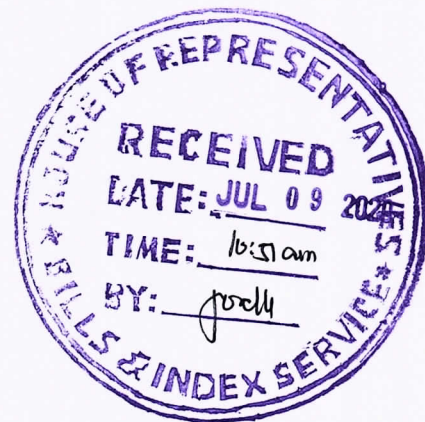




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



EIGHTEENTH CONGRESS

Second Regular Session

House Bill No. **7072**

Introduced by
APEC Party-List Representative Sergio C. Dagooc
Philreca Party-List Representative Presley C. De Jesus,
Ako Padayon Pilipino Party-List Representative Adriano A. Ebcas,
RECOBODA Party-List Representative Godofredo N. Guya

EXPLANATORY NOTE

The COVID-19 Pandemic has boiled down to the greatest economic crisis of the 21st century. Economic experts have predicted that a worldwide depression is imminent due to the pandemic forcing the world into economic hibernation¹. These, among other reasons, have forced the Philippine government to recalibrate its strategy in hopes to save some remnants of the decade's worth of economic gains against the imminent economic depression, one of which is the Balik Probinsya Program.

The issuance of Executive Order No. 114, otherwise known as "Balik Probinsya Program", has marked another milestone of the government in redistributing opportunities in all regions. The main goal of this order is to decongest Metro Manila and hinder the rapid spread of COVID-19. In addition to the statistics provided by the PSA, E.O. 114 also grounds its issuance on the fact that NCR's accounted GDP for 2018 is 36% of the whole country with 12% of the population taking residence in the region. Despite having the good intention of providing more opportunities in other regions, the crux of the matter is to acknowledge that there are currently no incentives for the workforce population to return to their province if opportunities are limited.

¹ Publicus Asia: Freeze And Reboot – A Strategy For Economic Rebirth Amid Covid-19. April 19, 2020 at <http://www.publicusasia.com/freeze-and-reboot-a-strategy-for-economic-rebirth-amid-covid-19/>.

In a study conducted by the Philippine Statistics Authority (PSA) in 2012, there are currently 219,184 business establishments in the country. Out of all these establishments, around 30% or 74,102 are situated in Metro Manila alone. It is noteworthy that the runners-up are CALABARZON with 29,441 establishments or 13.4%. followed by Central Luzon with 20,177 establishments or 9.2 %.

In 2017, the Philippine government launched the Build! Build! Build! Program with the vision to increase the economic activity of the country through infrastructure. According to the 2017-2022 Philippine Infrastructure Plan, 64 percent of these projects will go on transportation².

Throughout the world, rural electrification is regarded as the cornerstone in poverty alleviation and modernization. By 2008, the World Bank claimed that the economic case for investment in rural electrification is proven³. A survey of the several literature also suggests that rural electrification is necessary to improve economic productivity and improve the quality of rural life⁴

Regional and countryside development as a means to decongest the metro will no doubt require energy to power the industries that would be born from the issuance of the Balik Probinsya program. To direct growth in key centers throughout the country and generate more opportunities for production and employment in lagging regions, investments on infrastructures must be prioritized—especially in the energy sector. Sustainable development in the countryside cannot be achieved without rural electrification.

Hence, the implementation of the Balik Probinsya Program will result to an increase in the distribution of economic activities in the countryside which is directly proportional to the energy demand needed to support it. In anticipation of the economic activity growth in rural areas, the energy infrastructures, particularly in production and distribution of electricity, must be prioritized and funded by the Balik Probinsya program.

The National Electrification Administration's Sitio Electrification Program (SEP) must be strengthened and prioritized in order to support the operation and development of industries in rural areas. It is imperative to have the NEA to oversee the faster rollout of SEP and provide adequate support to Electric Cooperatives which will carry the responsibility of fast-tracking electrification in unserved areas. Further, as the forerunner of the country's electrification program since its creation as an institution in 1969, it is high time we give NEA the direct

² Philippine Infrastructure Plan 2017-2022. National Economic and Development Authority. Retrieved May 19, 2020 at <http://www.neda.gov.ph/wp-content/uploads/2018/10/PIP-2017-2022-19.pdf>.

