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DISCUSSION PAPER SERIES NO. 2020-48

Philippine Local Government Public Expenditure Review: A Survey of National Government Local Government Support Programs

*Charlotte Justine Diokno-Sicat, Angel Faye G. Castillo,
and Ricxie B. Maddawin*



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Philippine Local Government Public Expenditure Review:
A Survey of National Government Local Government
Support Programs

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PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES

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Abstract

Philippine local governments were given increased autonomy, revenue-raising and expenditure responsibilities under the Local Government Code of 1991 (LGC). At the same time, the LGC instituted the intergovernmental fiscal transfer called the internal revenue allotment (IRA) to help to help local governments fulfill their mandates recognizing fiscal imbalance in devolved functions. Apart from this, national government provides additional assistance to local governments through programs lodged in different agencies that are meant for devolved infrastructure services. This study examines these national government programs, evolution and expenditure trends and surveys the literature of assessments of these programs. Understanding the evolution in the design and implementation of these programs would be a powerful tool moving forward with strengthened decentralization, especially in designing policy for national government oversight agencies and for any envisioned support programs of national government.

In the past decade, the three programs that received the largest budgetary allocations, are the Department of Public Works and Highways' Local Infrastructure Program, Department of Agriculture's Farm to Market Road programs and the Department of the Interior and Local Government's Financial Subsidy to Local Government Units (LGUs). Though expenditures on these programs have been increasing as a whole, there have been no clear trends for the individual programs except for one performance-based program. Furthermore, several programs were initially targeted toward poorer LGUs but eventually expanded in coverage because of the low uptake of these targeted LGUs.

These national government programs have almost 100% budget utilization rates compared to lower utilization rates of local development funds (which are the primary source of infrastructure investments of LGUs). This, combined with the evidence of low uptake of assistance programs by poorer LGUs, offer two clear considerations for policymakers in strengthening local government oversight especially if the assistance programs will be discontinued. First, ensure that local governments will spend on infrastructure, i.e. at the very least spend the mandated local development fund. Infrastructure spending has the largest impact on incomes and in jumpstarting the economy and the path to growth would be arduous if this slows down as a result of insufficient local government investments absent national government programs. Second, if policymakers decide to maintain a more targeted assistance program, its objective, criteria and monitoring and evaluating plan should be clear. It should be complementary and aligned with the assistance programs of the Seal of Good Local Governance and Community-Based Monitoring System Laws to be efficient in the use of public funds. The goal moving in recovering from COVID coupled with the implementation of the Mandanas ruling is how to protect the vulnerable with social safety nets but also ensure that local governments contribute to economic recovery, of which infrastructure spending brings the largest multiplier effect.

Keywords:

Subnational government, Mandanas ruling, local government infrastructure programs, governance, institutions

Philippine Local Government Expenditure Review: A Survey of National Government Local Government Support Programs

Charlotte Justine Diokno-Sicat, Angel G. Faye Castillo, and Ricxie B. Maddawin¹

1. Introduction

1.1. Background and Rationale

The Local Government Code of 1991 (LGC) gave increased spending and revenue-raising responsibilities to Philippine Local Government Units (LGUs). This is to empower LGUs to be self-sufficient in their delivery of devolved basic services like health, agriculture and social services. LGUs have the authority to impose and raise local taxes such as real property, local business and user fees to finance their spending. However, recognizing the varied challenges of local governments in providing the basic devolved functions, the national government gives LGUs a formulaic share of the country's internal revenue allotments (IRA). In addition, some LGUs endowed with natural resources receive shares from national wealth as well as excise taxes collected in their locality. Locally raised revenues and shares from national government revenues are the major sources of LGU income. Despite these varied sources of income, LGUs still have varied development and face various issues in delivering basic services.

In addition to the regular sources of LGU income, the national government gives additional support to LGUs through different programs lodged in the national budget. Some of these programs are performance-based (e.g. Performance Challenge Fund), combination of performance-based and equity-based programs (e.g. Bottom-up Budgeting, Assistance to Disadvantaged Municipalities, Local Government Support Fund-Assistance to Municipalities, etc.), as well as outright grants from specific programs of national government agencies.

