

## Annex C

### Project Concept Note

#### General Information on the Project

##### 1. Name

|                                       |
|---------------------------------------|
| Establishment of Bislig Economic Zone |
|---------------------------------------|

##### 2. Brief Description

- *The proposed establishment of the Bislig Economic Zone (BEZ) is a strategic initiative designed to revitalize the economy of Bislig City, Surigao del Sur, and position the Caraga Region as a competitive investment destination. Historically, Bislig City served as a national center for trade and commerce, largely driven by PICOP Resources Incorporated (PRI) (formerly the Paper Industries Corporation of the Philippines), which was once the largest integrated wood and paper milling company in Southeast Asia.*
- *Following the definitive closure of PICOP operations, the local economy experienced a severe downward trajectory, resulting in lost employment, diminished local government revenues, and economic stagnation. The rationale behind the BEZ is to harness the strategic geography of Bislig City and its contiguous areas to cultivate a decentralized, self-reliant, and self-sustaining industrial, agro-industrial, and commercial hub. This project aligns directly with national directives like Administrative Order No. 18 (2019) which mandates the accelerated development of special economic zones in rural provinces to de-clog primary metropolitan centers and promote equitable economic growth across the country.*
- *The Establishment of the Bislig Economic Zone (BEZ) involves the development of approximately 75.367182 hectares of land in Barangays San Vicente and Bucto, Bislig City, Surigao del Sur into a modern, sustainable, and investment-ready industrial and agro-industrial estate. Major project components include site development and horizontal infrastructure, internal road networks, drainage systems, power and water distribution, telecommunications, wastewater and solid-waste management facilities, administrative and common facilities, security infrastructure, and logistics support facilities. Upon completion of the investment/construction phase, the project is expected to deliver a fully serviced and operational industrial estate with developed industrial lots and common infrastructure capable of accommodating domestic and foreign investors/locators.*
- *The primary beneficiaries are local residents, workers, farmers, fisherfolk, MSMEs, investors, and businesses in Bislig City and the wider Caraga Region. The project is expected to generate employment and livelihood opportunities, promote local value-added processing, attract private investments, strengthen MSME participation in industrial supply chains, increase economic activity and potential local revenues, and contribute to the transformation of Bislig City into a competitive industrial and logistics hub.*
- *The private sector may participate through a PPP arrangement by providing the necessary financing, technical expertise, design and engineering, construction, operation and maintenance, estate management, utility management, marketing, and locator recruitment. Subject to feasibility assessment and approval under RA No. 11966 and its IRR, the project may be structured as a long-term PPP arrangement wherein the private partner develops and finances the required infrastructure, operates and maintains the economic zone, and recovers its investment through land/lot lease revenues, facility rentals, utility and service charges, common-area maintenance fees, and logistics-related revenues. The final PPP structure, contract period, revenue mechanism, government contributions, and risk allocation shall be determined through the project's feasibility study, Value-for-Money assessment, market sounding, and applicable approval processes.*

### 3. Project Background

#### 1. Previous and Current Development Status

- Institutional Partnerships: The Local Government Unit (LGU) of Bislig City formalized an operational partnership via an Executive Order with the Mindanao Development Authority (MinDA) to provide technical assistance, facilitate site technical assessments, and market the zone within ASEAN investment circles.
- Current Operational Phase: As of recent developments, the project is actively advancing through its environmental compliance and design phase. The proposed site spans 75 hectares across Barangays San Vicente, Bucto, and Sibaroy, designed as a horizontal industrial park development.
- Regulatory Milestones: The [Environmental Management Bureau \(EMB\) Region XIII](#) has already approved the Environmental Compliance Certificate of the proposed Bislig City Economic Zone.

#### 2. Decisions and Action Plan

The Local Government Unit (LGU) of Bislig City, serving as the primary Proponent and Implementing Agency, alongside co-operating bodies like MinDA, has actively responded to independent and regulatory feedback.

