

Republic of the Philippines  
**House of Representatives**  
Quezon City, Metro Manila

**NINETEENTH CONGRESS**  
First Regular Session

House Bill No. 7773



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**INTRODUCED BY REP. PM VARGAS**

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**AN ACT**  
**PROVIDING FOR A NATIONAL DIGITAL TRANSFORMATION POLICY**  
**AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**


The Age of Information, also known as the Digital Age, ushered in new skills and abilities wherein the next generation of Filipinos has competitively adapted from traditional industries to sectors of information computerization.

This transformation was even hastened by the COVID-19 pandemic, when almost all transactions shifted to online platforms. With the challenges brought about by the “new normal”, complemented by developments and innovations in learning, the Filipinos of today must be equipped with the necessary knowledge to traverse this new environment. At the same time, the government must put systems in place to support these changes.

By putting in place digital transformation policies, the government can ensure that strategies and initiatives for businesses, education, service delivery, and many other aspects of the daily lives of people can be integrated into technology making operations more efficient, cost-effective, and readily available to the end-users.

This bill seeks to provide a national framework for digital transformation, with, the adoption of information and communications technology (ICT) and digital competency in all forms of learning, and a national digital transformation and skills developments strategy to ensure that every citizen is presented with the opportunity to understand ICT and develop the important skills necessary to the digital age.

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

  
**REP. PM VARGAS**  
Fifth District, Quezon City

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*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 “National Digital Transformation Act”.

**SECTION 2. Declaration of State Policy.** – It is hereby declared policy of the State to integrate digital technology into all areas of government that will greatly improve Philippine governance, socio-economic development, and services to people. Consequently, the State shall create a plan that shall transform the government into a digital platform providing transparent and accountable governance, efficient operations, direct citizen engagement, and innovation.

**SECTION 3. Definition of Terms.** – The following terms as used in this Act shall mean:

- (a) “*21<sup>st</sup>-century skills*” refer to skills that are required by new jobs such as critical thinking, problem-solving, good communication, collaboration, information and technology literacy, flexibility and adaptability, innovativeness, and creativity.
- (b) “*Automatic and Artificial Intelligence*” refers to combining technology such as Robotics Process Automation or RPA, Artificial intelligence (AI), and machine learning;

- (c) “*Big Data and Analysis*” refers to the data discovery process using techniques and tools like mining useful information or insights from huge sets of data either structured or unstructured. This is enabled through an exponential increase in both computing power and storage capacity;
- (d) “*Cloud Computing*” refers to the delivery of IT services hosted over the internet to transform compute resources into a utility;
- (e) “*Data*” refers to a sequence of one or more symbols given meaning by specific act(s) of interpretation. Data can be analyzed or used in an effort to gain knowledge or make decisions. Digital data is represented using the binary number system of ones (1) and zeros (0) as opposed to its analog representation;
- (f) “*Digital Competence*” refers to the confident, critical, creative, relevant and responsible use of, and engagement with, digital technologies for learning or education, for work or occupation, and for participation in society;
- (g) “Digital content” refers to any type of content that exists in the form of digital data that are encoded in a machine-readable format, and can be created, viewed, distributed, modified, and stored using computers and digital technologies, e.g. the internet. The content can be either free or paid content such as web pages and websites, social media, data and databases, digital audio, such as mp3s, and e-books, digital imagery, digital video, video games, computer programs, and software.
- (h) “*Digital entrepreneurship*” refers to combining traditional entrepreneurship with new digital technologies, thus creating digital enterprises which are characterized by a high intensity of utilization of novel digital technologies, particularly social media, big data analytics, mobile and cloud solutions to improve business operations, invent new business models, sharpen business intelligence, and engage with customers and stakeholders;
- (i) “*Digital services*” refer to public or private services that can be delivered through digital communication, such as the Internet, mobile network that might include delivery of digital information, data or content or transactional services;
- (j) “*Digital skills*” refer to a range of abilities, from basic to more advanced, encompassing a combination of behaviors, expertise, know-how, work

habits, character traits, dispositions, and critical understandings of the use of digital devices, communication applications, and networks to access and manage information;