With these different sources of LGU income, it is important to determine how much LGUs receive from the national government? What are these additional funds used for and how have these been used and implemented? Any additional support to LGUs represents a trade-off in the amount available for urgent national government policies such as for education and infrastructure and social protection programs. This study will discuss the various kinds of support Philippine LGUs have received from the national government in recent years and would be a powerful tool in designing national government support for LGUs in the future or moving forward with a strengthened decentralization.

The expected outcome of this study contributes to pursuing the Philippine Development Plan (PDP) 2017-2022 goals of “Enhancing the Social Fabric (Malasakit)” of Ensuring People-Centered, Clean, and Efficient Governance and “Foundations for Sustainable Development” of Accelerating Infrastructure Development. By surveying national government programs that have assisted local governments in delivering devolved basic infrastructure services policymakers will be guided moving forward both in recovery of the COVID-19 pandemic and in the anticipated implementation of the Supreme Court Mandanas Ruling that effectively increases the intergovernmental fiscal transfers, called the internal revenue allotment (IRA), that LGUs are expected to begin receiving in 2022.

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1.2. Research Questions and Objectives of the Study

The overall objective of this study is to survey national government programs that have assisted local governments in the delivery of devolved basic infrastructure services in the past decade. This study will include a public expenditure review of said programs, accounting for the total amount of support received by LGUs including not only IRA and shares of national wealth but also benefits from other government programs in the past decade. This study also reviews existing assessments of implementation as well as impacts of these programs. This will inform policymakers of successes and failures of these programs and guide them in enhancing oversight in the future should these programs be discontinued because of the *Mandanas vs. Ochoa* rule.

Research Questions:

1. What are the national government programs that have given support to local governments in the past decade?
2. How much support have these national government programs given to LGUs? How were these programs designed, implemented and, if applicable, improved upon?
3. Have there been any improvements in development indicators associated with these programs? To the extent possible, can these improvements be attributed to any of these interventions?
4. In the event of the discontinuance of these programs because of the increased transfers anticipated to be received by local governments once the Supreme Court *Mandanas* ruling be implemented, what lessons can be learned from the implementation of these programs that could enhance policy for national government oversight committees?

2. Current State of Philippine Local Governments

2.1. Decentralized Philippine Government

The Local Government Code (LGC) of 1991 solidified Philippine government's commitment to decentralization by creating local government units (LGUs) that would help attain national goals by providing "a more responsive and accountable local government structure instituted through a system of decentralization whereby local government units shall be given more powers, authority, responsibilities and resources" (LGC 1991, Sec. 2a) (Diokno-Sicat and Maddawin 2018). Figure 1 presents the basic hierarchical structure of national and local government in the Philippines.

The Philippines has 17 regions comprised of 81 provinces, 145 cities, 1,489 municipalities and 42,045 barangays (DILG 2018). To execute LGU functions, the 1991 LGC defines the structure of LGUs and identifies the officials, both elective and appointive, necessary to exercise LGU mandate according to the type of LGU, i.e. province, city, municipality or barangay.