##### 2.1 Evaluative Recommendations Received

- Ensure Environmental Compliance: Environmental authorities recommended executing rigorous baseline studies on waste assimilation, pollution mitigation, and localized flooding protections prior to breaking ground.
- Upgrade Utilities and Logistics: Infrastructure experts recommended expanding the local utility framework to guarantee that the ecozone has an uninterrupted, high-capacity power and water supply.
- Incentivize Strategic Marketing: Investment consultants recommended structuring aggressive local fiscal packages to court high-value foreign locators.

##### 2.2 Strategic Actions Taken

- Mobilization of the Technical Working Group: The LGU formed the Bislig Economic Zone Development Project Technical Working Group (BEZDP-TWG) to directly supervise environmental compliance, coordinate field inspection tours, and resolve technical gaps identified during the EIS review.
- Aviation Infrastructure Lobbying: Executive actions led by the local administration initiated high-level coordination with commercial carriers like Philippine Airlines (PAL) to explore reviving commercial routes to the Bislig City Airport, satisfying a major logistical requirement for the ecozone's connectivity.

### Rationale of the Project

#### 1. Sector

- *Economic and Tourism Sectors*

#### 2. Sectoral Program Context

- The proposed BEZ is aligned with the Caraga Regional Development Plan (RDP) through its support for investment promotion, industrial and agro-industrial development, MSME growth, employment generation, value-chain development, and improved connectivity. It is likewise consistent with Bislig City's Local Development Investment Program (LDIP) and Annual Investment Program (AIP) priorities on local economic development, investment promotion, livelihood and employment generation, infrastructure, and tourism enhancement. The project will strengthen linkages among industries, MSMEs, agriculture, fisheries, and tourism enterprises by improving infrastructure, creating business and employment opportunities, and promoting local products. Overall, the BEZ supports the City's transition toward a diversified, investment-driven, and sustainable economy, while complementing efforts to position Bislig City as an investment, industrial, logistics, and tourism destination.

### 3. Regional and Spatial Context

- The proposed Bislig Economic Zone (BEZ) will be located on approximately 75.367182 hectares of land in Barangays San Vicente and Bucto, Bislig City, Surigao del Sur. The site was identified based on its suitability for horizontal industrial development, accessibility to existing road and transport networks, proximity to the Bislig City Airport and port facilities, and potential for utility and logistics connectivity. The project is expected to benefit local residents, workers, MSMEs, farmers, fisherfolk, and investors through employment generation, increased investment, value-added processing, improved market access, and expanded business opportunities.
- The BEZ addresses identified gaps in the region and local economy, particularly the limited industrial base, lack of local processing facilities, underutilized agricultural resources, employment opportunities, and investment-ready infrastructure. It supports sectoral objectives on industrialization, agro-industrial development, investment promotion, MSME development, logistics, and tourism by providing serviced industrial areas, utilities, transport linkages, and common facilities. The project will also complement existing and proposed sectoral initiatives, including water and septage, airport, road, and investment-promotion programs, thereby strengthening Bislig City's role as an industrial, logistics, and tourism growth center in Caraga.

### Indicative Timeline

#### Project Development

| MILESTONE*                                                                       | TARGET DATE           |
|----------------------------------------------------------------------------------|-----------------------|
| Secured Environmental Compliance Certificate (ECC)                               | May 2026              |
| Secure Presidential Decree                                                       | June-October 2026     |
| Submission of the Draft Project Concept Note (PCN)                               | August-September 2026 |
| Review, Finalization and Internal Approval of the PCN by the Implementing Agency | October-December 2026 |

\*May also indicate other important milestones and/or activities the Agency has or is committed to accomplish.

#### Approval and Bidding Phase

| MILESTONE*                                     | TARGET DATE           |
|------------------------------------------------|-----------------------|
| DEPDev Board Approval                          | January-March 2027    |
| Drafting of PPP Contract and Bidding Documents | March-June 2027       |
| Pre-Qualification                              | July-September 2027   |
| Bid Proper                                     | October-November 2027 |
| Notice of Award and Contract Signing           | December 2027         |

\*May also indicate other important milestones and/or activities the Agency has or is committed to accomplish.

