

Investing in Infrastructure: A Sure Way to Progress

2008 Philippines Development Forum

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National Economic and Development Authority

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Presentation Content

I. UPDATED MTPDP (2004-2010)

- 1) Highlights

II. SIGNIFICANCE OF CIIP

- 1) Main Objectives of CIIP
- 2) Sectoral Priorities/Thrusts

III. FORMULATION PROCESS OF CIIP

- 1) Major Parameters
- 2) Content and Format

IV. INVESTMENT REQUIREMENTS (2007 - Beyond 2010)

- 1) By Financing
- 2) By Sector
- 3) By Super Region



Part I. Updated MTPDP, 2004 -2010

Rationale for updating the plan

1. Review progress of policies, programs and projects in the first half of Plan implementation
2. Recent developments and trends underscore the need to update assumptions, build on past accomplishments, address emerging gaps and confront new challenges.



Part I. Updated MTPDP, 2004 -2010 (cont)

Vision

“Our unity as a people will be defined by a strong vision for the nation, built on common values of hard work, shared sacrifice, and love of country. The unity we seek is not one of conformity but unwavering respect for the rules and institutions of democracy. A modern country founded on social justice and enjoying economic prosperity. To achieve a united country, we need to face the deep division of our nation squarely not only the truth but also the solution. The solution must engage all segments of society in a new government of political reform and economic change.

Our nation must embrace a vision of economic opportunity, social cohesion, and always and ever democratic faith.”

Pres. Gloria Macapagal-Arroyo
Inaugural Speech
30 June 2004



Part I. Updated MTPDP, 2004 -2010 (cont)

"Hangarin ko na mapabilang ang Pilipinas sa mayayamang bansa sa loob ng dalawampung taon.

By then, poverty should have been marginalized, and the marginalized raised to a robust middle class.

We will have achieved the hallmarks of a modern society, where institutions are strong. By 2010, the Philippines should be well on its way to achieving the vision."

Pres. Gloria Macapagal-Arroyo
2007 State of the Nation Address
July 2007



Part I. Updated MTPDP, 2004 -2010 (cont)

- 1. Economic Growth and Job Creation**
- 2. Energy**
- 3. Social Justice and Basic Needs**
- 4. Education and Youth Opportunity**
- 5. Anti-Corruption and Good Governance**



Part I. Updated MTPDP, 2004 -2010 (cont)

Fighting Targets

<i>Targets by 2010</i>	
Poverty Incidence	17 - 20%
GDP Growth	6 – 7%
Investment (% of GDP)	25 – 28%



II. Significance of CIIP

1. Main Objectives of CIIP

- To address infrastructure bottlenecks;
- As basis of the Annual Infrastructure Investment Program;
- Pipelining infrastructure projects;
- Increase private sector participation;
- Improve monitoring of public investments on Infrastructure; and
- As mechanism to tighten the planning, programming, and budgeting linkages



II. Significance of CIIP (cont)

2. Sectoral Priorities/Thrusts

2.a Transportation Sector:

- Improve transport of goods and services through the completion of the Nautical Highway;
- Accelerate development of growth centers outside Metro Manila via a transport logistics system;
- Enhance access to tourism destinations through the establishment/improvement of roads, airports and seaports; and
- Pursue affirmative action for peace and order in underdeveloped and conflict-affected regions.



II. Significance of CIIP (cont)

2. Sectoral Priorities/Thrusts

2.b Power, Energy & Electrification Sector:

- Accomplish total barangay electrification;
- Develop renewable & indigenous energy resources;
- Provide alternative fuels;
- Provide sufficient and reliable transmission network; and
- Expand the use of natural gas.



II. Significance of CIIP (cont)

2. Sectoral Priorities/Thrusts

2.c Water Resources Sector:

- Provide potable water supply to the entire country;
- Repair of existing and construction of small-high-impact irrigation facilities for agricultural lands;
- Provide adequate flood control facilities in flood/disaster prone areas; and
- Provide sanitation/sewerage facilities for proper disposal of waste water/septage.



II. Significance of CIIP (cont)

2. Sectoral Priorities/Thrusts

2.d Communications Sector:

- Provide high-speed connectivity, high capacity and secured network services at low cost especially for education and distance learning in unserved and underserved areas;
- Utilize Voice over Internet Protocol (VoIP) for cheaper communications; and
- Share and interconnect the network resources among all branches of government.