Figure 1. Philippine National and Local Government Structure



Source: Author's design

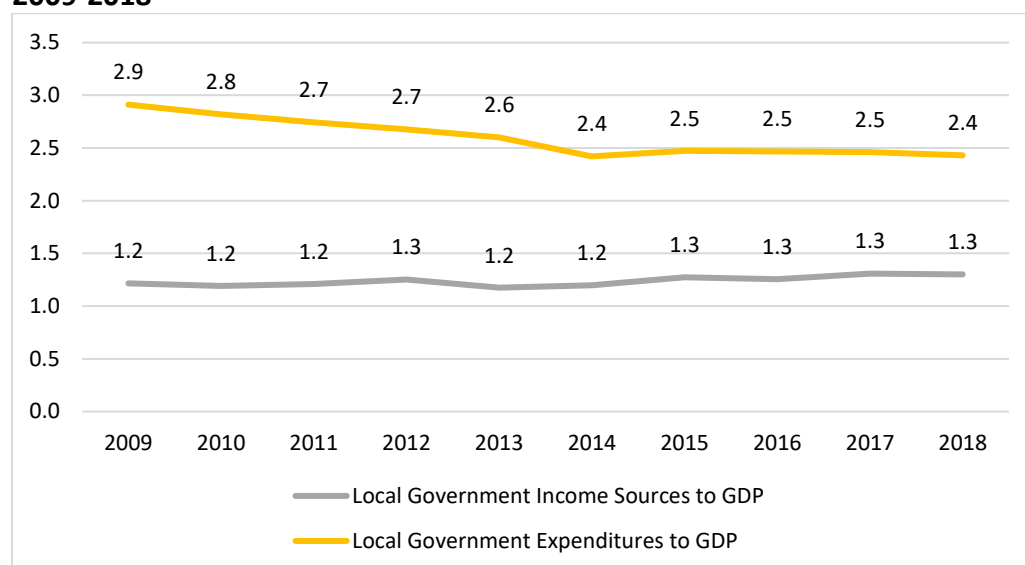
For all LGUs, the common elected officials are the (1) local chief executive (LCE), e.g. municipal or city mayor or provincial governor; (2) vice-mayor or vice-governor; and, (3) members of the local legislative-making body the *Sangguniang Bayan* (municipality), *Sangguniang Panlungsod* (city), and, *Sangguniang Panlalawigan* (province). In addition, locally elected officials are required to appoint local officials to serve as department heads and for other administrative purposes except for the Local Treasurer who will be appointed by the Secretary of Finance from a list of at least 3 eligible recommendees of the LCE (LGC 1991). In addition, the local *Sanggunian*, which is presided by the vice-mayor or vice-governor (LGC 1991, Sec. 446), must concur with the appointment of local officials (Diokno-Sicat 2019).

One of the main economic justifications for decentralization is the belief that local government officials are more knowledgeable of the needs and preferences of their constituents and community and, therefore, are in a better position to provide the appropriate goods and services. This should improve the efficiency in the provision of local goods and services; reduce wastage of public money by ensuring the local goods delivered are those demanded by the local constituency; and, increase the accountability of local chief executives. The local public goods and services provided impacts development and, therefore, the well-being of local constituents.

In providing local public goods and services, Philippine local governments have two general sources of income: (1) local sources including both tax and non-tax revenues; and, (2) external sources which is largely the intergovernmental fiscal transfer called the internal revenue allotment.

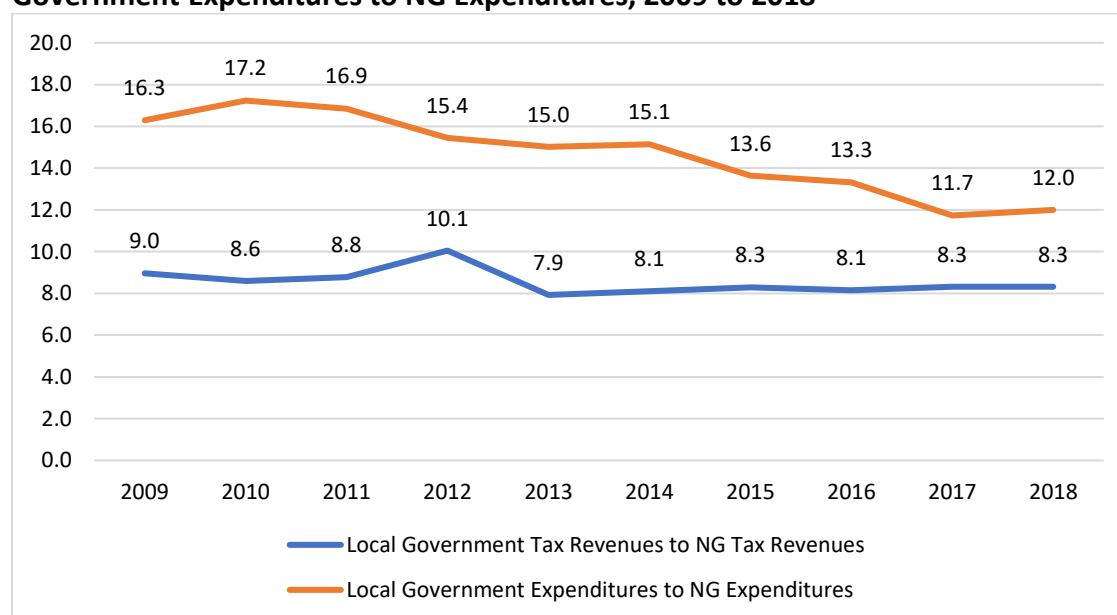
How much do local governments contribute to the economy and the public sector? With respect to the size of the economy, local governments contribute an average of 2.6 % to GDP (Figure 2). As for local sources of local government income it is only about 1.2% of GDP. Looking at local tax revenues compared to national government tax collections, local governments measure only 8.5% (Figure 3). While local governments spent about 14.7% of national government expenditures on the average for the period 2009 to 2018.

