

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 6343



Introduced by **REP. JOSE FRANCISCO “KIKO” B. BENITEZ**

EXPLANATORY NOTE

In 2010 to 2017, during the pre-COVID19 pandemic, Philippines experienced a significant economic growth of 6.4% per annum, besting the global 3.8%. However, the challenge was on how to sustain such growth given the aging and deteriorating (transport) infrastructure which threatens the country’s continuous growth, economic expansion, and national competitiveness.

The Duterte administration, perhaps, after having seen this growth – and the corresponding responsibility of sustaining, if not surpassing the same – as both an opportunity and challenge, made infrastructure development as a major component of its economic development strategy thru the substantially-funded Build, Build, Build Program. Under the said program, Php8 trillion, more or less, was committed to increase spending on infrastructure.

Rightfully so, the development of a country’s infrastructure has long been considered as synonymous to the growth of its sectors and the overall economy. It is a major factor in promoting economic growth and attracting foreign investors. Conversely, inadequate infrastructure constrain economic growth.

Infrastructure development is the key towards attaining sustainable and inclusive economic growth. Developed countries has placed on pedestal policies pertaining to infrastructure development. Clearly, for a developing country like ours, infrastructure development policies promoting the same is vital in improving the quality of life of every Filipino.

It is a well-accepted fact that there exists a strong relationship between infrastructure and economic growth. To attain sustainable and significant economic growth, however, infrastructure development, does not refer to a single component alone. It involves improvement of the quality of the various components of infrastructure, such as transportation, energy, digital infrastructure, green infrastructure, water, and information and communications technology. Most importantly, infrastructure development is the construction of basic foundational services in order to stimulate economic growth leading to improvement in everyone’s quality of life.

Thus, the proposed legislation mandates the formulation and institutionalization of a **Comprehensive** Infrastructure Development Master Plan which shall incorporate the priorities, schedules, and phases of implementation of the projects and activities as well as the estimated funding requirements and financing modalities for the following:

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

Finally, the subject legislation seeks to (i) adopt a Transit-Oriented Development (TOD) system/plan to promote urban growth and ensure compact, mixed-use, pedestrian-friendly, and suitable dense development organized around transit stations in order to bring economic, social, and environmental benefits to towns and cities and (ii) incorporate Land-Value Capture (LVC) schemes/mechanisms which are most useful and practically feasible to the country's current and foreseeable infrastructure needs.

Most importantly, a Comprehensive Infrastructure Development Master Plan guarantees a semblance of continuity which succeeding leaders of the country may – or shall – follow.

It is on the foregoing that the undersigned seeks the support for immediate enactment of the proposed legislation into a law.


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

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

Section 1. *Short Title.* – This Act shall be known as the “Comprehensive Infrastructure Development Master Plan.”

Sec. 2. *Declaration of Policy.* – It is the declared policy of the State to provide an efficient and integrated infrastructure system capable of promoting, encouraging, and supporting sustainable development and inclusive economic growth across the country.

The State also recognizes the crucial role of public investment in infrastructure and human capital geared towards creation of employment opportunities and promoting economic growth.

Toward this end, the State shall undertake to develop reforms in infrastructure planning to achieve higher economic growth trajectory leading towards the improvement of the quality of life of the Filipinos.

Sec. 3. *Formulation of a Comprehensive Infrastructure Development Master Plan.* – The National Economic Development Authority (“NEDA”) Board Executive Committee (“Board”) is hereby mandated to formulate a Comprehensive Infrastructure Development Master Plan (“Master Plan”) that will serve as a blueprint for investment planning towards a strategic infrastructure development.

The Comprehensive Infrastructure Development Master Plan shall include the priorities, schedules, and phases of implementation of the projects and activities as well as the estimated funding requirements and financing modalities for the following:

- i. Transportation and Logistics Infrastructure Program;
- j. Human Settlements and Urban Development Program;
- k. Energy Infrastructure Program;
- l. Water Resources Infrastructure Program;
- m. Information and Communications Technology (ICT) Infrastructure Program;
- n. Social Infrastructure Program;
- o. Agri-Fisheries Modernization and Food Logistics Infrastructure Program; and
- p. Asset Preservation and Maintenance Strategies.

