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S. B. No. 298

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**INTRODUCED BY SENATOR ALAN PETER "COMPAÑERO" S. CAYETANO**

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**AN ACT**  
**ESTABLISHING A FRAMEWORK FOR A SMART PHILIPPINES, ENSURING**  
**ACCESSIBLE AND AFFORDABLE INTERNET FOR ALL, APPROPRIATING FUNDS**  
**THEREFOR, AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

Ingrained in our fundamental law is our high regard and recognition of the importance that science and technology plays in improving the lives of every Filipino and its role in taking our country to the next phase of nation building. Section 10, Article XIV of the 1987 Philippine Constitution provides that "science and technology are essential for national development and progress. The State shall give priority to research and development, invention, innovation, and their utilization..." Section 12, Article XIV of the Constitution also states that "the State shall regulate the transfer and promote the adaptation of technology from all sources for the national benefit. It shall encourage the widest participation of private groups, local governments, and community-based organizations in the generation and utilization of science and technology."

The term "smart cities", at its core, means leveraging new and disruptive technologies to address a broad range of urban problems.<sup>1</sup> Smart cities are the future of urban living because technology will play a significant role in governance, making social services available, and ensuring that the future is sustainable for future generations. As the country strives to create more eco-friendly smart cities with improved livability and quality of life for all, there is still work to be done as new technologies and other innovative ideas for city living emerge in the coming years.<sup>2</sup>

In a recent study, state-run think tank Philippine Institute for Development Studies (PIDS) said that the Philippines has begun its path toward building smart cities but it continues to face challenges along the way. Among the biggest issues are operational costs and lack of interoperability. Other challenges include the digital divide, lack of policies and standards in implementing smart city initiatives, and change in administration. Amid the still high number of challenges in developing smart cities, PIDS emphasized that national government agencies have a significant

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<sup>1</sup> <https://law.asia/philippine-smart-cities/>

<sup>2</sup> <https://opengovasia.com/the-philippines-to-expand-smart-city-initiatives/>

role to play in addressing such issues.<sup>3</sup> This is why this measure aims to bring together all the relevant national government agencies to provide an effective and long-term solution and framework into which our country can move forward to create more smart cities and municipalities in our country.

At the core of smart cities is the digitalization of government, the industries, institutions both public and private, and communities throughout the country. Broadband connection and digital literacy are critical to participation in society, the economy, and to access healthcare and essential services, obtain education, and establish or grow businesses, and in employment.

We therefore must modernize our digital infrastructure to ensure that all Filipinos have access to, and the use of, affordable, quality, and up-to-date information and communication technologies. This includes having reliable and affordable broadband internet service for everyone; internet-enabled devices that meet the needs of the user, whether for work, commerce, education, among others; and applications and online content designed to enable and encourage participation, interaction, and development. It also includes access to digital literacy training; digital and technical support; and ensuring online privacy and cybersecurity.

This bill creates the Smart Philippines Council composed of all the relevant government agencies and organizations, and serves as the overall policy-making and implementing body of the Act. The Smart Philippines Council is tasked with creating a "Smart Philippines Initiative", a five-year strategic action plan, with particular focus on the following sectors: digital infrastructure development, health, transportation, education, finance, and urban development. Based on the said Smart Philippines Initiative, a "Smart Philippines Resource Guide" shall also be created, which is designed to assist cities and municipalities in developing and implementing their own smart programs as well.

Our growing population and its corresponding increasing urban challenges have pushed our country and the rest of the world to look at the creation of smart cities as a solution. This bill aims to fast-track all efforts towards the development of smart cities and smart municipalities to ensure that each Filipino's future is secured by continually innovating and strengthening our capabilities through technology and new opportunities. This measure also seeks to ensure the digital inclusion of every Filipino so that each may utilize the full potential of information and communication technologies for, among others, education, commerce, and health. All these considered, we will be on our way to becoming a Smart Country.

Foregoing considered, the immediate passage of this bill is sought.

  
ALAN PETER "COMPAÑERO" S. CAYETANO

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<sup>3</sup><https://www.philstar.com/business/2022/02/02/2157878/challenges-remain-developing-smart-cities-philippines>



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*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

1           **SECTION. 1. Short Title.** – This Act shall be known as the *"Smart Philippines*  
2 *Act"*.  
3

4           **SECTION 2. Declaration of Policy.** – The State recognizes science and  
5 technology as essential for national development and progress. It thus gives priority  
6 to research and development, invention, and innovation and promotes smart  
7 technologies.  
8

9           In the same way that commerce and education require school buildings, roads,  
10 and other physical infrastructure, the digital economy needs the development of a  
11 digital highway for e-commerce, e-health programs, education, public safety, and  
12 government services.  
13