Figure 2. Local Source Government Income and Expenditures as percent of GDP, 2009-2018



Source: Department of Budget and Management, Department of Finance-Bureau of Local Government Finance, Bureau of Internal Revenue, various years

Figure 3. Local Government Tax Revenues to Total NG Tax Revenues and Local Government Expenditures to NG Expenditures, 2009 to 2018



Source: Department of Budget and Management, Department of Finance-Bureau of Local Government Finance, Bureau of Internal Revenue, various year

Table 1. Local government tax revenues and expenditures as shares of GDP and national government tax revenues and expenditures, 2009-2018

<i>In Percent</i>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	<i>Average</i>
Local Government Tax Revenues to NG Tax Revenues	9.0	8.6	8.8	10.1	7.9	8.1	8.3	8.1	8.3	8.3	8.5
Local Government Expenditures to NG Expenditures	16.3	17.2	16.9	15.4	15.0	15.1	13.6	13.3	11.7	12.0	14.7
Local Government Income Sources to GDP	1.2	1.2	1.2	1.3	1.2	1.2	1.3	1.3	1.3	1.3	1.2
Local Government Expenditures to GDP	2.9	2.8	2.7	2.7	2.6	2.4	2.5	2.5	2.5	2.4	2.6

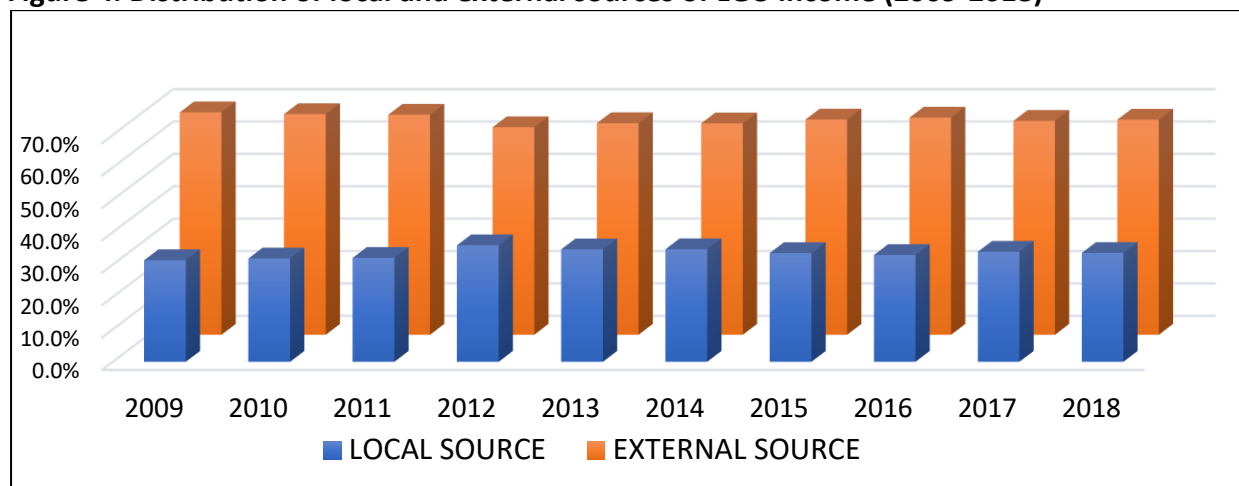
SOURCE: Author's computation based on basic data from the Department of Budget and Management, Department of Finance Bureau of Local Government Finance and the Philippine Statistics Authority, various years