II. Significance of CIIP (cont)

2. Sectoral Priorities/Thrusts

2.e Social Infrastructure Sector:

- Improve solid waste management;
- Provide housing for the socially marginalized people; and
- Construct health centers and school buildings, among others.



III. Formulation Process of CIIP

1. Major parameters

- Responsiveness of projects to government priorities in the 10-Point Agenda, MTPDP 2004-2010, and the Millennium Development Goals;
- Reflects the urgency/severity based on sectoral gaps, unclogging bottlenecks, and immediate needs;
- Appropriateness of financing strategy whether Purely Private Investment (i.e., BOT), Public-Private Partnership (i.e., joint venture), and Purely Public Investment (i.e., NG, GOCC, GFI Loan, LGU).



III. Formulation Process of CIIP (cont)

2. Content and Format

Each project contains the following information:

- Output and outcome highlighting project description and expected deliverables/impact;
- Concerned implementing agency;
- Implementation schedule;
- Financing strategy/source (i.e., NG, BOT, GOCC, GFI, LGU);
- Total investment requirement with annual breakdown; and
- Status of project implementation/preparation.

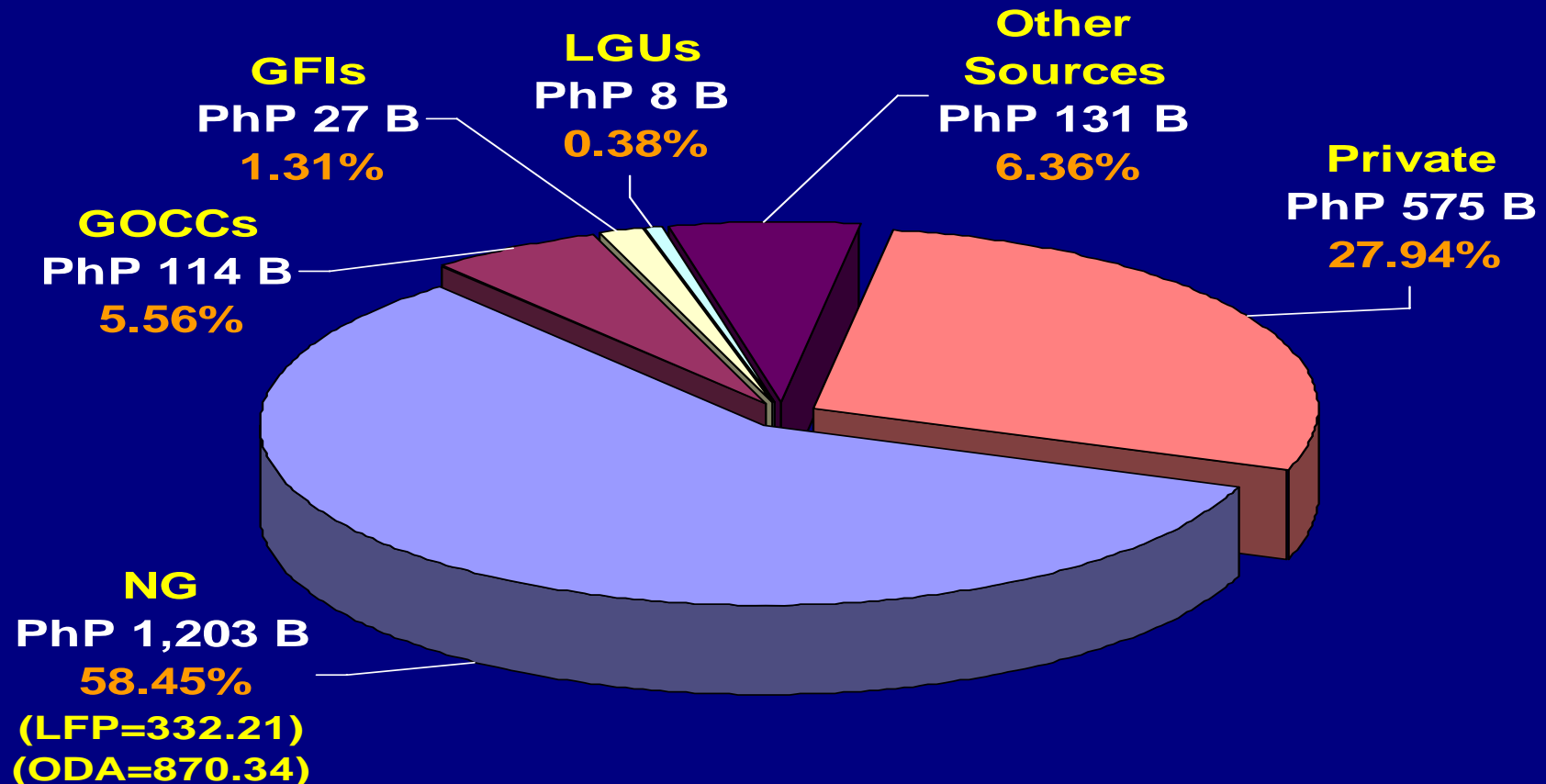


IV. Investment Requirements

(2007 – Beyond 2010)

