

PPP Project Information Sheet
Group members (name and Position/Designation)
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I. Indicative Project Title
Establishment of Bislig Economic Zone
II. Implementing Agency and Key Focal Person/Unit to be contacted
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III. Background and Rationale
The proposed establishment of the Bislig City Economic Zone (BCEZ) 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 BCEZ 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. 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.

IV. Project Objectives and Targets

The proposed establishment of the Bislig Economic Zone (BEZ) serves as a vital structural intervention to reverse decades of local economic stagnation and position Surigao del Sur as a competitive industrial hub. This section establishes the current socioeconomic problems the project seeks to solve, followed by a phased matrix of short-, medium-, and long-term objectives and targets.

1. Problem Statement: Current Issues and Problems

The BEZ development project is designed to actively counter and resolve three distinct socioeconomic and structural vulnerabilities currently affecting Bislig City:

1.1 Structural De-industrialization and Loss of Revenue Base

Following the historic closure of PICOP Resources Incorporated (PRI)—which once operated the largest integrated wood and paper milling complex in Southeast Asia—Bislig City suffered an aggressive economic contraction. The absolute shutdown of PRI resulted in a vanished corporate tax base, deeply depressed municipal commercial revenues, and the widespread collapse of localized ancillary businesses and supply networks.

1.2 Severe Local Unemployment and Skilled Human Capital Outmigration

The collapse of heavy industry triggered immediate mass unemployment across Surigao del Sur. Due to the lack of diverse, high-value industrial and commercial employers locally, Bislig suffers from the continuous outmigration of its skilled youth, technical professionals, and college-educated workforce to overpopulated metropolitan hubs like Davao, Cebu, and Metro Manila. This brain drain strips the city of the talent necessary to innovate organically.

1.3 Underutilized Agricultural Assets and Low-Value Exporting

Bislig's current economy relies heavily on low-margin raw agricultural and municipal fishing production. Without a dedicated, localized processing infrastructure, local producers are forced to export raw materials at a low value, leaving the local economy highly vulnerable to volatile climate shifts, natural disasters, and global commodity price shocks.

2. Project Objectives and Addressable Needs

To systematically resolve these challenges, the BEZ has established a phased timeline of realistic, targeted needs and deliverables:

[Short-Term: 1–2 Years]	[Medium-Term: 3–5 Years]	[Long-Term: 6+ Years]
Regulatory & Horizontal Infra Baseline (75 Has)	Locator Attraction & 5,000 Direct Jobs Created	Self-Sustaining Ecozone & Regional Trade Hub

2.1 Short-Term Objectives and Targets (Horizons: 1–2 Years)

- Zoning and Land Consolidation: Secure final zoning conversions, complete formal property perimeter surveys, and fully consolidate the 75-hectare parcel across Barangays San Vicente, Bucto, and Sibaroy.
- Environmental Clearance: Attain the official Environmental Compliance Certificate (ECC) from the [Environmental Management Bureau \(EMB\) Region XIII](#) following the conclusion of the Environmental Impact Statement (EIS) review.
- Horizontal Infrastructure Baseline: Complete phase-one civil works, including standard interior concrete access roads, primary perimeter fencing, and initial drainage grids.
- Utility Readiness Integration: Finalize connections to the [Bislig City Bulk Water Supply and Septage Project](#) and local electric cooperatives to guarantee commercial-grade utility capacities up to the ecozone boundary.

2.2 Medium-Term Objectives and Targets (Horizons: 3–5 Years)

- Targeted Locator Ingress: Secure commitments and physical facility occupancy from at least 15 anchor locators, focusing on eco-friendly wood processing, agri-aqua manufacturing, and light manufacturing.
- Direct Employment Generation: Generate a minimum of 5,000 direct, institutionalized jobs for local residents, significantly lowering local unemployment rates and halting regional brain drain.
- Logistical Transport Support: Complete high-level inter-agency milestones to operationalize the Bislig City Airport for regular light commercial air cargo, optimizing export links.

2.3 Long-Term Objectives and Targets (Horizons: 6+ Years)

- Self-Sustaining Macro-Industrial Hub: Fully transition the BCEZ into a completely occupied, self-sustaining industrial township that funds its own expansion without relying on local government subsidies.
- Socio-Economic Revitalization: Establish Bislig City as the primary export and processing gateway for the Caraga Region, raising local average household incomes by 50% through high-value industrial employment.

- **Diversified Global Supply Integration:** Connect Bislig's local agro-industrial sectors directly to global supply chains, transforming the city from a former monoculture paper-mill town into a multi-sector economic leader.

