

“Addressing the COVID-19 Economic Impact through Public-Private Partnership”

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In book titled Momentum that Toti Chikiamco and I co-wrote with 3 others friends last year — Dondon Paderanga, Raul Fabella and Noel de Dios, a number of our old columns talked about PPP and the circumstances under which it is the ideal mode for project development and implementation. I was delighted to see that one of my columns there was posted by PPP Center chief Phil or perhaps earlier by predecessor Cosette in the PPP Center site. The title of the column is “The Great Infrastructure Debate”. (You can read it there, or you can buy a copy of our book published by FEF.)

My column talks about the pros and cons of PPP vs using the GAA and concludes that “given the huge infrastructure requirements of the Phl it should not be PPP versus ODA but rather PPP AND ODA”

I further noted that “the lively debate may have been driven by the sudden change in public policy, yanking without compelling reasons several projects at advanced stages of preparation to an ODA or tax funded mode after these have been prepared for a PPP bid over many years. This has raised concerns over the consistency and stability of government policies from many capable local and global players who have invested substantial resources to bid for these. Included in these are 5 regional airports and Kaliwa Dam.”

Had the administration pursued these projects, these would likely be already be completed and serving the public, especially the much-delayed bulk water project.

But that is water under the bridge, pardon the pun, and we need to move on. And as a policy advocate, like Stratbase guys, I believe that we should “never let a good crisis go to waste”. What is possible to do in the remaining time?

This is what I wrote in a column last week as one among key reforms that can be done for the third phase of PROGRESO, the recovery “bounce back” phase.

“More reliance on PPP, including bringing to the finish line projects that have been under protracted negotiations. This can help rebuild damaged investor confidence. It will also help conserve now stretched fiscal resources.

Government also needs to assure stability in regulation for existing PPP, and enact the long pending PPP bill in Congress.”

This will also build on the working public private partnership now taking place in coping with this crisis, most notably in the T 3 program — testing tracing and treatment, and in helping the most vulnerable members of society cope. Something no less than the President acknowledged warmly, including with unexpected kind apologies.

Sen. Grace and Toti Chikiamco identified areas which are good candidates for future PPP reform and collaboration:

- 1) In the area of mass public transportation, PUV service contracting, public infrastructure to support same.
- 2) Open up the economy to more competition in PPP by amending the out dated Public Services Act.
- 3) Bid out public health projects in various regions for services based on outcomes.

Let me also add:

- 4) water projects are actually the most cost effective public health intervention government's in developing countries can do. Peso for peso, I bet it can save more lives from prevention of deaths of common water borne diseases- schistosomiasis, cholera, etc. , vs other public health interventions, e.g. the high economic cost of lockdowns to prevent mortality from COVID 19. Incidentally hand-washing, the most potent tool vs COVID-19 together with wearing face masks, is only possible if there is water.

In this connection, I end with a wish that the limbo in which the MWSS Water Concessions are with the setting aside of the arbitral award that was an outcome of idiosyncratic regulation during an earlier administration is sorted out soonest. This will send clear signal, especially at this time, that the Philippines is open for investments. And continue to provide us affordable, secure water service by the water concessions over two decades. Something that could not be delivered by MWSS pre-PPP.

Thank you.