

NINETEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES

First Regular Session

23 MAR -9 P3:42

RECEIVED BY:

SENATE

S.B. No. 1987

Introduced by SENATOR JOEL VILLANUEVA

AN ACT PROVIDING FOR THE FORMULATION AND INSTITUTIONALIZATION OF A COMPREHENSIVE INFRASTRUCTURE DEVELOPMENT MASTER PLAN

EXPLANATORY NOTE

Strategically planned and distributed infrastructure strengthens a country's socioeconomic development and significantly contributes to achieving sustainable and inclusive growth. The country's landscape, expanding population, and rapid urbanization necessitate carefully selected infrastructure investments that would improve the quality of life in both urban and rural areas and promote economic growth.

According to the 2022 World Competitiveness Yearbook by the International Institute for Management Development, the Philippines ranked 57th out of 63 economies in terms of infrastructure, one of the indicators measured in the competitiveness landscape.¹ Specifically, the country ranked 52nd in basic infrastructure, 45th in technological infrastructure, 52nd in scientific infrastructure, 58th in health and environment, and 60th in education infrastructure.² This shows that achievements and reforms in infrastructure in recent years are not enough and improvements have to be made if we are to aim to be globally competitive in terms of overall infrastructure quality.

Thus, this measure seeks to provide for the formulation and institutionalization of a Comprehensive Infrastructure Development Master Plan that will serve as a blueprint for investment planning towards a strategic infrastructure development. The Master Plan shall include the priorities, schedules, phases of implementation, as well as funding requirements and financing modalities for the projects and programs on

¹ IMD. World Competitiveness Ranking 2022. Available at https://www.imd.org/centers/world-competitiveness-center/rankings/world-competitiveness-center/rankings/world-competitiveness-center/rankings/world-competitiveness-center/rankings/world-competitiveness-center/rankings-world-competitiveness-center-cent

IMD. World Competitiveness Ranking, Philippines Profile. Available at https://worldcompetitiveness.imd.org/countryprofile/PH/wcy. Accessed on 08 March 2023.

transportation and logistics, energy, water resources, information and communications technology, social, agri-fisheries modernization and food logistics infrastructure systems, and other basic facilities in the country. It aims to ensure that, with a master plan in place, there would be a systematic and continuing development of infrastructure projects in the country regardless of the changes in government. In preparing the Master Plan, the measure also mandates the Commission on Higher Education (CHED) and the Technical Education and Skills Development Authority (TESDA) to ensure that their courses are aligned with the demands of the industry to address job skills-mismatch in the infrastructure and related sector.

Last year, the Department of Budget and Management (DBM) underscored the new administration's commitment to improve mobility and interconnectivity and said that it would maintain high investments in infrastructure at 5% to 6% of the country's gross domestic product annually, consistent with the economic team's Medium-Term Fiscal Framework. Institutionalizing the Comprehensive Infrastructure Development Master Plan will help ensure that every project built and every peso spent are geared towards economic improvement for the betterment of life of every Filipino.

For these reasons, the passage of this bill is earnestly sought.

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MASTER PLAN Be it enacted by the Senate and the House of Representatives of the Philippines in

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Congress assembled:

SECTION 1. Short Title. - This Act shall be known as the "Comprehensive Infrastructure Development Master Plan Act."

SEC. 2. Declaration of Policy. – It is hereby declared the policy of the State to provide an efficient and integrated infrastructure system to promote sustainable development and inclusive economic growth across the country, and sound quality of life for all Filipinos. The State also recognizes the crucial role of public investment in infrastructure and human capital geared towards job creation and promoting economic growth.

Towards this end, the State shall develop reforms in infrastructure planning for the systematic and continuing development of essential transport and logistics, energy, water resources, information and communications technology, social, agrifisheries modernization and food logistics infrastructure systems, and other basic facilities in the country to achieve higher economic growth trajectory and improve the quality of life of all Filipinos.

SEC. 3. Formulation of a Comprehensive Infrastructure Development Master Plan. - The National Economic and Development Authority Board ("NEDA Board") is hereby mandated to formulate a Comprehensive Infrastructure Development Master Plan, hereinafter referred to as "Master Plan," that will serve as a blueprint for investment planning towards a strategic infrastructure development.

The Master Plan shall include the selection, prioritization, and phasing of projects

with their respective descriptions, scopes, cost estimates, funding requirements, schedules, financing and implementation modalities, and implementing agencies for the following:

- a) Transportation and Logistics Infrastructure Program;
- b) Energy Infrastructure Program;
- 7 c) Water Resources Infrastructure Program;
- 8 d) Information and Communications Technology (ICT) Infrastructure Program;
- 9 e) Social Infrastructure Program;
 - f) Agri-Fisheries Modernization and Food Logistics Infrastructure Program; and
 - g) Asset Preservation and Maintenance Strategies.

The NEDA Board shall review and update the Master Plan as often as necessary, taking into account changes in development policies, in economic, physical and social conditions, and in the status of the projects, among others. This review and update may include the addition or deletion of projects or changes in their scopes and schedules, on the basis of actual physical, social, and economic circumstances, with sufficient justifications, according to detailed guidelines to be defined by the NEDA Board.

