

INFRASTRUCTURE & ICT-BPM-KPM ADVOCACY PAPER 2024 EXECUTIVE SUMMARY

Infrastructure stands at the forefront of economic progress, acting as a catalyst for trade and investment. Recognising this significance, the national government has increased its infrastructure investment through the Build, Better, More program under the current administration, superseding the previous administration's Build, Build program. Currently, there are 185 Infrastructure Flagship Projects (IFPs) whose priority sectors include energy, health, and water, among others. Recent industry developments underscore the Philippine government's commitment to achieving a "golden age of infrastructure" for the country. The INFRAgenda 2028 of the Department of Public Works and Highways (DPWH), which aims to improve road network quality and safety, alongside initiatives such as the issuance of Executive Order (EO) No. 46 reducing import tariffs on select construction raw materials, signals a concerted effort to accelerate infrastructure development.

However, amidst these initiatives, persisting challenges hinder the full realisation of the country's infrastructure development. Legislative proposals such as Senate Bill No. (SBN) 1537, aimed at facilitating the acquisition of Right-of-Way (ROW), and House Bill No. (HBN) 8937, seeking to enhance the fiscal regime for the local mining industry, highlight the urgent need for comprehensive reforms. Key issues include regulatory inefficiencies and the need for greater coordination between government agencies and local government units (LGUs).

The Philippines' continued susceptibility to climate change impedes infrastructure provision and operation, undermining significant infrastructure investments. To address this, the ECCP Infrastructure Committee calls for the integration of sustainability in infrastructure project planning and implementation. This can be done by allocating funds for green infrastructure initiatives and promoting the faster adoption of blended cement in the Philippines.

Furthermore, the "golden age of infrastructure" can be facilitated with policies favourable to public-private partnerships (PPPs), encouraging the private sector to be the main engine for growth and development. Following the passage of the PPP Code of the Philippines³, we emphasise the necessity to **ensure the sanctity of contracts**, **prioritise solicited bids over unsolicited bids**, **and institutionalise capacity-building programs for LGUs to participate in PPP initiatives**. Streamlining regulatory processes among government entities will also enhance the efficiency of project implementation. Against this backdrop, the **implementation of the Mandanas-Garcia Supreme Court ruling should be further enhanced** to ensure the timely completion and quality of infrastructure projects. The Committee likewise underlines the importance of **improving the ease of doing business in the infrastructure sector**, **including right-of-way (ROW) issues and ensuring checks and balances**, among others.

By fostering a conducive environment for private sector involvement, the Philippines can leverage industry expertise to accelerate infrastructure development. With this in mind, the ECCP urges the government to level the playing field in the construction industry by **amending Rule 3.1 of the Implementing Rules and Regulations (IRR) of Republic Act No. 4566 or the Contractors' License Law** to allow foreign contractors to be issued regular licenses under the same conditions as those posed to domestic players. We reiterate that promoting fair competition will drive innovation and efficiency in infrastructure projects. Finally, the Committee recommends **reconsidering mineral reservations and imposition of mineral reserve status**. We

¹ Infrastructure Flagship Projects, 2024

² EO cuts tariffs on cement, plasterboard raw materials, 2024

³ Republic Act No. 11966



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call for a fair mining tax revenue system while maintaining the competitiveness and attractiveness of the country's mining industry.

The Philippines has also identified digital transformation as a national priority under the current administration— highlighting its commitment to bridge the digital divide by making internet connection affordable and accessible to all. Reiterating our full support of the government's intensified efforts on digitalisation, the ECCP ICT-BPM-KPM Committee advocates for the **continued improvement of internet infrastructure and broadband services**.

While we recognise the commendable efforts made by the current and previous administrations to boost digital and economic transformation, limitations in our existing internet infrastructure still remain. In relation to the foregoing, the ECCP commends and welcomes the developments pertaining to the enactment of a common tower policy to level the playing field and improve ICT services especially to unserved and underserved areas. In relation to this, we call on the urgent passage of the proposed legislation in Open Access in Data Transmission Act which will lower barriers to market entry, fast-track and lower the cost of deploying broadband facilities, and make more spectrum available for internet service. The Chamber believes that adopting the open access in data transmission is vital in increasing fixed and mobile broadband penetration for better and inclusive internet access and service. Likewise, the ECCP expresses its support for the call for the Philippine government to undertake a forward-looking policy and regulatory reforms on spectrum management that will enable a conducive environment for innovation, investment, and competition for the Philippines.

Today, international free flow of data or the transfer of data across borders expedites digital transformation and empowers organisations worldwide to expand and compete effectively. This seamless data exchange in real-time facilitates the efficient delivery of goods and services, ushering in new economic and trade prospects. As the Philippines advances its digital economy and aspires to become a regional digital hub, the ECCP underscores the importance of an **enabling environment for cross-border data flow** to spur economic development, enhance public services, increase digital trade, boost the competitiveness of data-driven industries in the country.

Finally, we also wish to highlight that one of the most valuable assets of any economy or company is its human capital. The ECCP recognizes the workforce as the comparative advantage of the ICT-BPM sector over its 'competitors'. It is in this light that we have long called for the **implementation of a national skills** development strategy and action plan for the IT-BPM sector, as well as the knowledge processing management (KPM) sectors, with special emphasis on STEM skills.