

LOCAL GOVERNMENT SUPPORT FUND (FORMERLY FINANCIAL SUBSIDY TO LGUS)

For financial subsidy to local government units, as indicated hereunder.....P 28,852,461,000
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New Appropriations, by Purpose

Current Operating Expenditures

Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
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TOTAL NEW APPROPRIATIONS	P 28,852,461,000 =====		28,852,461,000 =====

Special Provision(s)

1. Assistance to Municipalities. The amount of Eleven Billion Seven Hundred Fourteen Million One Hundred Thirty Three Thousand Pesos (P11,714,133,000) appropriated herein under Assistance to Municipalities shall be used to support priority projects of municipalities identified in this Act and allocated based on poverty incidence, resource per capita, and share for good performance.

The Assistance to Municipalities shall fund projects culled out from the Local Development Investment Programs (LDIP) of municipalities and consistent with and limited to paragraph b.2(vi), (vii) and (viii), of Section 17 of R.A. No. 7160 or the "local government code of 1991," disaster risk reduction-related facilities and equipment, peace promoting projects, and/or other infrastructure projects that will address delivery of basic services of the municipalities. However, the projects shall exclude sports equipment; school building and other facilities for public elementary and secondary school; clinics, health center and other health facilities necessary to carry out health services; reclamation; income generating projects; minor repair and maintenance of existing government facilities; and projects costing less than P1,000,000.

Release of funds to the municipality shall be subject to their compliance with the following:

A. Governance Reforms Requirements:

1. DILG Seal of Good Financial Housekeeping;
2. The requirements of the DILG Local Development Council functionality;
3. Assessment of Public Financial Management (PFM) systems and adoption of the corresponding PFM improvement measures; and

B. Technical Requirements:

4. Notarized certification prepared by the Municipal Engineer (ME) and Municipal Planning and Development Coordinator (MPDC), signed by the Local Chief Executive (LCE) attesting that:

- (a) The proposed project is included in the LDIP;
- (b) The site of the project has no land ownership and Right-of-Way (ROW) problems/issues;

(c) The project is not located in the "No Build Zone" and hazard prone area as determined by the Mines and Geosciences Bureau Hazard Map or if located in the hazard prone area, mitigating measures have been included in the Detailed Engineering Design (DED);

(d) The project has approved and duly submitted DED and Program of Work and the same has been prepared in accordance with the National Standards and other related laws and issuances;

(e) For water supply project, the water source has been validated by the ME and has been found to be:

- i. Feasible for supplying water to the intended beneficiaries as evidenced by the Source Validation Report.
- ii. Potable for drinking or engineering measures have been included in the design to make the water potable; and

(f) For municipal roads and bridges project, road inventory map with attributes using prescribed format had been submitted to their respective Provincial Planning Development Office.

Duly accredited Civil Society Organizations are encouraged to actively participate in the implementation by way of: (i) serving as observer in the procurement process; (ii) Municipal Development Council project monitoring; and (iii) third party monitoring and evaluation. Citizens are also encouraged to provide feedback on the implementation of the projects.

Implementation of this provision shall be subject to the guidelines to be issued by DILG for the purpose.

2. Assistance to Cities. The amount of Two Billion Four Hundred Eighty Nine Million Eight Hundred Thousand Pesos (P2,489,800,000) appropriated herein as Assistance to Cities shall be allocated to LGUs identified in this Act based on poverty incidence, resource per capita, population and land area, and shall be used to fund the construction, rehabilitation, repair or improvement of public open spaces.

Implementation of this provision shall be subject to the guidelines to be issued for the purpose.

3. Conditional Matching Grant to Provinces for Road and Bridge Rehabilitation, Upgrading and Improvement. The amount of Eight Billion Two Hundred Twenty Three Million Six Hundred Forty Five Thousand Pesos (P8,223,645,000) appropriated herein for the Conditional Matching Grant to Provinces for Road and Bridge Rehabilitation, Upgrading and Improvement (CMGP) shall be used to support provinces identified in this Act which are compliant with DILG's Seal of Good Financial Housekeeping and DBM-validated PFM Improvement Plan: PROVIDED, That the bridges shall be limited to those that form part of the road network or within the station limits of road project, consistent with the upgrading of provincial roads.