- (k) “*Digital technology*” refers to any product that can be used to create, view, distribute, modify, store, retrieve, transmit, and receive information electronically in a digital form such as personal computers smartphones, PDA with mobile phone facilities, games consoles, media players, e-book readers, as well as digital televisions, and robots;
- (l) “*Digital tools*” refer to technologies used for a given purpose or for carrying out a particular function of information processing, communication, content creation, safety problem-solving;
- (m) “*Digital Transformation*” refers to the total and overall societal effect of digitalization;
- (n) “*Digitalization*” refers to the technical conversion from traditional to digital;
- (o) “*Innovation*” refers to the creation of new ideas using new or existing technologies that results in the development of new or improve products, processes, or services, which are then spread or transferred across the market;
- (p) “*Internet of Things (IOT)*” refers to everyday devices connected to the internet through sensors and computing power to monitor and manage actions, offering users greater influence over their environment;
- (q) “*Social inclusion*” refers to the process of improving the terms for individuals and groups to take part in society (World Bank). Social inclusion aims to empower poor and marginalized people to take advantage of burgeoning global opportunities. It ensures that people have a voice in decisions which affect their lives and that they enjoy equal access to markets, services and political, social and physical spaces;
- (r) “*Well-being*” is related to the World Health Organization definition of good health as a state of complete physical, social and mental well being, and not merely the absence of disease or infirmity. Social well-being refers to the sense of involvement with others and with the communities such as access and use of social capital, social trust, social connectedness, and social networks;

**SECTION 4. *Digital Competence Framework for Citizens.***- A Digital Competence Framework for Citizens is hereby created. It shall serve as a tool to improve the digital competence of citizens and a guide in the formulation of policies that support digital competence building. The framework shall include education and training initiatives to improve the digital competence of various specific target groups.

The essential knowledge, skills, and attitudes that comprise digital competence are, generally classified as follows:

- (a) Information and Data Literacy. – The ability to articulate information needs, to locate and retrieve digital data, information and content, to judge the relevance of the source, and its content and to store, manage, and organize digital data, information and content, to judge the relevance of the source and its content and to store, manage, and organize digital data, information and content. The skills are as follows:
  - i. Browsing, searching and filtering data, information, and digital content
  - ii. Evaluating data, information, and digital content
  - iii. Managing data, information, digital content
- (b) Communication and collaboration. – The ability to interact, communicate and collaborate through digital technologies while being aware of cultural and generational diversity, to participate in society through public and private digital services and participatory citizenship and to manage one’s digital identity and reputation. The skills are as follows:
  - i. Interacting through digital technologies
  - ii. Sharing through digital technologies
  - iii. Engaging in citizenship through digital technologies
  - iv. Collaborating through digital technologies
  - v. Netiquette
  - vi. Managing digital identity
- (c) Digital Content Creation – The ability to create and edit digital content, to improve and integrate information and content into an existing body of knowledge while understanding how copyright and licenses are to be applied, and to know how to give understandable instructions for a computer system. The skills are as follows:
  - i. Developing digital content
  - ii. Integrating and re-elaborating digital content
  - iii. Copyright and licenses

iv. Programming

(d) Safety - The ability to protect devices, content, personal data and privacy in digital environments, to protect physical and psychological health, and to be aware of digital technologies for social well-being and social inclusion, as well as to be aware of the environmental impact of digital technologies and their use. The skills are as follows:

- i. Protecting devices
- ii. Protecting personal data and privacy
- iii. Protecting health and wellbeing
- iv. Protecting the environment

(e) Problem-Solving – The ability to identify needs and problems, and to resolve conceptual problems and problem situations in digital environments. to use digital tools to innovate processes and products and to be updated with the digital evolution. The skills are as follows:

- i. Solving technical problems
- ii. Identifying needs and technological responses
- iii. Creatively using digital technologies
- iv. Identifying digital competence gaps

The Department of Information and Communication Technology (DICT) and the Department of Education (DepEd) in collaboration with the Commission on Higher Education (CHED), and the Technical Education and Skills Development Authority (TESDA) shall design and develop an instrument to measure and certify citizens' digital competence based on the framework. These agencies shall consult experts in the field of various technologies necessary for digital transformation, such as but not limited, robotics, big data and other disruptive technologies.

**SECTION 5. ICT Competency Framework for Teachers.** – An ICT-Competence Framework for Teachers is hereby created. This shall be used to outline the competencies that teachers, educators, and trainers need in order to integrate Information and Communication Technologies (ICTs) into their professional practice.

The framework shall be used to compare the teachers' competencies in different regions, provinces, cities, and municipalities in order to analyze and develop educational programs and training courses for teacher professional development at the national or regional level.

