

C. LOCAL GOVERNMENT SUPPORT FUND

For financial subsidy to local government units, as indicated hereunder P 57,872,578,000

New Appropriations, by Purpose

	Current Operating Expenditures			
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
TOTAL NEW APPROPRIATIONS		P <u>57,872,578,000</u>		P <u>57,872,578,000</u>

Special Provision(s)

1. **Financial Assistance to Local Government Units.** The amount of Thirty Seven Billion Four Hundred Ninety Two Million Five Hundred Seventy Eight Thousand Pesos (P37,492,578,000) appropriated herein shall be used for financial assistance to all LGUs for the following projects:

(a) implementation of agriculture-related programs and projects, such as: (i) provision of agricultural support services, which include planting materials distribution system and operation of farm produce collection and buying stations; (ii) extension of on-site research services and facilities related to agriculture and fishery activities; (iii) construction, restoration, and improvement of infrastructure facilities, including farm-to-market roads, slaughterhouses, small water impounding projects, fish ports, and water supply systems; and (iv) provision of various production inputs for crops, livestock and poultry, and fisheries;

(b) implementation of programs, projects, and activities to support the cotton and textile industry and development of local arts and crafts;

(c) support to women-led social enterprises;

(d) support to micro, small, and medium enterprises (MSMEs);

(e) implementation of programs, projects, and activities for the protection, preservation, and promotion of cultural heritage, including restoration, rehabilitation, repair, improvement, and/or maintenance of national heritage structures and sites;

(f) Information and Communications Technology systems and infrastructure development, such as, but not limited to, establishment of Integrated Business Permit and Licensing System, digitalization of payments for collections and disbursements, and purchase and installation of Closed-Circuit Television (CCTV) Surveillance System;

(g) construction, concreting, rehabilitation, repair, improvement, expansion, or upgrading of any of the following: (i) local roads or bridges; (ii) public markets; (iii) multipurpose buildings; (iv) hospital buildings; (v) water supply and sanitation projects; (vi) evacuation centers; and (vii) public cemeteries;

(h) purchase of medical or hospital equipment;

(i) purchase of equipment to support evacuation and camp management operations;

(j) establishment of Materials Recovery Facility with sorting station, drop-off center, composting facility, and recycling facility;

(k) implementation of programs, projects, and activities for disaster response, rehabilitation, and recovery, which include procurement/acquisition of disaster equipment and vehicles for disaster response and rescue activities;

(l) adaptation and mitigation projects;

(m) purchase of ambulance, mobile medical vehicle with apparatus/equipment, trucks, including mini firetrucks, and multi-purpose vehicles;

(n) construction, supply, delivery, installation, and commissioning of electric vehicle charging stations (EVCS) from the Department of Energy (DOE) accredited EVCS providers;

(o) conversion of day care centers to child development center standards by fourth and fifth class municipalities;

(p) support for the initial creation by LGUs of plantilla positions for child development workers with at least a salary grade 8 level for the fourth and fifth class municipalities, subject to the professional requirements under R.A. No. 12199, existing civil service laws, rules, and regulations, and the DBM issuances on organization, staffing, position classification, and compensation. The DBM and DILG, in coordination with the ECCD Council, shall issue the guidelines to ensure that LGUs can fund on a sustainable basis the requirements therefor;

(q) assistance to indigent individuals or families in any of the following forms: (i) medical/health related programs; (ii) funeral, which includes burial or cremation; (iii) transportation; (iv) food assistance; (v) educational assistance/scholarship; and (vi) purchase of construction or repair materials for houses destroyed during human-induced or natural calamities, upon endorsement by the local social welfare and development office or equivalent of partially/totally destroyed houses; and

(r) flagship infrastructure projects with counterpart funding from the LGUs.

The allocation of the financial assistance to LGUs shall be based on criteria to be developed by the DBM, in coordination with the other relevant agencies, taking into consideration LGUs' adherence to established governance standards; financial management, fiscal transparency and absorptive capacity; service delivery; economic development; environmental management; public safety; and citizens' engagement.

Disbursement and utilization by the LGUs shall be subject to the pertinent provisions of existing government procurement laws, applicable budgeting, accounting, and auditing rules and regulations, and such other guidelines to be issued by the DBM in coordination with the relevant agencies.

2. **Support to the Barangay Development Program of the National Task Force to End Local Communist Armed Conflict.** The amount of Eight Billion Eighty Million Pesos (P8,080,000,000) appropriated herein shall be used for the implementation of specific programs and projects of the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC) for the eight hundred eight (808) cleared barangays as certified by the NTF-ELCAC, listed in Volume I-B of this Act: *Provided*, That each cleared barangay shall be allocated with an amount to be used for the following projects: (i) farm-to-market road; (ii) school building; (iii) water and sanitation system; (iv) health stations; and (v) electrification.