### Support Requirements *(applicable to projects that would require PDMF Support)*

## 1. Major Outputs

- *Demand and Market Study* – Assess market demand, target locators, priority industries, potential occupancy, investment prospects, and the BEZ's competitive positioning.
- *Technical and Site Assessment* – Evaluate the 75-hectare site, including geotechnical, topographic, hydrologic, environmental, accessibility, utility, and infrastructure requirements.
- *Master Plan and Preliminary Engineering Design* – Establish the land-use plan, industrial clusters, road and drainage networks, utilities, common facilities, development phasing, and preliminary cost estimates.
- *Environmental and Social Assessment* – Identify environmental and social risks, mitigation measures, and compliance requirements, including conditions under the ECC.
- *Legal and Institutional Due Diligence* – Review land ownership, zoning, permits, regulatory requirements, economic-zone framework, and institutional arrangements necessary for PPP implementation.
- *Financial and Economic Analysis* – Determine project costs, revenue sources, financing requirements, financial viability, economic benefits, and potential LGU fiscal implications.
- *PPP Structuring and Risk Allocation* – Assess appropriate PPP modalities and define the roles, responsibilities, revenue mechanisms, risk allocation, and government support requirements of the LGU and private partner.
- *Value-for-Money and Bankability Assessment* – Determine the suitability of PPP compared with traditional procurement and assess the project's capacity to attract private investment and achieve financial close.
- *Draft PPP Contract* – Prepare the draft agreement covering project scope, performance standards, concession period, revenue mechanisms, risk allocation, government undertakings, termination, and other contractual provisions.
- *Procurement/Bidding Documents* – Prepare the Invitation to Qualify and Bid, Instructions to Bidders, bid forms, evaluation criteria, and other required bidding documents.
- *Transaction Advisory and Procurement Support* – Assist the LGU during project approval, market sounding, procurement, bid evaluation, negotiations, and contract award.
- *Final Feasibility Study and PPP Project Proposal* – Consolidate all technical, market, legal, financial, economic, environmental, and institutional analyses into a bankable PPP proposal for approval and competitive selection.

## 2. Experts Required, Qualification, and Tasks

- *Enumerate specialists required with their corresponding field of expertise (and/or required related field) to deliver the major outputs. Special emphasis is given into enumerating sector-specific experts (e.g., Railway Engineer, Highway Engineer, Civil Aviation/Airport Operations Specialist, IT/MIS Specialist, Civil Engineer) including tasks to be performed by each. To the extent possible, minimum requirement for experience, involvement in projects, and number of projects completed, among others, should be included.*

Suggested format:

| <i>With International Expertise</i>                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Expert 1:<br>PPP Consultant/Economic Zone Specialist | <b>Qualification:</b> <ul style="list-style-type: none"> <li>• Master's degree in business, economics, finance, infrastructure development, public policy, or related field.</li> <li>• At least 15 years of professional experience in PPP transaction advisory, infrastructure development, or industrial/economic zone development.</li> <li>• Experience in at least 5 PPP transactions, preferably including industrial parks, economic zones, logistics hubs, or similar projects.</li> <li>• Experience in PPP structuring, market sounding, risk allocation, and bankability assessment.</li> <li>• Preferably with experience in developing-country or emerging-market PPP projects.</li> </ul> |