V. Project Description

1. Major Components and Features of the Project

The Bislig Economic Zone (BEZ) is envisioned as a modern, green horizontal industrial township. It blends industrial manufacturing with sustainable infrastructure. Its key features include:

- **Industrial Clusters:** Dedicated enclaves for value-added wood processing, agri-aqua manufacturing, food production, and light manufacturing.
- **Green Infrastructure Backbone:** Built-in industrial wastewater treatment plants, centralized solid waste processing, and solar-assisted smart street lighting.
- **Admin and Logistics Hub:** A centralized zone administration building housing customs, the economic zone authority, automated clearing centers, warehouses, and container yards.
- **Integrated Utilities:** High-capacity power connections paired with an independent bulk water network to guarantee zero downtime for factories.

2. Selected Project Site

- **Total Land Area:** 75 hectares of contiguous, industrial-zoned land.
- **Location:** Spans strategically across Barangays San Vicente, Bucto, and Sibaroy in Bislig City, Surigao del Sur.
- **Geographical Advantage:** Chosen for its accessible terrain, distance from critical marine flood lines, and connectivity to Surigao-Davao coastal highways. It also sits close to the Bislig City Airport and port facilities.

3. Private Sector Involvement and Contractual Arrangements

The Local Government Unit (LGU) of Bislig City—intends to optimize public resources by tapping private sector expertise. This will be done through a Public-Private Partnership (PPP) framework.

3.1 Potential Private Sector Roles

- **Design:** Formulate the detailed architectural, engineering, and master urban plans for the 75-hectare site.
- **Finance:** Inject the necessary capital for primary civil works, eliminating up-front debt for the local government.
- **Build:** Execute horizontal construction, including concrete road networks, power grids, and bulk water pipelines.
- **Operate & Maintain (O&M):** Manage day-to-day estate operations, facility upkeep, locator onboarding, and security management.

3.2 Perceived Contractual Arrangement

The project will likely utilize a Build-Operate-Transfer (BOT) variant under the Philippine PPP Code. Alternatively, a Joint Venture (JV) Agreement may be formed between the LGU and a private developer. This structure grants the private partner a concession period (e.g., 25 to 50 years) to run the zone before handing it back to the government.

4. Repayment Scheme and Revenue Mechanisms

The private sector partner will recover its capital investments and generate returns through localized, estate-driven commercial collections. No direct availability payments will be drawn from the city's regular tax budget.

4.1 Primary Revenue Streams

- Land Leases: Long-term ground leases collected from incoming local and foreign manufacturing locators.
- Utility Surcharges: Consistent margins gained from distributing bulk water, electricity, and telecommunication feeds inside the zone.
- Common Area Maintenance (CAM) Fees: Monthly estate fees charged to locators to cover security, waste management, and road upkeep.
- Logistics Fees: Revenues gathered from warehouse usage, weighing scales, and container storage facilities.

5. Proposed Responsibilities of the Implementing Agency (IA)

The LGU of Bislig City will serve as the project enabler and regulator, focusing on the following duties:

- Land Acquisition and Right-of-Way (ROW): Fully consolidate the 75-hectare property and clear all ROW issues before development starts.
- Permitting and Regulatory Support: Fast-track local permits, zoning clearances, and actively secure the overall Environmental Compliance Certificate (ECC) from the EMB.
- National Government Interfacing: Connect with the Philippine Economic Zone Authority (PEZA) and Congress to secure presidential proclamations and fiscal incentive packages for the site.
- Off-Site Infrastructure Links: Build and maintain public access roads, external drainage systems, and security checkpoints leading up to the ecozone boundaries.

6. Potential Risks and Proposed Risk-Sharing Mechanism

To ensure long-term stability, project risks are allocated to the party best equipped to manage them:

Risk Category	Specific Risk Description	Primary Risk Owner	Proposed Mitigation / Sharing Mechanism
Regulatory & Right-of-Way	Delays in land clearing, zoning approvals, or securing the PEZA declaration.	LGU Bislig City	The LGU Bislig absorbs early delay costs. Concession timelines are extended matching any government-caused delay.
Construction & Cost Overrun	Spike in material costs or engineering mistakes that blow past the initial build budget.	Private Sector	The private developer absorbs cost overruns through fixed-price engineering contracts.

Market & Locator Demand	Lower-than-expected take-up or slow onboarding of manufacturing companies.	Shared	The Private Sector bears the commercial revenue risk. However, the LGU Bislig helps mitigate this by leading international investment roadshows alongside MinDA.
Force Majeure & Climate	Damage to physical infrastructure from severe typhoons or natural disasters.	Shared	Handled through mandatory, comprehensive commercial property insurance. If uninsurable catastrophic damage occurs, both parties renegotiate lease terms or concession extensions.

VI. Project Investment Requirements

The development of the **proposed Bislig Economic Zone (BEZ)** demands a clear separation of resource contributions between the Public Sector—represented by the Local Government Unit (LGU) of Bislig City as the Implementing Agency (IA)—and the Private Sector Participant (PSP). By utilizing a Public-Private Partnership (PPP) model, the IA maximizes the leverage of its administrative and real estate assets while offloading the capital expense burden to private developers.