The DBM shall ensure that funds are released in the first quarter of the fiscal year, provided that the concerned LGUs have completed all the necessary documentary requirements for project implementation. 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 projects.

The release of funds shall be subject to the guidelines to be issued by the DBM, in coordination with the NTF-ELCAC.

3. Support and Assistance Fund to Participatory Budgeting. The amount of One Billion Pesos (P1,000,000,000) appropriated herein shall be used for the following activities identified through local participatory budgeting process: (i) construction, expansion, and upgrading of water supply system projects; and (ii) construction, improvement or enhancement, and rehabilitation of climate-smart evacuation centers.

Consistent with Sustainable Development Goal Nos. 6 and 13, the program shall contribute to ensuring access to safely managed and resilient water supply and sanitation services, and strengthening disaster resilience and accelerating climate action, respectively.

The fund shall be used to support eligible municipalities based on the following criteria:

(a) Accelerating the access to safely managed and resilient water supply and sanitation services of the identified lagging municipalities. These focus municipalities are determined based on the following criteria:

- (i) Municipalities that belong to the low-income classes based on the applicable income classification of the DOF; and/or
- (ii) With established municipality-managed water utility and project ready as validated by the DILG (with Municipal Water Supply Sanitation and Hygiene Master Plan duly endorsed by accredited Civil Society Organization (CSO) and adopted by the municipality, and with identified feasible water sources).

(b) Accelerating climate action and strengthening disaster resilience through climate-smart evacuation centers. The eligible municipalities will be determined based on the following criteria:

- (i) Municipalities within the top eighteen (18) most at-risk provinces in the country as identified in the National Adaptation Plan of the Philippines 2023-2050;
- (ii) Municipalities with no designated permanent evacuation centers based on submitted evacuation center inventory;
- (iii) Two-thirds of the municipalities with highest poverty incidence; and
- (iv) Construction of the said center is determined as priority of the municipality as reflected in their development plan in which CSO is actively involved in the prioritization process.

Implementation, monitoring and evaluation, and progress reporting of the program shall be subject to the guidelines to be issued by the DBM and the DILG.

Disbursement and utilization by the municipalities concerned shall be subject to the pertinent provisions of existing government procurement laws, applicable budgeting, accounting, and auditing rules and regulations, and such other guidelines to be issued for the purpose.

4. Growth Equity Fund. The amount of Eleven Billion Three Hundred Million Pesos (P11,300,000,000) appropriated herein shall be used as financial assistance to assist poor, disadvantaged, lagging, and low-income LGUs, and those with fiscal gaps arising from the devolution, or to augment provincial resources for inter-municipal programs and projects, in order to gradually enable the full and efficient implementation of the functions, services and facilities devolved to the LGUs concerned in accordance with Section 17 of R.A. No. 7160 and other pertinent laws, as well as E.O. No. 138, s. 2021, as amended by E.O. No. 103, s. 2025.

Release of funds shall be subject to the guidelines to be issued by the DBM, in coordination with the DILG, DOF, DEPDev, and other relevant agencies.

5. Use of Local Government Support Fund. The amounts appropriated for the Local Government Support Fund (LGSF) shall be used exclusively in accordance with the purposes specified under the relevant special provisions in this Act.

In no case shall the LGSF be used for the following: (i) programs, projects, and activities of the beneficiary LGUs, such as construction of waiting sheds, purchase of road studs, attendance to study tours or seminars, conduct of capacity building activities, implementation of flood control projects, and for those projects already fully covered by other sources of funds; (ii) administrative expenses; and (iii) payment of personnel services expenses, such as salaries, honoraria, allowances, and bonuses, except as otherwise provided herein.

New Appropriations, by Purpose

PURPOSE(S)	Current Operating Expenditures			Total
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	
Local Government Support Fund	P	57,872,578,000		P 57,872,578,000
Financial Assistance to Local Government Units		37,492,578,000		37,492,578,000
Support to the Barangay Development Program of the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC)		8,080,000,000		8,080,000,000
Growth Equity Fund		11,300,000,000		11,300,000,000
Support and Assistance Fund to Participatory Budgeting		1,000,000,000		1,000,000,000
TOTAL NEW APPROPRIATIONS	P	57,872,578,000		P 57,872,578,000

GENERAL APPROPRIATIONS ACT, FY 2026

New Appropriations, by Object of Expenditures

(In Thousand Pesos)

Current Operating Expenditures

Maintenance and Other Operating Expenses

Financial Assistance/Subsidy

57,872,578

Total Maintenance and Other Operating Expenses

57,872,578

TOTAL NEW APPROPRIATIONS

57,872,578