2.2. Philippine Local Government Fiscal Performance

The fiscal performance of local governments depends on socioeconomic, geographic and demographic conditions of the locality; mandatory responsibilities of local governments including the devolved basic services and other provisions in laws as well as spending priorities; the presence of the unconditional intergovernmental transfer, IRA, and its possible disincentive effects; and, more importantly, how the local government is run or governance.

As mentioned above, Philippine local governments have two sources of income: (1) local sources including tax and non-tax sources; and, (2) external sources which are primarily the IRA and shares from other national taxes. Historically, Philippine local governments have had high and persistent dependency on external sources, particularly the IRA, since decentralization in 1992 (Diokno-Sicat and Maddawin 2018). Despite the continuous effort of the national government to encourage the LGU to raise their own revenue, the local government income comes mostly from the external sources such as the IRA with an average of 66.5 percent (Figure 4).

Figure 4. Distribution of local and external sources of LGU income (2009-2018)



Source: Author's computations based on data from the Department of Finance Bureau of Local Government Finance, various years.

Economic activity and socio-demographic characteristics in a local government affect the ability of local governments to mobilize revenues. It is more challenging to mobilize revenues in poorer LGUs where there is less economic activity. At the same time, political will plays a major role like in the case of one of the main sources of local revenues, the real property tax (RPT). Taxes on real properties are estimated on the value of properties in the local government that are stated in the schedule of market value (SMV). If SMVs are not updated regularly, which should every three years as mandated by the LGC², the tax base does not represent current property values and tax due computed on these may not maximize RPT collections. Based on BLGF data, as of March 2019, almost 57% of provinces and 67% of cities have outdated SMVs.

Turning to expenditures, Table 2 summarizes the devolved basic services that local governments are mandated to provide. These services are generally those that would vary by locality and for which the benefits can be immediately felt by the local population. The LGC gave local government officials increased expenditure responsibilities and income sources through increased revenue-raising authority and entitlements to shares of national government revenues such as the intergovernmental fiscal transfer called the Internal Revenue Allotment (IRA) (Diokno-Sicat and Maddawin 2018).

Table 2. Local government unit basic services and facilities

Devolved Basic Service and Facility	Specific Functions/Services
Economic Services	Agricultural extension and On-site research
	Community based forestry project
	Tourism facilities and tourism promotion and development
	Public works and infrastructure projects funded out of local funds
	Telecommunication services for provinces and cities
Social Services	School building program

² Republic Act. No 7160, *The 1991 Local Government Code of the Philippines*, Sec. 219.

Devolved Basic Service and Facility	Specific Functions/Services
	Field health and hospital services and other tertiary health services
	Social welfare services such as programs and projects on rebel returnees and evacuees;
	Relief operations and population development services
	Housing projects for provinces and cities such as low-cost housing and other mass
	Dwellings
Other Services	Investment support and Industrial research and development