1. By Financing Source:

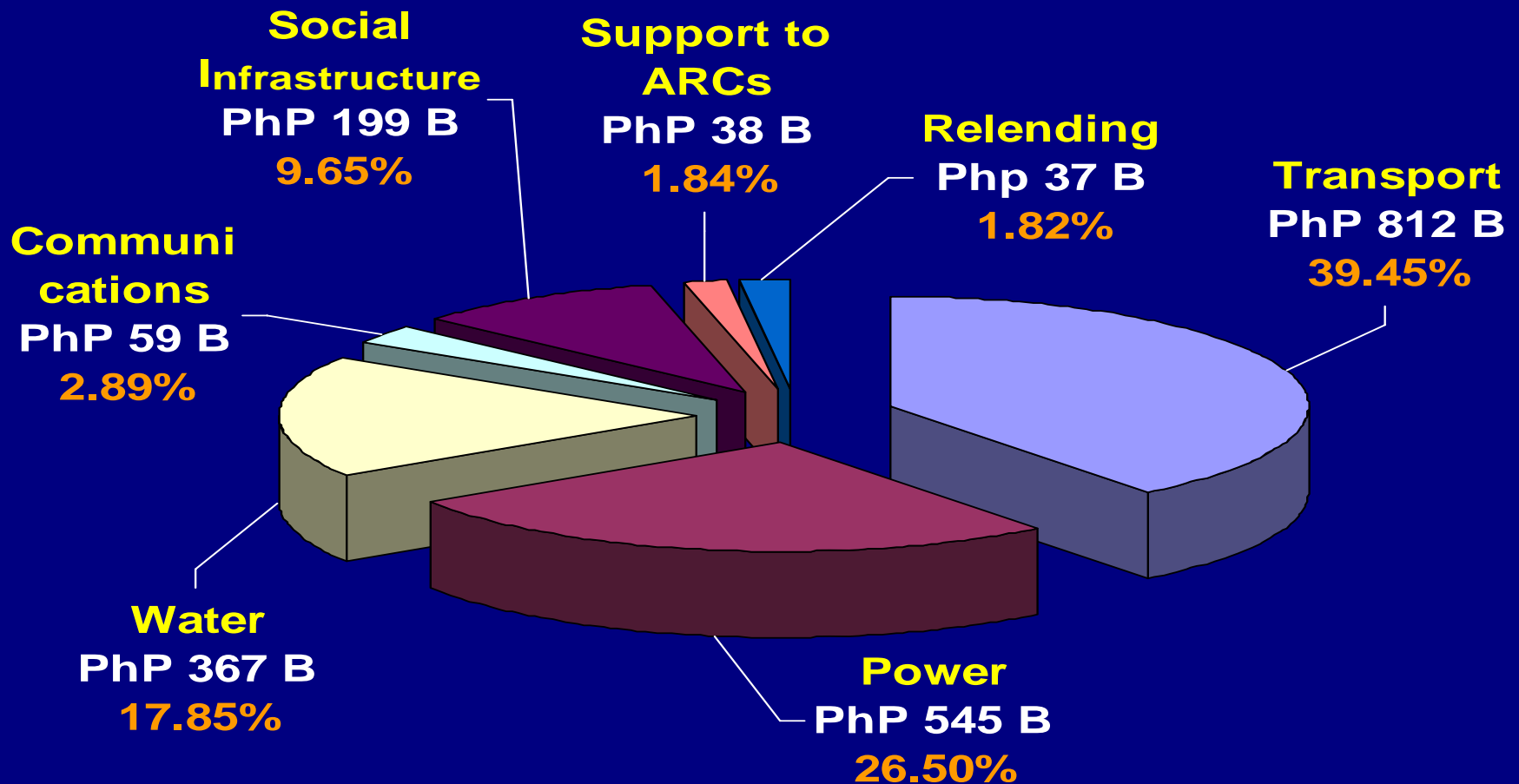
Total investments = PhP 2,057.57 billion