Sec. 4. *Comprehensive Infrastructure Development Master Plan* – The NEDA Board, in preparing the Master Plan, including amendments thereto, shall consider the following:

- a. Establishment and pursuit of a whole-of-government approach to coordinate infrastructure investment planning and implementation that promotes collaboration among key actors;
- b. Adopt a Transit-Oriented Development (“TOD”) system/plan to promote urban growth and ensure compact, mixed-use, pedestrian-friendly, and suitable dense development organized around transit stations in order to bring economic, social, and environmental benefits to towns and cities;
- c. Incorporate Land-Value Capture (“LVC”) schemes/mechanisms which are most useful and practically feasible to the country’s current and foreseeable infrastructure needs;
- d. Development of an efficient, safe, economical, accessible, affordable, reliable integrated, seamless, and environmentally sustainable national infrastructure system;
- e. Adoption of appropriate infrastructure risk management measures, including risk identification, allocation, and mitigation, in project development and management;
- f. 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;
- g. 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;
- h. Promotion of public consultation and feedback mechanisms on infrastructure investment priorities and projects at the national and local levels;
- i. Preferential use of quality construction materials that have a high domestic content, especially those that use sustainable materials and appropriate technology; and
- j. Emphasis on food security infrastructure that will ensure the smooth flow of cargo across the archipelago.

Sec. 6. *Transit-Oriented Development* – The Board, in coordination with the Department of Transportation and the Department of Human Settlements and Urban Development, shall adopt the TOD as a development policy in conjunction with the implementation of mass public transport systems.

The TOD shall be designed to take advantage of the concentration of people in mass public transport systems to promote urban growth without leaving behind the less fortunate public. TOD development policy shall implement a plan and design strategy to ensure compact,

mixed-use, pedestrian-friendly, and suitable dense development organized around transit stations.

Sec. 7. *Land-Value Capture* – LVC refers to the act of collecting a share of the benefits generated by infrastructure projects that flow to the value of land which include, among others:

- I. Tax-Based Schemes
 - a. Property tax levied on the assessed value of the land and associated properties;
 - b. Special assessment imposed on property owners who benefit directly from specific public investments;
- II. Development-Based Schemes
 - c. Joint ventures particularly referring to project-specific PPP arrangements in which the government and private developers coordinate the development of transport infrastructure facilities and adjacent private properties, with the latter contributing financially or in-kind to these facilities that are expected to add value to their real estate holdings; and
 - d. Land Asset Management by explore the option of selling or leasing a portion of the land as a way to raise funds to pay for the infrastructure.

Through the use of LVC mechanisms, the government may capture some of the land-value increments to help recover various infrastructure costs by extracting funds from those areas and entities that directly benefit from public transport infrastructure.

Sec. 8. *Approved National Infrastructure Projects*. – The infrastructure projects approved by the Board prior to the effectivity of this Act shall be considered in the formulation and implementation of the Master Plan.

Sec. 9. *Submission to Congress*. – Every quarter after the enactment of this Act, the 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 proposed amendments to the approved Master Plan.

Sec. 10. *Joint Congressional Oversight Committee* - A Congressional Oversight Committee (“Committee”) is hereby created to monitor and oversee the implementation of this Act.

The Committee shall be composed of six (6) members from the Senate and six (6) members from the House of Representatives. The Committee shall be headed by the Chairpersons of the Senate Committee on Economic Affairs and Committee of 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 from both chambers.

Sec. 11. *Appropriations.* - The initial funding requirements for the implementation of this Act shall be charged against existing appropriations of the member-agencies of the Board and such other appropriate funding sources as the Department of Budget and Management may identify, subject to relevant laws, rules and regulations. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the General Appropriations Act.

Sec. 12. *Implementing Rules and Regulations.* – Within sixty (60) days of the approval of this Act, the Board, in consultation with stakeholders from the public and private sectors, including local government units, business groups, community organizations, and non-government organizations, shall formulate the implementing rules and regulations for the effective implementation of the law.

Sec. 13. *Separability Clause.* If any provision of this Act is declared invalid or unconstitutional, the provisions not affected thereby shall continue to be in full force and effect.

Sec. 14. *Repealing Clause.* All laws, decrees, orders, rules and regulations or parts thereof which are contrary to or inconsistent with the provisions of this Act are hereby amended, repealed or modified accordingly.

Sec. 15. *Effectivity.* This Act shall take effect immediately after fifteen (15) days from its publication in the Official Gazette or in a newspaper of general circulation.

APPROVED,