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| Duration of Engagement (in person-months): 6–8 person-months                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Tasks</b> <ol style="list-style-type: none"> <li>1. Lead the overall PPP transaction advisory and project structuring.</li> <li>2. Assess international and regional models for economic-zone/industrial-park PPPs and recommend an appropriate structure for BEZ.</li> <li>3. Lead market sounding and investor consultations to determine private-sector interest and commercial requirements.</li> <li>4. Advise on project scope, concession period, revenue model, commercial principles, and performance requirements.</li> <li>5. Develop the risk allocation matrix and recommend appropriate risk-sharing mechanisms.</li> <li>6. Assess the project's bankability and attractiveness to private investors.</li> <li>7. Provide technical inputs to the draft PPP contract and bidding documents.</li> <li>8. Support the LGU during project approval and competitive selection.</li> </ol> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <i>With National Expertise</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Expert 2:</b><br>Philippine PPP/Transaction Structuring Specialist – Team Leader                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Qualification:</b> <ul style="list-style-type: none"> <li>• Bachelor's degree in economics, finance, business, engineering, law, public administration, or related field; advanced degree preferred.</li> <li>• At least 10 years of relevant professional experience in PPP project development or transaction advisory.</li> <li>• Experience in at least 3 PPP projects, preferably involving LGUs or infrastructure/estate development.</li> <li>• Familiarity with RA No. 11966 (PPP Code), its IRR, and applicable PPP Center/Governing Board guidelines.</li> <li>• Experience in feasibility studies, project structuring, procurement, and PPP contract development.</li> </ul> |
| Duration of Engagement (in person-months): 10–12 person-months                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Tasks</b> <ol style="list-style-type: none"> <li>1. Serve as overall National Transaction Adviser/Team Leader.</li> <li>2. Coordinate preparation of the feasibility study and PPP Project Proposal.</li> <li>3. Determine the appropriate PPP modality and procurement approach.</li> <li>4. Ensure compliance with RA 11966 and its IRR and applicable local PPP requirements.</li> <li>5. Coordinate the preparation of the PPP approval documents.</li> <li>6. Lead development of the PPP risk allocation matrix.</li> <li>7. Coordinate preparation of the draft PPP contract and bidding documents.</li> <li>8. Provide transaction support through procurement and contract award.</li> </ol>                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Expert 3:</b><br>Industrial Park/Master Planning Specialist                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Qualification:</b> <ul style="list-style-type: none"> <li>• Degree in urban planning, civil engineering, architecture, industrial engineering, or related field.</li> <li>• At least 10 years of relevant experience in industrial estate, economic zone, township, or large-scale land development.</li> <li>• Experience in at least 3 industrial park/economic zone/master-planning projects.</li> <li>• Knowledge of Philippine land-use, zoning, industrial estate, and infrastructure planning requirements.</li> </ul>                                                                                                                                                            |

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| Duration of Engagement (in person-months): 6–8 person-months                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>Tasks</p> <ol style="list-style-type: none"> <li>1. Validate the proposed 75-hectare BEZ master plan and development concept.</li> <li>2. Develop the land-use plan, industrial clusters, commercial areas, common facilities, and logistics areas.</li> <li>3. Determine appropriate development phases and site capacity.</li> <li>4. Identify priority industries and required facilities for potential locators.</li> <li>5. Prepare preliminary development plans and infrastructure requirements.</li> <li>6. Ensure integration of green, climate-resilient, and sustainable industrial-estate principles.</li> </ol> |

### Available Documents on the Project

- *Environmental Compliance Certificate (ECC);*
- *Verified Survey Returns;*
- *Narrative Technical Description;*
- *City Government's Financial Statements;*
- *Proof of Land Ownership:*
  - Memorandum of Agreement*
  - Transfer Certificate of Title*
- *City Zoning Certificate;*
- *Department of Agrarian Reform Certificates;*
- *Water Certification;*
- *Sangguniang Panlungsod Resolution No. 2026-586; and*
- *Certification from Sangguniang Panlungsod Duly Certifying that SP Resolution No. 2022-224 remains valid and in effect.*

### Legal Authority to Undertake PPP

- RA No. 11966 (PPP Code) provides the legal framework for LGUs to develop and implement Local PPP Projects, including projects for economic and infrastructure development.
- RA No. 7160 (Local Government Code) authorizes LGUs to undertake programs for local economic development and enter into cooperative arrangements with the private sector to promote local enterprises, industrialization, and community development.