SEC. 4. *Infrastructure Policies and Strategies.* – The NEDA Board, in preparing the Master Plan including changes thereto, shall pursue the following national development policies and strategies:

 a) Prioritization of projects of national significance, which are consistent with the approved National Physical Framework Plan and Land Use Plan, as well as with National, Regional, Local, and Sectoral Development Plans, Roadmaps, and Master Plans;

b) Observance of the following principles in the determination of priorities: effectiveness in meeting government objectives; economic feasibility and impact; poverty alleviation and social inclusion; environmental sustainability and climate resilience; safety; security; affordability; public access; technical readiness for implementation; and financial viability and value for money;

c) Maximization of private sector participation in the planning, development, financing, design, construction, operation, and maintenance of infrastructure;

d) Establishment and pursuit of a whole-of-government strategy to coordinate infrastructure investment planning and implementation that promotes collaboration among key actors, with the NEDA as the lead coordinator;

e) Promotion of public consultation and feedback mechanisms on infrastructure investment priorities and projects at the national and local levels. These include alliances among the government, affected citizens, industries, investors, academe, think tanks, donor agencies, and other stakeholders to come up with smart approaches to infrastructure development on a sector-by-sector basis;

f) Implementation of adequate infrastructure asset preservation and maintenance strategies;

j)

technology;

- g) Incorporation of green and sustainable design, climate change adaptation and disaster resilience measures, as well as updated strength, safety, health and environmental standards in the design and construction of infrastructure projects, especially against powerful and disastrous typhoons, floods, earthquakes, fires, volcanic eruptions, landslides, and other hazards;
- h) Intensification of infrastructure-related research and development, especially the promotion of quality and sustainable infrastructure;
- i) Harmonization of technical-vocational and higher education courses offered in educational institutions with the workforce requirements of the long-term infrastructure programs of the government and the private sector with a view to addressing job skills-mismatch in the infrastructure and related sector;

Prioritization of the employment of qualified Filipino professionals and technical

- workers in infrastructure projects;k) Preferential use of quality constructions materials that have a high domestic content, especially those that use sustainable materials and appropriate
- I) Provision of appropriate training of, and technology transfer to, Filipino counterparts in infrastructure projects involving new or imported technology;
- m) Prioritization of multi-sectoral, multi-modal, and area-wide development projects to take advantage of their synergistic effects;
- n) Emphasis on food security infrastructure that will ensure the smooth flow of products across the archipelago. This will cover transport and logistics, energy, ICT, and other agri-fisheries modernization and food logistics infrastructure;
- o) Establishment of a strategic national transport network consisting of complementary roads, railways, ports, and airports that serve medium and long-distance high-density traffic between key cities and municipalities, economic hubs, international gateways and major corridors in urban centers; and
- p) Adoption of appropriate infrastructure risk management measures, including risk identification, allocation, and mitigation in project development and management.
- **SEC. 5.** Consideration of Approved National Infrastructure Projects. The infrastructure projects approved by the NEDA Board before the effectivity of this Act shall be given due consideration in the formulation and implementation of the Master Plan.
- **SEC.** 6. Submission to Congress. Every quarter after the enactment of this Act, the NEDA Board shall submit to Congress progress reports on the formulation of the Master Plan until its final approval. In the same manner, Congress shall be notified of any approved changes to the Master Plan.

SEC. 7. Joint Congressional Oversight Committee (JCOC). — A Joint Congressional Oversight Committee is hereby created to monitor and oversee the implementation of this Act. The Committee shall be composed of six (6) members each from the Senate and the House of Representatives. The JCOC shall be headed by the Chairpersons of the Senate Committee on Economic Affairs and Committee on Public Works, and the Chairperson of the House Committee on Economic Affairs and Committee on Public Works and Highways. The other members of the Committee shall be designated by the Senate President and the Speaker of the House, respectively. The Minority shall have at least two (2) representatives each from both Houses.

SEC. 8. *Appropriations.* – The amount necessary for the initial implementation of this Act shall be charged against the existing appropriations of the member agencies of the NEDA Board and such other appropriate funding sources as the Department of Budget and Management (DBM) may identify, subject to relevant laws, rules, and regulations. Thereafter, the amount necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 9. *Implementing Rules and Regulations.* – Within sixty (60) days from the effectivity of this Act, a Committee, composed of the NEDA Secretary as chairperson, and all members of the NEDA Committee on Infrastructure as members, shall promulgate the implementing rules and regulations (IRR) for the proper implementation of this Act.

In preparing the IRR, the Committee shall consult with stakeholders from the public and private sector, including local government units, business groups, community organizations, and non-government organizations.

SEC. 10. Separability Clause. – Should any provision of this Act or part hereof be declared unconstitutional, the other provisions or parts not affected thereby shall remain valid and effective.

SEC. 11. *Repealing Clause.* – All laws, decrees, orders, and issuances, or portions thereof, which are inconsistent with the provisions of this Act, are hereby repealed, amended, or modified accordingly.

SEC. 12. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,