Allocation of said amount shall be as follows: (i) poverty incidence; (ii) resource per capita; (iii) percentage share based on unpaved and poor-to-bad paved core roads; (iv) absorptive capacity based on the performance on procurement, physical and financial accomplishment and quality assurance rating of 2017 and 2018 CMGP Projects; (v) performance on the Achievement of 2018 Governance Reform Targets; and (vi) compliance with 2019 CMGP submission of fund release requirements.

The beneficiary province shall comply with the following in the implementation of this provision:

- (a) DED and Program of Work for CMGP Projects;
- (b) Submission to the DILG of the Local Road Management Assessment Report with Improvement Plan and such other requirements as may be provided in the guidelines issued by the DILG;
- (c) Submission to the DBM of the PFM Improvement Plan and such other requirements as may be provided in the guidelines issued by the DBM;
- (d) Compliance with the procurement rules under R.A. No. 9184, its IRR and GPPB guidelines;
- (e) Compliance with the design, plan, specifications, and such other standards and policies of the National Government;
- (f) Certification issued by the province's Local Finance Committee that the local road maintenance budget for the current year is sufficient to maintain 100% of fair-to-good roads supported with approved Annual Maintenance Work Program; and
- (g) All FY 2016 KALSADA and FYs 2017 and 2018 CMGP projects are completed, and FY 2019 CMGP projects are at least ongoing.

Implementation of this provision shall be subject to the guidelines to be issued for the purpose.

4. Provision for Potable Water Supply (SALINTUBIG). The amount of One Billion Five Hundred Forty Nine Million Six Hundred Forty One Thousand Pesos (P1,549,641,000) appropriated herein shall be used exclusively for the SALINTUBIG projects and shall be implemented exclusively in the municipalities identified in this Act and allocated based on poverty incidence, resource per capita and access to safe water. In no case shall said amount be used for other purpose.

The Identified LGUs in this Act are determined based on the prioritization criteria, as follows: (i) poverty incidence; (ii) water-borne diseases; (iii) without access to potable water; and (iv) availability of water supply and sanitation plan.

Release of funds shall be made directly to the beneficiary LGUs subject to compliance with the following:

A. Governance Reform Requirements:

1. DILG Seal of Good Financial Housekeeping;
2. The requirements of DILG Local Development Council Functionality Assessment;
3. Assessment of PFM Systems and Adoption of the corresponding PFM improvement measures; and

B. Technical Requirements:

4. Notarized certification prepared by the ME and MPDC, and signed by the LCE attesting that:

(a) The water source has been validated by the ME and has been found to be:

- i. Feasible for supplying water to the intended beneficiaries as evidenced by the Source Validation Report; and
- ii. Potable for drinking or engineering mitigation measures have been included in the design to make the water potable.

(b) The site of the project has no land ownership and ROW problem/issues;

(c) The project is not located in the "No Build Zone" and hazard prone area indicated in Mines and Geosciences Bureau Hazard Map or if located in the hazard prone area, mitigating measures have been included in the DED; and

(d) The sub-project has approved and duly submitted DED and Program of Work and the same has been prepared in accordance with the National Standards and other related laws and issuances.

Duly accredited Civil Society Organizations are encouraged to actively participate in the implementation by way of: (i) serving as observer in the procurement process; (ii) municipal development council project monitoring; and (iii) third party monitoring and evaluation. Citizens are also encouraged to provide feedback on the implementation of the projects.

Implementation of this provision shall be subject to the guidelines to be issued by the DILG for the purpose.