14           Achieving accessible and affordable access to internet service and information  
15 and communication technologies is a matter of social and economic justice. Thus, the  
16 State ensures that all Filipinos shall have access to affordable, quality, and up-to-date  
17 information and communication technologies. This includes having reliable and  
18 affordable internet service for everyone; internet-enabled devices that meet the  
19 needs of the user, whether for work, commerce, and education, among others; and  
20 applications and online content designed to enable and encourage participation,  
21 interaction, and development. It also includes access to digital literacy training; digital  
22 and technical support; and ensuring online privacy and cybersecurity.  
23

24           **SECTION 3. Definition of Terms.** – As used in this Act, the term:  
25

26           a) "Smart City" or "Smart Municipality" means a community in which innovative,  
27 advanced, and trustworthy information, communication, and energy  
28 technologies and related mechanisms are applied to:  
29

30           1) Improve the health and quality of life of residents;

- 2) Increase the efficiency and cost effectiveness of civic operations and services;
- 3) Promote economic growth; and
- 4) Create a community that is safer and more secure, sustainable, resilient, livable and workable.

The term “Smart City” or “Smart Municipality” also includes a city or municipality that:

- 1) Gathers and incorporates data from systems, devices, and sensors embedded in civic systems and infrastructure to improve the effectiveness and efficiency of civic operations and services;
- 2) Aggregates and analyzes gathered data;
- 3) Communicates the analysis and data in a variety of formats;
- 4) Makes corresponding improvements to civic systems and services based on gathered data;
- 5) Coordinates with relevant public and private sector entities (including entities providing electric, water, telecommunications, energy, and transportation services) to leverage the activities carried out by those entities;
- 6) Integrates measures to –
  - i. Ensure the resilience of civic systems against cybersecurity threats and physical vulnerabilities and breaches;
  - ii. Protect the private data of residents;
  - iii. Measure the impact of smart city or community technologies on the effectiveness and efficiency of civic operations and services; and
  - iv. Promote regional coordination of the activities.

As used in this Act, the term “Smart City” shall pertain to both cities and municipalities unless otherwise indicated.

b) “Digital inclusion” means—

- 1) activities necessary to ensure that all individuals in the Philippines shall have the opportunity to interconnect to others within and without the country through access to, and the use of, affordable information and communication technologies, such as—
  - i. reliable and affordable internet service;
  - ii. internet-enabled devices that meet the needs of the user, whether for work, commerce, and education, among others; and
  - iii. applications and online content designed to enable and encourage self-sufficiency, participation, and collaboration;
- 2) including—
  - i. access to digital literacy training;
  - ii. provision of quality technical support; and
  - iii. assurance of online privacy and cybersecurity.

**SECTION 4. Smart Philippines Council.** – There is hereby established a “Smart Philippines Council” (SPC) composed of the following members:

- 1
- 2 1. Department of Information and Communications (DICT) Secretary as
- 3 Chairperson;
- 4 2. Department of the Interior and Local Government (DILG) Secretary as Co-
- 5 Vice Chairperson;
- 6 3. Department of Science and Technology (DOST) Secretary as Co-Vice
- 7 Chairperson;
- 8

9 As members—

- 10
- 11 1. Department of Environment and Natural Resources (DENR) Secretary;
- 12 2. Department of Human Settlements and Urban Development (DHSUD)
- 13 Secretary;
- 14 3. Department of Education (DepEd) Secretary;
- 15 4. Commission on Higher Education (CHED) Chairperson;
- 16 4. Department of Energy (DOE) Secretary;
- 17 5. Department of Labor and Employment (DOLE) Secretary;
- 18 6. Department of Transportation (DOTr) Secretary;
- 19 7. National Economic and Development Authority (NEDA) Secretary;
- 20 8. National Privacy Commission (NPC) Chairperson;
- 21 9. President of the League of Cities of the Philippines;
- 22 10. President of the League of Municipalities of the Philippines; and
- 23 11. Such representatives of the private sector, including the industry and the
- 24 academe, which the President appoints, upon recommendation of the SPC
- 25 Chairperson.
- 26

27 **SECTION 5. Smart Philippines Initiative.** – The SPC shall act as the overall  
28 policy-making and advisory body for the fulfillment of this Act. The SPC shall, within  
29 six (6) months from the effectivity of this Act, create a five-year strategic action plan  
30 called the “Smart Philippines Initiative”, with specific focus on modernizing digital  
31 infrastructure, health, transportation, education, finance, and urban development, for  
32 the cities and municipalities in the entire country.