³ World Bank, 2008. The welfare impact of rural electrification: a reassessment of the costs and benefits. World Bank. An IEG impact evaluation, World Bank, Washington DC (2008)

⁴ Van Gevelt, Terry. 2014. Rural electrification and development in South Korea. Energy for Sustainable Development. Volume 23, December 2014, Pages 179-187

authority and jurisdiction over the Rural Electrification Program of the country.

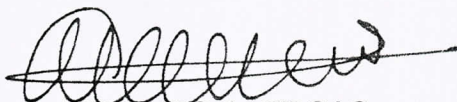
In view of the foregoing, the approval of this bill is earnestly sought.



SERGIO C. DAGOOOC
APEC Party-List Representative



PRESLEY C. DE JESUS
PHILRECA Party-List Representative



ADRIANO A. EBCAS
Ako Padayon Pilipino Party-List Representative



GODOFREDO N. GUYA
RECOBODA Party-List Representative



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AN ACT
INSTITUTIONALIZING THE BALIK PROBINSYA, BAGONG PAG-ASA
PROGRAM AS A PILLAR OF BALANCED REGIONAL DEVELOPMENT

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

Section 1. Short Title. This Act shall be known as the "Balik Probinsya Act of 2020".

Section 2. Declaration of Policy. The State shall ensure balanced regional development and equitable distribution of wealth, resources and opportunities through policies and programs that boost countryside development and inclusive growth, provide adequate social services, and promote full employment, industrialization and an improved quality of life in rural areas. Towards this end, the "*Balik Probinsya, Bagong Pag-asa Act*" shall be institutionalized.

Section 3. Creation of the Balik Probinsya, Bagong Pag-asa Council. To ensure whole-of-government action on the implementation of the Balik Probinsya Act, the Balik Probinsya, Bagong Pag-asa Council ("Council") is hereby created under the Office of the President, to be composed of the following:

Chairperson:	Executive Secretary;
Vice Chairperson:	Secretary for Socio-Economic Planning and Director General, National Economic and Development Authority
Members:	Secretary, Department of the Interior and Local Government; Secr (DILG), Secretary, Department of Social Welfare and Development

(DSWD);
Secretary, Department of Agriculture (DA);
Secretary, Department of Agrarian Reform;
Secretary, Department of Trade and Industry (DTI);
Secretary, Department of Labor and Employment (DOLE);
Secretary, Department of Health (DOH);
Secretary, Department of Information and Communications
Technology (DICT);
Secretary, Department of Finance (DOF);
Secretary, Department of Budget and Management (DBM);
Secretary, Department of Public Works and Highways (DPWH)
Secretary, Department of Transportation (DOTr);
Secretary, Department of Tourism (DOT);
Secretary, Department of Human Settlements and Urban
Development (DHSUD);
Secretary, Department of Education (DepEd);
Chairperson, Commission on Higher Education (CHED);
Secretary, Department of Environment and Natural Resources
(DENR);
Director-General, Technical Education and Skills Development
Authority (TESDA);
Chairperson, Mindanao Development Authority;
Chairperson, Cooperative Development Authority; and
Administrator, National Electrification Administration
(NEA).

A member of the Council shall designate a permanent and alternate representative, who is fully authorized to decide for and on behalf of his or her respective department, agency, or office and perform the functions as hereafter provided.

The Council shall be assisted by a Secretariat, to be headed by the General Manager of the National Housing Authority (NHA) as Executive Director, which shall provide technical and administrative support to the Council. The Secretariat shall be composed of personnel from the NHA and, as may be necessary, from member agencies of the Council.

