines that can be considered by the Australian Embassy*
 - II. *Potential improvements to implementation of similar TA projects in the future [including working with ADB specifically or Multilateral Development Banks more generally; partner-led vs. DFAT-led program). Consider governance, broader visibility, communications, outcomes and effectiveness, leveraging and pooled funding dynamics.*

Presentation and analysis of findings

The evaluation formulated seven overarching findings which are presented in the Executive Summary. These seek to distil key messages and judgements, and tell the performance story. For internal DFAT reporting purposes, the evaluation findings are structured against the DAC criteria, rather than the KEQs. However, each KEQ has been comprehensively addressed in the report.

Links between the findings of the evaluation report, the Executive Summary findings, and KEQs:

Findings in the main body of the report	Findings in the Executive Summary report	Respond to KEQs in the Evaluation Plan
Effectiveness	Finding 1: Effectiveness and outcomes	KEQ 1: re significant outcomes
DFAT contribution	Finding 2: DFAT contribution and engagement Finding 5: Project Development and Monitoring Facility (PDMF) effectiveness	KEQ 2: re perception of Australia’s contribution and value-add
Efficiency	Finding 6: Appropriateness of PPP modality and ADB-DFAT engagement	KEQ5: re level of satisfaction with outputs KEQ 4: efficiency and effectiveness of modality & mgt arrangements
Inclusion and safeguarding	Finding 7: progress in GEDSI and social and environmental safeguarding	KEQ 4: re capacity to bring about inclusive infrastructure and PPP projects

Findings in the main body of the report	Findings in the Executive Summary report	Respond to KEQs in the Evaluation Plan
Relevance	Finding 3: adapting to the changing political economy context Finding 4: Positioning for roll out to local government	KEQ 3: relevance to previous, current and future policy settings and directions
Monitoring and evaluation	Finding 7: Appropriateness of M&E arrangements	KEQ 5: Appropriateness of M&E arrangements
Sustainability	Finding 5: Sustainability of PDMF	KEQ 1: re enduring nature of outcomes

Evaluation methods

The evaluation adopted a mixed methods and participatory methodology. To answer KEQs, various lines of evidence were gathered from a range of sources. Data collection consisted of: a desk review of a wide range of program documentation; remote individual and group semi-structured and open-ended interviews through phone and video conferencing with a range of stakeholders based in Australian and the Philippines from 28 January– 11 February 2021; presentation of the Aide Memoir and feedback and verification meeting with DFAT post, ADB and Government of Philippines partners.

In total, 31 interviews were conducted with different stakeholder groups including: Philippine partners (19:7,8,4); ADB (1); DFAT representatives (5); other Australian partners (2); Philippine private sector entities (2); and Australian private sector entities (2).

Table 3: Breakdown of respondents per respondent groups

Interviews conducted	Stakeholders engaged
7 interviews representatives of Government of Philippine departments	<ul style="list-style-type: none"> ▪ Bureau of Treasury ▪ Department of Finance - International Finance Group and Corporate Affairs Group ▪ Department of Interior and local government ▪ NEDA officials and Neda regional offices
8 interviews with representatives of the PPP CENTER	<ul style="list-style-type: none"> ▪ Current and former center executives and members of the PPP Governing Board ▪ Capacity Building and Knowledge Management Service ▪ Project Development and Monitoring Facility service ▪ Policy Formulation, Project Evaluation and Monitoring Service ▪ Project Development Service ▪ Legal service ▪ PDMF service
4 interviews with PPP Implementing partners (national government and non-traditional actors)	<ul style="list-style-type: none"> ▪ Department of Transportation ▪ Department of Public Works and Highways ▪ Ormoc City ▪ University of the Philippines
1 interview with ADB staff	<ul style="list-style-type: none"> ▪ Current and previous staff involved in designing and managing the TA Program
5 interviews with DFAT officers	<ul style="list-style-type: none"> ▪ Staff and previous staff involved in managing the Program ▪ Manila Embassy officials ▪ Canberra based staff
2 interviews with other Australian partners	<ul style="list-style-type: none"> ▪ Austrade

Interviews conducted	Stakeholders engaged
	<ul style="list-style-type: none"> Australian Award (AA) partners including representatives from Coffey (AA MC in the Philippines), Carnegie Mellon University and two alumni
2 interviews with Philippines private sector entities (PDMF supported)	<ul style="list-style-type: none"> GMR Megawide Cebu Airport Corporation (MCIA) Metro Pacific Tollways South Corporation
2 interviews with Australian private sector entities	<ul style="list-style-type: none"> SMEC GHD (through a written submission)

Data analysis and the formulation of judgements

Data was consolidated, coded and analysed existing and new data sets against the KEQs in the Evaluation Plan to produce a set of preliminary findings. A rapid assessment of the political economy of the state of PPPs in the Philippines was also undertaken as a basis for assessing the performance of the TA. Findings were discussed with DFAT, ADB and Philippine Government stakeholders during an Aide Memoire presentation. The evaluator has ensured independence by holding responsibility for final determinations and judgements presented in this report.

Limitations

There were several limiting factors which need to be considered alongside the findings and analysis presented in this report. The limitations include:

- Evaluation interviews were conducted jointly with ADB, which was carrying out an internal progress review of the TA at the same time. Joint consultations sought to streamline the process and create efficiencies for respondents. However, as the TA is administered through the ADB, stakeholders may have been reluctant to provide open and critical feedback, particularly with regards to the quality of support provided and their satisfaction with ADB's performance. While efforts were made to manage this risk, such as by allocating time at the end of interviews for more confidential discussions between the evaluator and respondent only, it may have affected the openness of responses in some instances.
- Due to COVID-19 travel restrictions, the external evaluator was unable to travel to the Philippines, carrying out consultations remotely. The use of video conferencing resulted in some limitations in carrying out focus group discussions (particularly with regional and local teams) through the use of a strong facilitation approach that ensured the full participation of all respondents. Some technical challenges were also encountered during meetings with local government units.
- The evaluation methodology sought to engage a broad range of respondent groups, including a sample of supported Implementing agencies and local governments, as well as Australian and Philippines private sector partners as well as private sector entities external to the TA. While implementing agency, local government and private sector voices were reflected in the consultations to some extent, largely providing consistent messaging, direct national Philippine government partners were disproportionately represented in consultations.