1. Resources Required from the Implementing Agency (IA)

The LGU of Bislig City will not provide major direct cash equity for construction. Instead, its investment requirements are strictly **non-monetary, regulatory, and asset-based**:

1.1 Real Estate and Land Allocation

- **Asset Provision:** LGU Bislig City must officially allocate and secure the **75-hectare contiguous land parcel** spanning Barangays San Vicente, Bucto, and Sibaroy.
- **Right-of-Way (ROW) Clearance:** LGU Bislig City is solely responsible for funding and resolving any local property boundary disputes, agricultural tenancy claims, or informal settler relocations prior to breaking ground.

1.2 Administrative and Institutional Capital

- **Permitting and Clearance Facilitation:** LGU Bislig City must dedicate personnel via its *Local Economic Development and Investment Promotion Office (LEDIPO)* and the *BCEZ Development Project Technical Working Group (BCEZDP-TWG)* to fast-track all local government zoning ordinance changes, building permits, and PEZA Board endorsements. [

1.3 Off-Site Public Infrastructure Links

- **External Road Access:** LGU Bislig City will leverage its local and national Department of Public Works and Highways (DPWH) allocations to expand and maintain public access roads leading from the Surigao-Davao Coastal Highway directly to the ecozone gates.
- **Public Aviation Facilitation:** Executive lobbying and administrative time must be sustained to coordinate with national aviation bodies to successfully operationalize the **Bislig City Airport** for commercial and cargo services. [\[1\]](#)

2. Indicative Project Cost and Sourcing Mechanisms

The indicative cost framework for the BEZ project is divided into two primary financial blocks: the Core Horizontal Infrastructure and the Off-Site Utility Baseline.

[TOTAL PROJECT FINANCING]

[Private Sector Partner]	[Implementing Agency]
* 100% Core Civil Construction	* Land Equity (75 Hectares)
* Debt Financing (70% Bank Loans)	* Administrative & ROW Allocation
* Equity Financing (30% Private Capital)	* Synergized Bulk Water Offtake

2.1 Indicative Cost Breakdown

- **Core Horizontal Industrial Infrastructure (Est. ₱1.2B – ₱1.5B):** This covers onsite phase-one horizontal developments including the interior concrete road networks, centralized industrial wastewater treatment facilities, administrative hubs, telecommunication networks, and early perimeter fencing.
- **Synergized Utility Integration (₱775 Million):** Rather than funding independent utility plants, the project hooks directly into the **Bislig City Bulk Water Supply and Septage Project**. This project was structuralized through the PPP Center and the Bislig City Water District (BCWD), breaking down into:
 - **₱700 Million:** Bulk Water Supply Facility Component (10 to 16 MLD capacity sourced from the Burboanan River).
 - **₱75 Million:** Septage Management/Treatment Plant Component (40 cubic meters per day capacity).

2.2 Sourcing Financial Mechanisms

The **₱1.2B – ₱1.5B Core Horizontal Infrastructure** will be funded **100% by the private sector partner** via an aggressive corporate financing framework:

- **Private Partner Equity (30%):** Sourced directly from the winning Private Sector Participant's (PSP) internal cash reserves, corporate capital, or joint venture infrastructure funds.
- **Project Debt Financing (70%):** Raised by the private partner via long-term, commercial corporate loans or syndicated credit lines with major Philippine financial institutions (e.g., Development Bank of the Philippines, Land Bank of the Philippines, or private commercial banks). The debt service will be guaranteed solely by the future cash-flow streams of the ecozone (such as land leases, tolling, and utility fees), protecting the LGU from sovereign debt liabilities.
- **National Grants for Ancillary Links:** For off-site infrastructure (like the airport revitalization and highway expansions), funding will be sourced out of the national government's **General Appropriations Act (GAA)** through the budgets of the DPWH and the Department of Transportation (DOTr).

VII. Proposed Timeline

The proposed establishment of the **Bislig Economic Zone (BEZ)** is structured across a **five-year phased implementation schedule**. This timeline moves systematically from early regulatory approvals to horizontal civil works, culminating in full investor operations.

This schedule assumes utilization of the **Public-Private Partnership (PPP)** framework and works in parallel with the ongoing development of the **Bislig City Bulk Water Supply and Septage Project**.

1. Master Implementation Schedule (Gantt Summary)

PHASE / WORK PACKAGE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Phase 1: Pre-Development & PPP	=====				
Phase 2: Detailed Design & Approvals		=====			
Phase 3: Civil Works (Phase 1 Build)			=====		
Phase 4: Operationalization & Ingress				=====	
Phase 5: Full Commercial Maturity					=====

2. Detailed Breakdown of Project Phases and Milestones

Phase 1: Pre-Development, Land Consolidation, and PPP Procurement (Year 1)

Focus: Securing the legal, geographical, and contractual foundations of the 75-hectare site.