IV. Investment Requirements

(2007 – Beyond 2010)

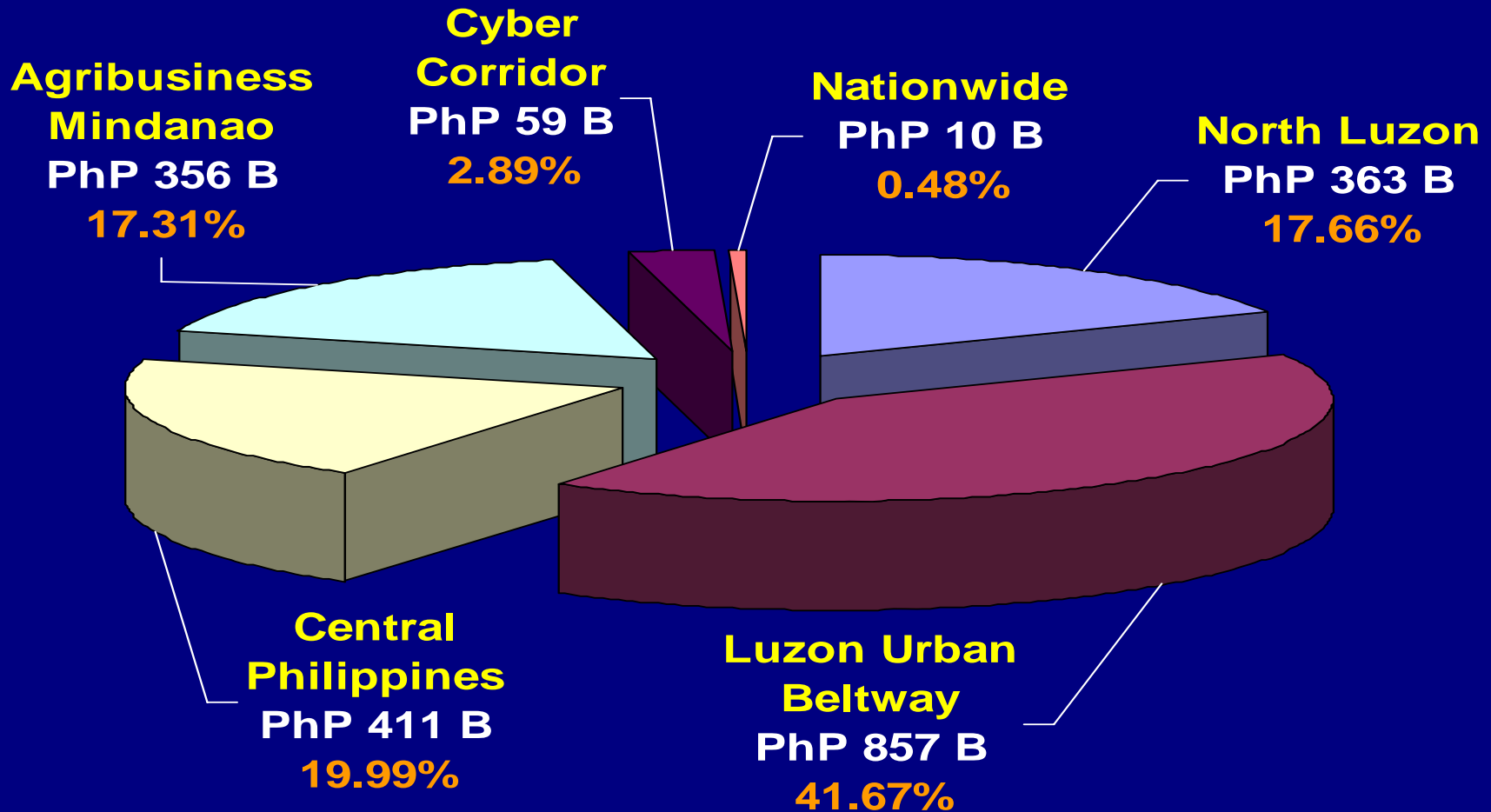
2. By Sector:



IV. Investment Requirements

(2007 – Beyond 2010)