Section 4. Powers and Functions of the Council. The Council shall have the following powers and functions:

- a. Formulate within ninety (90) days from the effectivity hereof, the guidelines necessary to implement this Act, including the Balik Probinsya Act Framework as defined herein;
- b. Provide overall direction in the implementation of the Balik Probinsya Act, its programs and activities including guidance and technical assistance to government agencies and local government units (LGUS) in its implementation;
- c. Approve or modify key areas and components of the Balik Probinsya Act, as well as ensure the compliance of government agencies involved in its implementation;
- d. In coordination with the Presidential Communications Operations Office, develop a strategic communications plan to educate the people and advocate for supportive policies in the local level;

- e. Identify legislative, regulatory, and policy changes to promote balanced regional development and recommend to the Congress the enactment of such reforms into law;
- f. Engage, consult and coordinate with LGUs in the formulation of policies, and implementation of the components of the Balik Probinsya Act that will allow for resource-sharing arrangements through, among others, co-financing mechanisms with development partners;
- g. Enlist the support and assistance of other government agencies, instrumentalities, government-owned or -controlled corporations and state universities and colleges, as well as consult and provide avenues for the private sector, relevant stakeholders, advocacy groups and non government organizations to participate in the attainment of the objectives of this Act;
- h. Create sub-groups, technical working groups or committees as may be deemed necessary to implement the objectives of this Act;
- i. Adopt mechanisms, such as but not limited to an online platform, and establishment of Balik Probinsya desks in all offices of member agencies, to facilitate accessibility to the public, enhance monitoring of implementation, and ascertain the compliance of beneficiaries; and
- j. Perform other tasks as the President may direct in relation to the objectives and intent of this Act.

Section 5. The Balik Probinsya, Bagong Pag-asa Act and its Key Areas. The Balik Probinsya Act is hereby established as the national policy of the government, and adopted as a continuing strategy to drive inclusive and balanced urban and rural development, ensure rural prosperity and complement initiatives towards attaining resilient and sustainable communities.

The Balik Probinsya Act Framework shall be divided into key areas, each having measured policy objectives:

- a. Empowerment of Local Industries - Introduce a sustainable program for public sector investment and private sector participation that promotes regional development. Support shall be particularly provided to micro, small and medium enterprises (MSMEs) to foster the continued growth of the sector, and the rationalization of a purposeful system of fiscal incentives shall be prioritized to develop forward and backward linkages and export- and domestic-oriented enterprises, access to markets and a fully integrated value chain and encourage the transfer of medium and large businesses to provincial economic hubs.
- b. Food Security and Agricultural Productivity - Encourage and facilitate innovations and technologies for agricultural production, such as modern rice farming techniques, seed production and farm mechanization, conducive to long-term and sustainable rural development. Local agricultural industries shall be supported and strengthened through infrastructure and financial support, such as but not limited to loans sourced from the Agricultural Competitiveness Enhancement Fund, as well as existing incentives given to agriculture cooperatives.

Measures to take advantage of economies of scale in agricultural production, promote value chain development, increase farm incomes, and improve the quality of life of farmers, shall be pursued.

- 1
2 c. Social Welfare, Health and Employment - Comprehensive assistance packages
3 shall be designed to encourage the voluntary and immediate movement to their
4 respective home provinces of workers and overseas Filipino workers, especially
5 those stranded in the NCR due to the Enhanced Community Quarantine (ECQ)
6 or General Community Quarantine (GCQ).
7

8 Local health facilities shall be upgraded and local health capacity shall be
9 improved to address the health needs of the community, such as building more
10 hospitals and clinics, providing more ambulances and enhancing medical
11 scholarship programs, among others.
12

13 Educational institutions and technical and vocational schools shall be built in
14 strategic rural areas, state universities and colleges shall be linked to industries,
15 thru, among others, conversion of their idle lands into science or technology
16 parks. Access to Open Distance Learning shall also be enhanced in rural
17 communities.
18

19 Employment shall be created and restored through various support programs
20 and assistance packages, including resettlement to provincial township sites and
21 community interventions or projects based on area/resettlement site.
22

- 23 d. Development of Infrastructure - Infrastructure such as means of transport and
24 communications, power resources, and irrigation facilities which support the
25 operation and development of other sectors of the economy shall be developed in
26 all the different regions of the country. The completion of existing and future
27 railway projects to facilitate the movement of people, as well as the creation and
28 improvement of transport terminals and construction of public markets in
29 communities, shall be prioritized.
30