- **Q1–Q2:** Finalize boundary surveys, clear all **Right-of-Way (ROW)** footprints, and enact municipal zoning reclassifications for the designated parcels in Barangays San Vicente, Bucto, and Sibaroy.
- **Q3:** Finalize the draft PPP Concession Agreement and launch the **Competitive Selection / Bidding Process** under the Philippine PPP Code guidelines to select the private partner.
- **Q4:** Issue the Notice of Award and execute the official **Contract Signing** between the Bislig City Local Government Unit (LGU) and the winning Private Sector Participant (PSP).

Phase 2: Detailed Engineering Design and Regulatory Clearances (Year 2)

Focus: Securing environmental permits and final architectural designs while preparing utilities.

- **Q1–Q2:** The PSP submits the **Detailed Engineering Design (DED)** for the horizontal industrial park, including drainage networks, industrial road grids, and common facility structures.
- **Q3:** Secure the **Environmental Compliance Certificate (ECC)** from the Department of Environment and Natural Resources (DENR) EMB Region XIII following the final review of the Environmental Impact Statement (EIS).
- **Q4:** Align the ecozone's boundary utility feeds with the completed pipelines of the Bislig City Bulk Water Supply and Septage Project to ensure immediate water availability. Apply for the formal **PEZA Presidential Proclamation**. [1]

Phase 3: Civil Construction and Horizontal Engineering (Year 3)

Focus: Heavy civil engineering and structural development of the site.

- **Q1–Q2:** Groundbreaking and commencement of phase-one horizontal civil works, including site grading, primary concrete access roads, and stormwater collection channels.
- **Q3:** Complete construction of the centralized **Administrative Hub**, customs clearing facility, standard factory buildings (SFBs), and external security perimeter.
- **Q4:** Finalize internal utility grids, including the localized electrical substations, dedicated fiber-optic telecommunication lines, and the industrial wastewater collection system.

Phase 4: Institutional Operationalization and Locator Ingress (Year 4)

Focus: Launching operations, marketing, and onboarding early anchor businesses.

- **Q1:** Formally establish the physical office of the **Bislig Special Economic Zone Authority (BISSEZA)** on-site to handle lightning-fast investor permits.

- Q2–Q3:** Launch aggressive joint marketing campaigns and international investment roadshows with the **Mindanao Development Authority (MinDA)** targeting wood processors, agri-aqua manufacturers, and light industries.
- Q4:** Facilitate the physical ingress, plant assembly, and factory construction for the first **5 to 10 anchor locators**. Coordinate with national agencies for the early test flights at the rehabilitated Bislig City Airport.

Phase 5: Commercial Maturity and Full Estate Management (Year 5)

Focus: Achieving target occupancy, massive employment creation, and self-sustaining growth.

- Q1–Q2:** Transition early manufacturing facilities into live production loops, generating the initial wave of **5,000 direct industrial jobs** for Surigao del Sur.
- Q3:** Onboard phase-two secondary locators, logistics providers, packaging companies, and commercial ancillary entities to completely populate the remaining land parcels.
- Q4:** Transition the BEZ into a fully operational, self-sustaining industrial township that funds its own continuous expansion via recurring lease, utility, and maintenance collections.

Multi-Criteria Analysis(MCA) Screening Approach						
	Drivers	Evaluation Criteria	Weight (100%)	Input Score (1,2,3)	Total	Remark/Justification
			A	B	A*B	
1	Market Acceptability	Existence of likely strong market interest for the project; and,	15%	2	0.13x2	0.30
		Existing of the strong debt funding market locally and/ or availability of international funding for the local projects	10%	2	0.10X2	0.20
		Sub-total				0.50
2	Manageable Life Cycle Costs	Land Acquisition/site or Right-of- Way issues identified appears to be manageable, and	10%	3	0.10X3	0.30
		Manageable social safeguard concerns (i.e., environment, health and safety, gender, resettlement or other vulnerable person issues)	15%	3	0.15X3	0.45
		Sub-total				0.75
3	Appropriate Risk Sharing Arrangement	Acceptability of appropriate sharing mechanism;	20%	2	0.20x2	0.40
		Sub-total				
4	Institutional Readiness of the Implementing Agency (IA)	Existence of PPP Committee or Project Management Office; if none, the IA commits to establish an organic technical working group (TWG) to undertake PPP	10%	3	0.10x3	0.30
		Has implemented successful PPP projects in the past ; if none, IA has the capability to do PPP or willingness to undergo training on PPP	10%	2	0.10x2	0.20
		IA willing to abide by the PPP best practices	10%	3	0.10x3	0.30
		Sub-total				0.80
Overall total score (Passing Score : 2 and above of the total project score						2.24