The required competencies are defined as the intersections of the three approaches to teaching, as follows:

- (a) Technology literacy approach shall enable students to use ICT in order to learn more efficiently and increase the extent to which new technology is used by students, citizens, and the workforce by incorporating technology skills into the school curriculum. The goal of the technology literacy approach is to enable learners, citizens, and the workforce to use ICT to support social development and improve economic productivity.
- (b) Knowledge deepening approach shall enable students to acquire in<sup>32</sup> depth knowledge of their school subjects and apply it to complex, real-world problems; and increase the ability of students, citizens, and by applying it to solve complex real-world problems. The aim of the knowledge-deepening approach is to increase the ability of students, citizens, and the workforce to add value to society and to the economy by applying the knowledge gained in school subjects to solve complex, high-priority problems encountered in real-world situations of work, society and in life generally.
- (c) Knowledge creation approach shall enable students, citizens, and the workforce they become, to create the new knowledge required for more harmonious, fulfilling and prosperous societies; and increase the ability of students, citizens, and the workforce to innovate, produce new knowledge, and benefit from this new knowledge. The aim of the knowledge creation approach is to increase productivity by creating students, citizens, and a workforce that is continually engaged in, and benefits from, knowledge creation, innovation and life-long learning. The six aspects of a teacher's work, under the framework are as follows:
  - i. Understanding ICT education
  - ii. Curriculum assessment
  - iii. Pedagogy
  - iv. ICT
  - v. Organization and administration
  - vi. Teacher professional learning

**SECTION 6. *National Digital Transformation Strategy.*** – A National Digital Transformation Strategy shall be created. The Strategy shall be created. The Strategy shall ensure that every citizen shall have the opportunity to understand ICT and develop skills and ability to apply the ICT in their work, vocation, business, and life in society. The Strategy shall include, but not limited to:

- (a) Affordable and clean energy and growth, which includes plans and programs to ensure competitive costs as well as lower adverse impact to the environment;
- (b) Digital inclusion, which includes plans and programs to spread growth across the country, and identify potential areas for various industries to unlock growth, increase skill levels, or promote local innovation;
- (c) Infrastructure, which includes concrete plans and strategies to develop and upgrade performance on digital, energy, and transport infrastructure, to effectively align central government infrastructure investment with local growth priorities;
- (d) Institutional framework, which includes strategies and directions to establish or improve existing institutions such as innovation councils, local educational institutions, trade associations, or financial networks;
- (e) Procurement policy, which includes concrete and specific plans in the government procurement in order to drive innovation and enable the development of effective, efficient, and transparent supply chains across the country;
- (f) Science, research, and innovation, which include a concrete set of plans and strategies to ensure a knowledge economy, create and commercialize intellectual property that will promote and enhance the global brand of the Philippines
- (g) Sectoral engagement, which includes plans, policies, and strategies programs to enhance areas of competitive advantage, and help new sectors to grow;
- (h) Skills, which include concrete plans and strategies to ensure that the Filipino workforce is equipped with the relevant and necessary 21<sup>st</sup>-century skills for them to thrive in a modern economy and build learning organizations and systems to benefit everyone especially those who are not able to attend or complete formal education, and enhance science, technology, engineering, and math (STEM) skills and numeracy, and raising skill levels, especially in underprivileged areas;
- (i) Trade and inward investment which includes plans and strategies to boost productivity and growth across the economy by increasing competition and helping to bring innovation and new ideas, systems



and processes; and

- (j) Supporting businesses to start and grow, where we the government must ensure that businesses across the country can access the finance and management skills they need to grow; and create the conditions to enable firms to invest for the long term.

**SECTION 7. *Digital Inclusion.*** — The DICT shall enable all citizens, irrespective of age, gender, physical ability, ethnicity, health conditions, or socio-economic status to access the opportunities of the internet. Citizens, businesses, and public services must take full advantage of the transformational benefits of the digital revolution. The Department must identify the root causes of digital exclusion in all sectors and regions for the purpose of increasing their digital competence.

The DICT shall identify and develop the full range of digital skills that individuals and companies across the country need to address the requirements of a digital economy and instill measures and programs for citizens to continuously up-skill and re-skill throughout their working lives.

It shall also develop a strong collaboration between the public, private, and educational sectors to address the digital skills gap in a coherent and holistic way.

**SECTION 8. *Digital Libraries and Learning flute.*** — The DICT and the National Library of the Philippines shall enhance and promote the role of libraries in improving digital communication, increasing citizens' digital footprint, promoting digital inclusion, and transform these libraries as providers of digital access, training, and support for local communities.