33  
34 The Smart Philippines Initiative shall contain and prioritize activities which:

- 35
- 36 1. Identify the barriers to digital inclusion;
- 37 2. Study the feasibility of providing subsidies to local government units
- 38 (LGUs) to enable them to provide broadband service to their constituents
- 39 and make reports and recommendations to the President and Congress;
- 40 3. Study measures and programs to ensure the affordability of the prices of
- 41 broadband service for households, including how competition impacts the
- 42 price of broadband service;
- 43 4. Include the necessary assessments, conducted in coordination with
- 44 relevant private sector organizations and LGUs;
- 45 5. Demonstrate smart city technologies in repeatable ways that can rapidly
- 46 be scaled;
- 47 6. Encourage public, private, regional, national, and international sharing of
- 48 data and best practices;
- 49 7. Encourage private sector innovation by promoting industry-driven
- 50 technology standards, open platforms, technology-neutral
- 51 requirements, and interoperability;



- 1 8. Promote the following:
  - 2 a. A skilled workforce;
  - 3 b. An open and competitive global market for smart city technologies;
  - 4 c. Inclusion of all citizens, including minority or disadvantaged
  - 5 groups; and
  - 6 d. Protocols and standards that allow the measurement and validation of
  - 7 cost savings and performance improvements associated with the
  - 8 installation and use of smart city technologies and practices;
- 9 9. Foster the growth of the smart city technology industry and workforce in
- 10 the country;
- 11 10. Encourage the adoption of smart city technologies by communities;
- 12 11. Safeguard cybersecurity, including by promoting industry practices
- 13 regarding cybersecurity;
- 14 12. Safeguard privacy and establish parameters and best practices for the
- 15 management of data;
- 16

17 The SPC may avail itself of the expertise and services of local and international  
18 resource persons and consultants. The SPC shall endeavor to facilitate collaboration  
19 and cooperation with all relevant public and private stakeholders in the creation of  
20 the Smart City Initiative.

21  
22 The Smart Philippines Initiative shall also be in congruence and shall  
23 complement DICT's current initiatives, such as the E-Government Masterplan and the  
24 National Digital Infrastructure Program.

25  
26 **SECTION 6. Smart Philippines Pilot Program.** The Smart Philippines Council  
27 shall provide technical support and expertise to cities and municipalities to enable  
28 the same to modernize their digital infrastructure, health, transportation, education,  
29 finance, and urban development.

30  
31 There shall be a Smart Philippines Pilot Program for cities and municipalities  
32 which are financially unable to independently launch their respective modernization  
33 programs under this Act. For this purpose, the Smart Philippines Council shall choose  
34 five (5) cities and municipalities each from Luzon, Visayas, and Mindanao to form part  
35 of the pilot program that shall assist said local government units in the funding for  
36 the implementation of this Act.

37  
38 **SECTION 7. Smart Philippines Resource Guide.** - Based on the Smart  
39 Philippines Initiative, the SPC shall create a "Smart Philippines Resource Guide"  
40 which is designed to assist cities and municipalities in developing and implementing  
41 their own smart programs.

42  
43 The Smart Philippines Resource Guide shall be maintained electronically on a  
44 website and available free of charge to the public.

45  
46 **SECTION 8. Lead Agency.** - The DICT, in coordination with the DILG and  
47 DOST, shall be the primary government agency responsible for the implementation  
48 and enforcement of this Act. It shall ensure that the mandates provided in this Act are  
49 fulfilled and that interagency cooperation and the proper public and private  
50 partnerships are established for their accomplishments.

1           **SECTION 9. Report to Congress** – The SPC shall submit a report to Congress  
2 every year following the approval of this Act, particularly on Section 5 of this Act,  
3 including the status and progress of the implementation of its Smart City Initiative,  
4 and shall make the necessary recommendations in areas where there is need for  
5 legislative action.  
6

7           Furthermore, the lead implementing agencies of this Act shall periodically  
8 recommend to the President and Congress how to update the Smart Philippines  
9 framework given the fast pace of technological change in the world.  
10

11           **SECTION 10. Joint Congressional Oversight Committee.** – There is hereby  
12 created a Joint Congressional Oversight Committee to oversee the implementation of  
13 this Act composed of seven Members from the Senate and seven Members from the  
14 House of Representatives. The Members from the Senate shall be appointed by the  
15 Senate President, with at least two senators representing the minority. The Members  
16 from the House of Representatives shall be appointed by the Speaker, with at least  
17 two members representing the minority.  
18

19           **SECTION 11. Appropriations.** – For purposes of this Act, the initial amount of  
20 One Hundred Million Pesos (Php 100,000,000.00) is hereby authorized to be  
21 appropriated from the funds of the National Treasury not otherwise appropriated.  
22 Thereafter, the amount needed for the implementation of this Act shall be included in  
23 the annual General Appropriations Act.  
24

25           **SECTION 12. Implementing Rules and Regulations.** – The DICT, in  
26 coordination with DILG and DOST, shall promulgate its implementing rules and  
27 regulations within thirty (30) days after the effectivity of this Act.  
28

29           **SECTION 13. Separability Clause.** – If any part or provision of this Act is  
30 declared invalid or unconstitutional, the other parts hereof not affected thereby shall  
31 remain valid.  
32

33           **SECTION 14. Repealing Clause.** – All laws, acts, presidential decrees,  
34 executive orders, administrative orders, rules and regulations inconsistent with or  
35 contrary to the provisions of this Act are deemed amended, modified or repealed  
36 accordingly.  
37

38           **SECTION 15. Effectivity.** – This Act shall take effect fifteen (15) days after its  
39 publication in the Official Gazette or in a newspaper of general circulation.

*Approved,*