Source: Section 17 of the 1991 Local Government Code

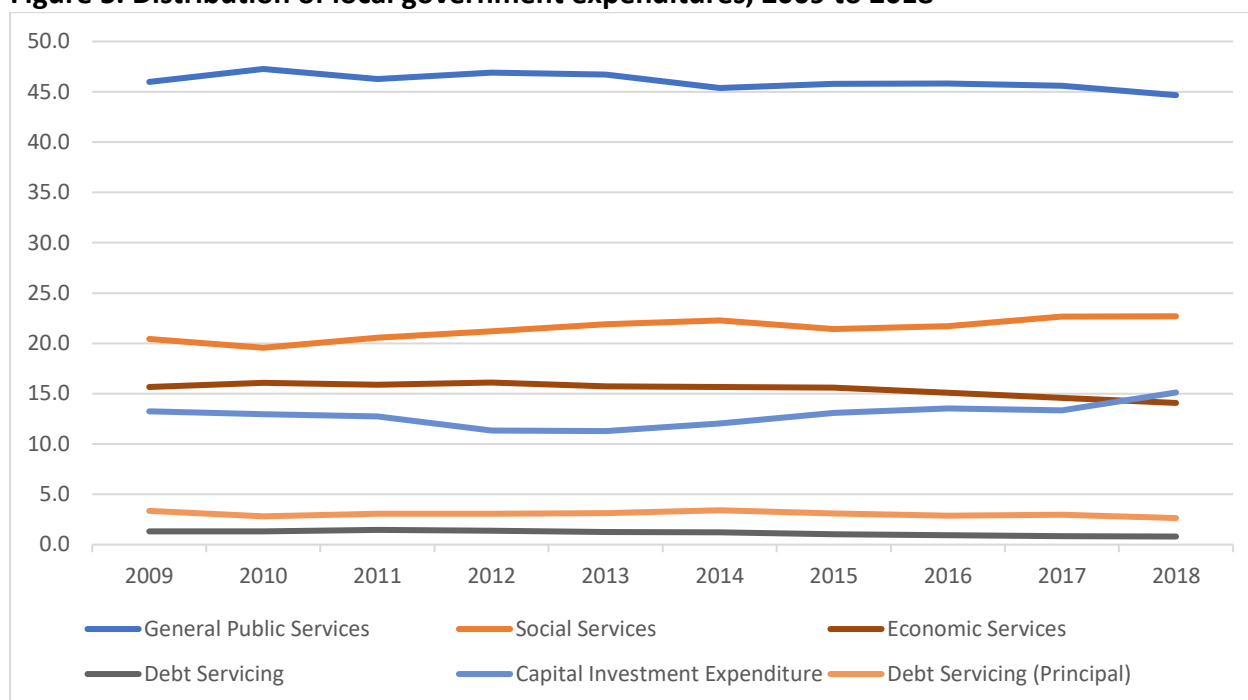
In fulfilling their mandate to provide the devolved basic services enumerated in Table 3, local government expenditures are grouped into the five general functions or sectors: (1) general public services; (2) social services; (3) economic services; (4) financial expenses including debt financing³; and, (5) other expenditures/ capital outlay⁴ including infrastructure/capital investment expenditures. As can be seen in Figure 5, local governments spend primarily on general public services which are mostly the cost of running the LGU at an average of 46%. Social services received the second largest share with expenditures on education, health, nutrition and population control, labor and employment, housing and community development, and social security/services and welfare averaging 21% of local government expenditures. On the average expenditures for activities directed in promotion, enhancement and the attainment of desired economic growth or economic services received the third largest share averaging 15.4% though in 2018 capital investment expenditures overtook this.

With general public and social services getting the largest shares of local government spending, capital outlays have lagged behind. It is in these devolved basic infrastructure services such as local roads, health facilities, evacuation centers, and water supply that local governments have received national government assistance through various programs.

³ The first four functions/sectors include only the current operating expenditure components namely, personal services, maintenance and other operating expenses, and financial expenses.

⁴ Capital outlay is defined as the purchase of goods and services, the benefits of which extend beyond the fiscal year and which add to the assets of the government, including investment in the capital of government-owned or controlled corporations and their subsidiaries as well as investment in public utilities such as public markets and slaughterhouses (Bureau of Local Government Finance 2008, p. 36).

Figure 5. Distribution of local government expenditures, 2009 to 2018



Source: Bureau of Local Government Finance, 2009 to 2018

2.3. Local government performance and development outcomes

One of the mandates the Local Government Code of 1991 is that local governments should be partners of the national government in national development (Sec. 2, LGC). This has led to efforts of national government oversight agencies to provide programs that assist LGUs in their devolved functions but also provide guidance that the implementation of these programs and local development plans should be aligned with national government development goals, of course, notwithstanding, the autonomy given to these local governments. This section looks at the primary development outcome indicators that policymakers focus on.

The first is poverty incidence which in 2015 was reported by the Philippine Statistics Authority (PSA) to have decreased steadily since 1991. The sharpest decrease in poverty incidence was in 2018, dropping to 16.6 percent from 21.6 percent in 2015 (Table 3). Though it is the national government that is tasked primarily with poverty reduction through nationwide programs, these programs also help to reduce poverty at the local level.