3. By Super Region:



INFRASTRUCTURE PROJECTS FOR PRIVATE FINANCING

10 Infrastructure Projects for Private Financing

- 1.** North Luzon East Expressway (NLEE) Project
- 2.** Metro Manila Tollway (NLEX-SLEX Connection via C6)
- 3.** MRT Line 2 East Extension to Masingag, Antipolo
- 4.** Panguil Bay Bridge
- 5.** Operation & Maintenance (O&M) of Subic-Clark-Tarlac Expressway Project (SCTEP)
- 6.** 300 MLD MWSS Bulk Water Supply Project
- 7.** 50 MLD Wawa River Project
- 8.** Power Capacity Requirements for Luzon Grid (1,950 MW from 2010-2014)
- 9.** Power Capacity Requirements for Visayas Grid (820 MW from 2011-2014)
- 10.** Power Capacity Requirements for Mindanao Grid (850 MW from 2009-2014)



Proposed PDF Working Group (WG) on Infrastructure

A PDF WG on Infrastructure may be created to look into the country's infrastructure needs.



End of Presentation



1. NORTH LUZON EAST EXPRESSWAY (NLEE) PROJECT

Description:

Construction of toll roads involving the following:

- a. Stage 1: a 22 km initially 2-lane toll road extending from Plaridel to San Rafael, Bulacan
- b. Stage 2: a 34-km initially 2-lane toll road extending from San Leonardo to San Diego, Cabanatuan
- c. Stage 3: a 45 km initially 2-lane toll road connecting the Plaridel and Cabanatuan Bypasses.

Implementing Agency: Department of Public Works and Highways (DPWH)

Cost and Financing: PhP3,013M (Stage 1)

Status:

The government of the Philippines (GOP) will provide financing for the construction of the project. Upon completion, the operation and maintenance (O&M) of toll facility will be offered to the private sector through concession. Implementation agreement is now being prepared.



2. METRO MANILA TOLLWAY **(NLEX-SLEX Connection via C6)**

Description:

Construction of 59.5 km tollroad from the North Luzon Expressway (NLEX) in Bocaue to the South Luzon Expressway (SLEX) in Bicutan traversing along San Jose del Monte, Rodriguez, San Mateo, Marikina, Antipolo, Taytay and Taguig. The project will provide a high type of road facility that will directly link Cavite, Metro Manila, Rizal and Bulacan by interconnecting major radial roads such as Manila-Cavite Toll Expressway, SLEX, Ortigas Ave. Ext., Marcos Highway and NLEX. It would serve as an alternative north-south expressway link to decongest EDSA and other arterial roads and is expected to enhance trade and socio-economic interactions between the northern and southern provinces of Luzon.

Cost and Financing: PhP38,866M

Status:

A business case will be developed for the project.



3. MRT LINE 2 EAST EXTENSION TO MASINAG, ANTIPOLO

Description:

A 4-km eastern extension of MRT Line 2 from Santolan in Pasig City to Masinag Junction in Antipolo, Rizal with additional two (2) passenger stations.

Phase 1: 1.5 km east extension from Santolan, Pasig City ending at Imelda Avenue with one (1) station located at Imelda Ave./Marcos Highway and turnback up to Gontiong St.

Phase 2: 3 km east extension from Sta. Lucia to Masinag in Antipolo, Rizal.

Implementing Agency: LRTA

Cost and Financing: PhP11,520M

Implementation Period: Phase 1: 2008-2010

Phase 2: 2010-2012 (excluding Defects/Liability period)

Status:

The project is proposed for Public-Private Partnership (PPP) financing through concession including the existing Line 2.



4. PANGUIL BAY BRIDGE

Description:

Construction of a 260 meters main bridge, 2,100 meters approach viaducts to link Central & Northern Mindanao.

Implementing Agency: Department of Public Works and Highways (DPWH)

Cost and Financing: PhP2,802M

Status:

Repackaging of the project is being done under the PEGR of AusAid, which involves the conduct of the business case and F/S review of the project.



5. OPERATION & MAINTENANCE (O&M) OF SUBIC-CLARK-TARLAC EXPRESSWAY PROJECT

Description:

O&M of a 4-lane, 93.77-km toll road to connect the major development areas in Central Luzon (Subic, Clark & Tarlac) and to alleviate the worsening traffic situation along the north-south axes in the Region.

Implementing Agency: BCDA

Invitation: Bid for the permanent O&M Contract

Status:

Issuance of Notice to Proceed for the Interim Service Provider (ISP) is expected in April 2008. The ISP will operate the facility for six months, renewable for another six months. Afterwards, O&M of the facility will be bid out for a permanent operator.