5. Other Financial Assistance to Local Government Units. The amount of Four Billion Eight Hundred Seventy Five Million Two Hundred Forty Two Thousand Pesos (P4,875,242,000) appropriated herein under Other Financial Assistance to LGUs shall be used for financial assistance to LGUs, except for LGUs under the BARMM, for the following projects: (i) construction, concreting, rehabilitation, repair or improvement of any of the following: (a) local roads and/or bridges; (b) public markets; (c) slaughterhouses; (d) multi-purpose buildings/halls; (e) multi-purpose pavements; (f) drainage canals; (g) sea wall or river wall; (h) water system projects including level 1 or stand-alone water points; (i) evacuation centers; (j) public parks; (k) fish ports; and (l) post-harvest facilities composed of ice plant and cold storage facilities; and (ii) purchase of ambulance, trucks, mini dump trucks, or multicabs; (iii) sports programs and facilities; (iv) street lighting or barangay electrification; and (v) financial assistance to mental health patients.

Disbursement and utilization by the LGUs shall be subject to the pertinent provisions of R.A. No. 9184, applicable accounting, budgeting and auditing rules and regulations, and such other guidelines to be issued for the purpose. (CONDITIONAL IMPLEMENTATION- President's Affirmation Message, January 6, 2020, Volume I-B, page 614, R.A. No. 11465)

6. Availability of Financial Assistance to LGUs. The amounts appropriated as financial assistance to LGUs shall be released during the fiscal year to be deposited in a trust fund and shall be made available for disbursement for the purpose specified until December 31, 2021.

After the end of validity period, any unreleased appropriations shall lapse, while undisbursed funds shall revert to the unappropriated surplus of the General Fund in accordance with Section 28, Chapter 4, Book VI of E.O. No. 292.

7. Reporting and Posting Requirements. The LGU shall post quarterly reports on the utilization of the LGU shares on the LGU's website.

The LGU shall send written notice when said reports have been submitted or posted on its website to the DBM, House of Representatives, Senate of the Philippines, House Committee on Appropriations, Senate Committee on Finance, and other offices where the submission of reports is required under existing laws, rules and regulations. The date of notice to said agencies shall be considered the date of compliance with this requirement.

New Appropriations, by Programs/Activities/Projects

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		Current Operating Expenditures			

		Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
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PROGRAMS					
40000000000000	Purpose				
40020000000000	Allocation to Local Government Units		P 28,852,461,000		P 28,852,461,000
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40020400000000	Local Government Support Fund		28,852,461,000		28,852,461,000
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40020400000200	Assistance to Municipalities		11,714,133,000		11,714,133,000
40020400000400	Assistance to Cities		2,489,800,000		2,489,800,000
40020400000700	Provision of Potable Water Supply (SALINTUBIG)		1,549,641,000		1,549,641,000
40020400001000	Other Financial Assistance to Local Government Units		4,875,242,000		4,875,242,000
40020400001100	Conditional Matching Grant to Provinces for Road and Bridge Rehabilitation, Upgrading and Improvement		8,223,645,000		8,223,645,000
	Sub-total, Purpose		28,852,461,000		28,852,461,000
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TOTAL NEW APPROPRIATIONS			P 28,852,461,000		P 28,852,461,000
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New Appropriations, by Object of Expenditures

(In Thousand Pesos)

Current Operating Expenditures

Maintenance And Other Operating Expenses

Financial Assistance/Subsidy	28,852,461
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Total Maintenance And Other Operating Expenses	28,852,461
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TOTAL NEW APPROPRIATIONS	28,852,461
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GENERAL SUMMARY

LOCAL GOVERNMENT SUPPORT FUND (FORMERLY FINANCIAL SUBSIDY TO LGUS)

	Current Operating Expenditures			Total
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	
A. Local Government Support Fund (formerly Financial Subsidy to LGUs)		P 28,852,461,000		P 28,852,461,000
TOTAL NEW APPROPRIATIONS, LOCAL GOVERNMENT SUPPORT FUND (FORMERLY FINANCIAL SUBSIDY TO LGUS)		P 28,852,461,000		P 28,852,461,000