**SECTION 9. *Digital Entrepreneurship.*** — The Department of Trade and Industry (DTI) and the DICT shall strongly promote the digitization of businesses according to their own specific digital needs, mainly focused on these four core digital activities, namely maintaining a web presence, selling online, using the cloud, and digitizing back-office functions such as payroll and human resource management, in order to become or remain competitive. The DTI shall ensure that entrepreneurs undertake the certification under the digital competence framework for citizens to identify areas the need training and intervention.

**SECTION 10. *Digital Civil Service.*** — To ensure the highest standards of public service, the DICT and the Civil Service

Commission shall identify and consolidate all the skills and competencies of public employees in the career service and recommend and cause the conduct of digital skills training under an annual digital skills mapping activity. All public employees shall be covered under a mandatory basis of certification under the digital competence framework for citizens to identify areas that need training and intervention.

**SECTION 11. *National Digital Skills Development Strategy.***

— The State shall create digital skills development strategy that will:

a.) Identify the digital skills development goals for:

- i. Primary education
- ii. Secondary education
- iii. Tertiary education, for students, and digital technology development and design experts
- iv. Work-related digital skills training programs for out-of-school youth, including for freelancers and part-time workers;
- v. Work-related digital skills training programs for adults requiring re-shilling;
- vi. Skills for life in the digital economy for all citizens;
- vii. Training programs both for life and work for under-represented populations;
- viii. Develop or plan for a digital entrepreneurship skills strategy.

b.) Inventory existing policies, plans, and programs that support the development of digital skills and analyze how they can be used to support the goals of the digital skills strategy

c.) Benchmark the goals against existing frameworks or countries with similar goals as well as identify the existing priorities and challenges in meeting the above goals as well as identify promising solutions for providing digital skills that address the common challenges

d.) Identify current and future trends in relation to demographic trends, technological changes, business trends, trade, industrial policies, and the shift to a greener, digital, and knowledge-based economy

e.) Identify available training programs, curriculum and providers that can be leveraged to meet the strategy's goals and develop new curricula where necessary as well as identify gaps in training programs and curricula – and identify providers and strategies that will help fill them.

f.) Identify and recommend new policies and programs that are

needed and conduct advocacy both using the existing policies and building support for new policies

**SECTION 12. *Digital Jobs.*** — The DICT in coordination with the Department of Labor (DOLE) and other concerned agencies shall provide jobs that are in line with freelancing, virtual work, home-based digital activities, and the like.

**SECTION 13. *National Digital Transformation Council.*** — The National Digital Transformation Council is hereby created to ensure the effective implementation of this Act.

**SECTION 14. *Composition of the Council.*** — The Council shall be composed of:

- a. DICT
- b. Department of Science and Technology (DOST)
- c. DTI
- d. DOLE
- e. DEPED
- f. CHED
- g. TESDA
- h. At least ten (10) members coming from the private sector that is involved in digital skills development, digital industries, and jobs, or digital systems and products.

**SECTION 15. *Functions of the Council*** — The following are the functions of the Council:

- (a) Take the lead in the formulation and implementation of specific rules for the National Digital Competence Framework for Citizens;
- (b) Oversee the development and implement the National Digital Transformation Strategy, the ICT Teachers Competency Framework, and National Digital Skills Development Strategy;
- (c) Recommend, propose or endorse any measure related to the above functions to concerned line agencies for purposes of administrative concerns, to the private sectors, schools or other business entities for policy guidance, and to Congress for policy purposes
- (d) provide a report to Congress and to the Office of the President on the progress of the implementation of this Act

**SECTION 16. *Council Secretariat.*** - The DICT shall provide secretariat support to the Council.

**SECTION 17. *Implementing Rules and Regulations.*** — Within sixty (60) days from the effectivity of this Act, the DOLE and DICT together with relevant stakeholders shall promulgate the necessary implementing rules and regulations (IRR) of this Act.

**SECTION 18. *Appropriations*** — The amount necessary for the effective implementation of the provisions of this Act shall be included in the General Appropriations Act for the year following the approval of this Act.

**SECTION 19. *Repealing Clause.*** — All other laws, decrees, executive orders, and rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly

**SECTION 20. *Separability Clause*** — If any provision of this Act is held invalid or unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

**SECTION 13. *Effectivity.*** — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

*Approved,*