



INVESTMENT COORDINATION COMMITTEE

MEMORANDUM

For : **Heads of Departments/Agencies of the National Government, Government-Owned and -Controlled Corporations, Government Financial Institutions and All Other Governmental Units Concerned**

From : **Secretary Carlos G. Dominguez**
Department of Finance
Chair, ICC - Cabinet Committee

Secretary Ernesto M. Pernia
National Economic and Development Authority
Co-Chair, ICC – Cabinet Committee

Subject: **PHP2.5 BILLION PROJECT COST THRESHOLD FOR ICC REVIEW AND APPROVAL OF PROJECT PROPOSALS**

Date: June 27, 2017

1. The NEDA Board, during its Meeting today, approved the recommendation of the Investment Coordination Committee to increase the minimum project cost threshold for ICC review of major capital projects to Php2.5 billion and above, from the current Php1 billion project cost.
2. Effective immediately, National Government and Corporate Projects costing at least Php2.5 billion shall require ICC approval, except as otherwise provided by law, such as, but not limited to:
 - 2.1 Projects covered by the Republic Act 6957 as amended by Republic Act 7718 (the Philippine BOT Law) and its IRR¹; and

¹ Section 2.6 of the BOT Law IRR provides that approval of projects shall be in accordance with the following:

- "a. National Projects – The projects must be part of the Agency's development programs, and shall be approved as follows:
- i. projects costing up to Php300 million, shall be submitted to ICC for approval;
 - ii. projects costing more than Php300 million, shall be submitted to the NEDA Board for approval upon the recommendation of ICC; and
 - iii. regardless of amount, negotiated projects shall be submitted to the NEDA Board for approval upon recommendation by the ICC.
- b. Local Projects – Local projects to be implemented by the LGUs shall be submitted by the concerned LGU for confirmation as follows:
- xxx
 - iv. to the ICC for those costing Php200 million."

Further, Section 2.9 of the BOT Law IRR provides that:

"Projects undertaken through the Build-Own-and-Operate (BOO) scheme or through Contractual Agreements or schemes other than those defined under Section 2 of the Act shall require Presidential approval. For this purpose, the Head of Agency/LGU shall submit the proposed project to the NEDA Board through the ICC which shall evaluate the proposal and forward its recommendations to the President."

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- 2.2 Projects which will require National Government borrowing or guarantee covered by Republic Act No. 4860, as amended, otherwise known as the *Foreign Borrowings Act*, and Republic Act No. 8182, as amended, otherwise known as the *Official Development Assistance Act*².
- 2.3 Projects which will require Presidential or NEDA Board approvals based on existing laws, rules, and regulations.
- 2.4 All proposed projects for funding with the Chinese Government, regardless of amount.

For this purpose, the proponent agency shall submit the ICC-required documentation based on current ICC Guidelines and as currently posted by the ICC Secretariat in the NEDA Secretariat website.

- 3 For National Government and Corporate Projects costing below PhP2.5 billion, the proponent agency must submit to the ICC/NEDA Secretariat detailed project proposals. The proponent agency shall also submit a certification signed by the Head of Agency/Corporation that such proposal is:
 - 3.1 Consistent with the current Philippine Development Plan (PDP) and Results Matrices or the Public Investment Program (PIP);
 - 3.2 Within the annual, multi-year budget ceiling of the agency or annual capital expenditure program of the GOCC/GFI as certified by the DBM and DOF, respectively for its project resource requirement. The certification of the DOF shall consider the impact of the project on the consolidated public sector deficit (CPSD);
 - 3.3 Financially (when applicable) and economically viable; and
 - 3.4 Consistent with agency's mandate and with the DBM-approved Major Final Outputs (MFOs).

The ICC Secretariat shall validate the submitted project proposal and may recommend to the ICC-Technical Board (ICC-TB) the full ICC review and approval on the following grounds:

- 3.5 The project proposal has linkages with ongoing or proposed national government and corporate projects that may result in a legal/institutional/policy conflict, an increase in fiscal exposure, or risks to the successful implementation of subject proposal or other linked ongoing or proposed project(s);
- 3.6 The project proposal will entail cooperation or active participation and implementation of other national or local government units or corporations to ensure successful implementation; or
- 3.7 The project proposal may require other governmental approval(s) based on existing laws, rules and regulations for which full ICC/NEDA Board project approval may expedite such approval(s).




Should the ICC-TB accept such recommendation, the Secretariat will coordinate with the proponent agency for full ICC review and approval of the project.


² Projects of GOCCs/GFIs costing at least PhP2.5 billion which will require foreign borrowing but without sovereign guarantee shall be subject to the ICC process.



If the ICC Secretariat finds the proponent agency submission (i.e., items 3.1 to 3.4 above) in order and does not find the foregoing considerations (i.e., items 3.5 to 3.7) applicable to the project proposal, the ICC Secretariat shall recommend to the ICC-TB that the proponent agency proceed on its own authority to approve and implement the proposal subject to existing laws, rules and regulations. If the ICC-TB approves such ICC Secretariat recommendation, the Chairperson of the ICC-TB will report to the ICC-Cabinet Committee, *en banc* or by *ad referendum*, for confirmation of such approval.

For guidance.


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Department of Finance  


SEC. ERNESTO M. PERIA
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Authority