31 **Section 6. Categorization of the Balik Probinsya Act Framework**
32 **Components.** The components of the Balik Probinsya Act Framework to be
33 formulated by the Council shall be aligned with the key areas mapped in the preceding
34 Section, and shall be categorized under specific progress points, as follows:
35

- 36 a. Short-term - Pipeline or existing programs, activities or projects (PAPs) with
37 available funds or appropriations, which can be adapted to support the required
38 interventions under the Balik Probinsya Act and which can be readily implemented
39 during the Enhanced and General Community Quarantine. Due priority shall be
40 given to individuals and enterprises qualified under the implementing guidelines
41 mentioned in Section 5(a) hereof.
42

43 For the efficient voluntary movement of individuals and enterprises from the NCR
44 to identified rural areas, initial assessment may be provided for assistance, such as
45 but not limited to the following:

- 46 (i) Transportation and relocation coursed through the DOTr and DILG
47 which are tasked to coordinate with the LGUs concerned. For this
48 purpose, the Department of National Defense, the Armed Forces of
49 the Philippines, and all its main service branches, as well as the
50 Philippine Coast Guard, may be called to render the necessary
51 logistical support;

- (ii) Transitory support from existing DSWD and NHA programs;
- (iii) Livelihood and employment packages that are implemented or may be developed by the DOLE and DTI;
- (iv) Agri-based support services offered by the DA;
- (v) Educational programs, including internet-based learning, through the DepEd, CHED and TESDA;
- (vi) Fiscal incentives and transition assistance for MSMEs, including but not limited to tax incentives and fast-tracked processing of licenses and permits, as may be applicable; and
- (vii) Other forms of aid as may be necessary or formulated by relevant government agencies.

b. Medium-term - Existing PAPs with available funds or appropriations to support required interventions or new PAPs for funding, which can be implemented when the ECQ or travel restriction is lifted. It may consist of, but is not limited to the following:

- (i) Identification of existing special economic zones, as well as development of MSME-oriented industries;
- (ii) Livelihood and employment opportunities suitable to rural development;
- (iii) Strengthening and prioritizing the National Spatial Strategy integrated in the Philippine Development Plan and spearheaded by the NEDA;
- (iv) **Construction of power distribution lines to aid business center hotspots and meet the increase in residential power consumption, as spearheaded by the NEA.**
- (v) Integration of institutional assistance, such as progression of formal education, improved healthcare services and medical facilities, maintenance and promotion of peace, order, and security; and
- (vi) Establishment of new special economic zones in Visayas and Mindanao including the Bangsamoro Autonomous Region;

To implement this section, Congress should assure funding of all agencies involved to implement the approved plans and programs adopted by the Council.

c. Long-term - PAPs that require longer time horizons to implement but whose initial steps must already be taken by national government agencies, such as but not limited to the proposed decentralization of powers and seat of governance, priority legislation on rationalized and results-based tax incentives for agricultural or tourism industries and the National Land Use Act, and the creation of new urban centers outside of the NCR and existing major urban centers.

Section 7. Funding. The amount necessary for the implementation of this Act shall be charged against existing appropriations of the agencies who are members of the Council, and from sources to be identified by the DBM, subject to existing budgeting, accounting and auditing laws, rules and regulations. To the extent permitted by law, agency heads are hereby authorized to realign items in their respective appropriations to fund PAPs approved as part of the Balik Probinsya Act. Funding requirements for the succeeding years shall be included in the respective budgets of government agencies implementing the Balik Probinsya Act.

1 **Section 8. Reporting.** The Council shall submit to the President and Congress, a bi-
2 annual report on the implementation of this Act, including its accomplishments in
3 terms of short-, medium- and long-term goals and budget utilization.

4
5 **Section 9. Separability.** If any provision of this Act is declared invalid or
6 unconstitutional, the other provisions not affected thereby shall remain valid and
7 subsisting.

8
9 **Section 10. Repeal.** All issuances, rules and regulations contrary to or inconsistent
10 with this Act are hereby repealed, modified, or amended accordingly.

11
12 **Section 11. Effectivity Clause.** – This Act shall take effect fifteen (15) days
13 following its complete publication in the Official Gazette or a newspaper of general
14 circulation.

15
16 *Adopted.*