6. 300 MLD MWSS BULK WATER SUPPLY PROJECT

Description:

Supply of at least 300 million liters per day (MLD) treated bulk water to Southern part of Metro Manila covered by Maynilad Water Services, Inc. (MWSI).

Implementing Agency: Metropolitan Waterworks and Sewerage System (MWSS)

Cost and Financing: PhP5,200M

Implementation Period: 2007-2009

Status:

Project will be rebid after failure of previous bidding.



7. 50 MLD WAWA RIVER PROJECT

Description:

Provision of water supply for the areas of San Mateo, Rodriguez and ERAP City in the Province of Rizal to serve about 150,000 population.

Implementing Agency: Metropolitan Waterworks and Sewerage System (MWSS)

Cost and Financing: PhP1,950M

Implementation Period: 2007-2009

Status:

F/S is being updated. MWSS is to submit necessary documents for ICC evaluation.



8. POWER CAPACITY REQUIREMENTS FOR LUZON GRID

Year	Available Supply (MW)			Demand Forecasts (MW)			Additional Capacity Requirement (MW)
	Dependable	Committed	Total	Peak Demand	Reserve	Total	
2007	10,576		10,576	6,981	1,634	8,615	
2008	10,576	38.25	10,614	7,252	1,697	8,949	
2009	10,576	38.25	10,614	7,552	1,767	9,319	
2010	10,496	38.25	10,534	7,878	1,843	9,721	150 (peaking)
2011	9,846	38.25	9,884	8,225	1,925	10,150	150 (peaking) 300 (midrange)
2012	9,846	38.25	9,884	8,596	2,011	10,607	150 (peaking) 300 (midrange)
2013	9,846	38.25	9,884	8,990	2,104	11,094	600 (midrange)
2014	9,846	38.25	9,884	9,397	2,199	11,596	300 (midrange)

Implementing Agency: Department of Energy (DOE)

Invitation: Supply of additional capacity requirement is open to private undertaking.

Status:

With 1,950MW additional capacity requirement from 2010 to 2014, the indicative supply from the private sector are the 550 MW (First Gen Holdings) and 600 MW (KepCo) in Batangas by 2009 and 600 MW (GN Power) by 2010.

9. POWER CAPACITY REQUIREMENTS FOR VISAYAS GRID

Year	Available Supply (MW)			Demand Forecasts (MW)			Additional Capacity Requirement (MW)
	Dependable	Committed	Total	Peak Demand	Reserve	Total	
2007	1,541	49	1,590	1,214	284	1,498	
2008	1,541	49	1,590	1,289	302	1,591	
2009	1,541	269	1,810	1,364	319	1,683	
2010	1,541	269	1,810	1,448	339	1,787	
2011	1,491	269	1,760	1,536	359	1,895	200 (peaking)
2012	1,491	269	1,760	1,632	382	2,014	100 (peaking)
2013	1,491	269	1,760	1,737	406	2,143	150 (peaking)
2014	1,491	269	1,760	1,850	433	2,283	50 (peaking) 100 (baseload)

Implementing Agency: DOE

Invitation: Supply of additional capacity requirement is open to private undertaking.

Status:

Out of the 820 MW, a total of 220 MW capacity has already been committed (200 MW from KepCo and 20 MW from the Nasulo project)



10. POWER CAPACITY REQUIREMENTS FOR MINDANAO GRID

Year	Available Supply (MW)			Demand Forecasts (MW)			Additional Capacity Requirement (MW)
	Dependable	Committed	Total	Peak Demand	Reserve	Total	
2007	1,460	210	1,670	1,363	286	1,649	
2008	1,520	210	1,730	1,440	302	1,742	
2009	1,520	210	1,730	1,525	320	1,845	100 (peaking)
2010	1,520	210	1,730	1,620	340	1,960	100 (baseload)
2011	1,520	210	1,730	1,725	362	2,087	150 (baseload)
2012	1,520	210	1,730	1,841	387	2,228	150 (baseload)
2013	1,520	210	1,730	1,969	413	2,382	150 (baseload)
2014	1,520	210	1,730	2,112	444	2,556	200 (baseload)

Implementing Agency: DOE

Invitation: Supply of additional capacity requirement is open to private undertaking.

Status:

A total of 850 MW will have to be put up over and above the 210 MW committed capacity from the Mindanao Coal-Fired Power Plant (STEAG).

