This is a new section of the Public-Private Partnership Resource Center website and is currently in draft form. Your feedback is welcome: If you would like to comment on the content of this section of the website or if you have suggestions for links or materials that could be included please contact us at ppp@worldbank.org.

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Hemodialysis Center at the National Kidney and Transplant Institute, Quezon City, Manila, Philippines

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On this page: *A case study on Hemodialysis Center at the National Kidney and Transplant Institute, Quezon City, Manila, Philippines. Find more at the Municipal Public-Private Partnership Framework - Project Summaries section for brief summaries of around 100 projects from around the world, examples of successes and challenges, as well as innovative ideas on solutions, or visit the Guidelines on Innovative Revenues for Infrastructure section.*

Project Summary:

Background

The National Kidney and Transplant Institute (NKTI), a government hospital specializing in renal care in Quezon City, Manila, was facing numerous problems, including an insufficient number of hemodialysis machines, outdated equipment, and increasing costs stemming from the maintenance and repair of old equipment. As a result, NKTI struggled to accommodate emergency cases and was forced to turn down one to two patients each day for treatment, which increased the level of dissatisfaction among patients. Initially, the NKTI planned to invest in a new hemodialysis center to address these problems. However, due to an annual budget deficit, the NKTI not able to purchase sufficient equipment to meet demand.

Accordingly, NKTI decided to pursue a PPP to help solve NKTI's problems and convert the facility into a world-class hemodialysis center.

Project Structure

On tendering the PPP project, NKTI received three principal bids and awarded the project to Fresenius Medical Care Inc. on the basis that it was the most responsive proposal. The project was structured as a five-year equipment lease agreement, reflecting the estimated useful life of a hemodialysis machine. Under the agreement, the private partner is responsible for: (i) supplying all hemodialysis equipment, including state-of-the-art water treatment and dialyzer reprocessing machines; (ii) providing maintenance, including service technicians; (iii) ensuring the availability of hemodialysis supplies at all times; (iv) training staff; and (v) maintaining and upgrading other relevant technology and equipment.

In return, NKTI agreed to: (i) provide space, staff, and access to utilities; (ii) maintain quality performance of health services in accordance with international standards; (iii) ensure compliance with government regulations and policies; and (iv) make timely lease payments to the private partner for the use of the

machines, in the form of adjustable lease fees per treatment.

Lessons Learned

The hemodialysis center of the NKTI became fully operational in August 2003. Currently, the NKTI has 47 state-of-the-art hemodialysis machines that operate 24 hours per day to provide efficient services to patients. The center helps ensure patient satisfaction by providing high standard hemodialysis treatment at competitive rates. The center now accommodates about 120 outpatients each day, with an average number of 34,283 treatments per year. This has resulted in increased revenues from both hemodialysis services and other ancillary units, providing NKTI with income above the lease payments owed to the private partner. Due to this success, the NKTI entered into a second contract with Fresensius Medical Care Inc. in 2009.

The project allowed the NKTI to secure stateof- the-art technology for dialysis treatment and accommodate more patients, at the same cost of treatment and less risk to the government. Accordingly, the project shows the hallmarks of good value for money for a PPP project. IFC and the Infrastructure Journal have also recognized the project as one of the 40 best PPPs in the world.[1]

Footnote 1: Source(s) https://www.adb.org/ sites/default/files/ projectdocum ent/79124/41664-012- phi-tacr-01-a10.3.pdf accessed 17 February 2019

https://www. officialgazette.gov. ph/2013/04/24/ nkti-hemodialysisproject- among-thetop- 10-ppp-projectsin-east-asia-pacificand- south-asia-region/ accessed 17 February 2019

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https://www.scribd.com/ document/121923270/ NKTI-s-Presentation-to- ADB-on-Hemodialysis- Project-Public-Private- Partnership accessed 17 February 2019

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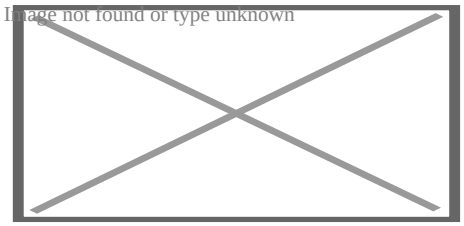
- **Selected World Bank Tools**

Additional Resources

- Climate-Smart PPPs
- Finance Structures for PPP

Partner Resources

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The Guidelines on Innovative Revenues for Infrastructure (IRI) is intended to be a living document and will be reviewed at regular intervals. They have not been prepared with any specific transaction in mind and are meant to serve only as general guidance. It is therefore critical that the Guidelines be reviewed and adapted for specific transactions.

To find more, visit the Innovative Revenues for Infrastructure section and the Content Outline, or Download the Full Report. For feedback on the content of this section of the website or suggestions for links or materials that could be included, please contact the Public-Private Partnership Resource Center at ppp@worldbank.org.