Table 3. Poverty incidence among population

	Estimates (%)					
	1991 ^{a/}	2006	2009	2012	2015	2018
PHILIPPINES	34.4	26.6	26.3	25.2	21.6	16.6

Note: a/ Provincial estimates were not generated due to limitations of the sampling design of the 1991 Family Income and Expenditure Survey.

Source: Philippine Statistics Authority (2016)

Looking at regional poverty incidence, this has decreased overall for all regions from 2015 to 2018 (Table 4). NCR had the lowest poverty incidence in 2015 (4.1%) as well as in 2018 (2.3%). ARMM, however, had the highest incidence of poverty in 2015 (58.9%) and 2018

(61.3%). The poverty incidence for all regions went down in 2018, except for ARMM, which increased by 2.4%.

Regional GDP per capita, in real terms, increased at an average of 4.7% from 2015 to 2018. Growth was highest for Central Luzon and Davao regions both of which also experienced decline in regional poverty incidence.

Table 4. Regional GDP per capita (real terms) and poverty incidence, 2015 and 2018

Region	Regional GDP per capita (in million PHP, real terms, 2000=100)		Regional Poverty Incidence (%)	
	2015	2018	2015	2018
NCR	218,981	253,891	4.1	2.3
CAR	75,027	87,708	22.6	12.2
1 Ilocos	46,180	54,435	18.8	9.7
2 Cagayan Valley	38,435	42,384	17.6	16.1
3 Central Luzon	63,640	78,014	10.4	6.9
4-A CALABARZON	92,185	104,711	12.2	7.1
4-B MIMAROPA	39,579	43,710	24.8	15.1
5 Bicol	25,771	29,368	39.5	26.8
6 Western Visayas	39,655	46,440	24.4	16.4
7 Central Visayas	64,845	76,027	29.1	17.5
8 Eastern Visayas	33,772	38,594	41.2	30.9
9 Zamboanga Peninsula	41,870	45,263	37.5	32.7
10 Northern Mindanao	60,287	69,993	38.4	23.0
11 Davao	61,336	76,377	23.5	18.9
12 SOCCSKSARGEN	44,180	50,645	38.2	28.2
13 Caraga	35,549	36,650	39.5	30.5

Source: Philippine Statistics Authority (2018)

Most of the national government programs that give additional funds for local goods and service delivery focus on the devolved infrastructure functions such as local roads, water, health facilities and evacuation centers. It is therefore to be expected that there should be improvements in development indicators associated with these functions.

In the case of water, the 2017 National Demographic Health Survey indicated that almost all urban households, roughly 98 percent, reported an improved source of drinking water while the same was for 93 percent of rural households. Among the regions, NCR and Central Luzon had the highest percentage, of over 99 percent of household population, of an improved source of drinking water with ARMM reporting the lowest percentage (PSA 2018).

Though there have been improvements in sources of drinking water, there is still much that needs to be done. Listahang Tubig or Water Register is a national survey of all water service providers covering all service levels - Level I or point source, Level II or communal faucets, and Level III or piped connections. In 2017, 1,479 of 1,634 participating cities and municipalities uploaded data on the Listahang Tubig and showed that only an average of 34% of the regional population was served by the service providers that included water districts, LGU-led, rural and barangay water supply associations and other water service providers. The

results of the Listahang Tubig were adopted in the Philippine Water Supply and Sanitation Master Plan published by the National Economic Development Authority in 2019.

Table 5. Results from the Listahang Tubig, 2017

Region	Proportion of population served by the service providers	Waterless municipalities (no. of LGUs based on NEDA WSSMP databook)
CAR	26%	12
Region I – Ilocos Region	30.7%	12
Region II – Cagayan Valley	26%	11
Region III – Central Luzon	59%	2
Region IV-A – Calabarzon	39%	18
Region IV-B – Mimaropa	22.1%	-
Region V – Bicol Region	42%	25
Region VI – Western Visayas	34.55%	40
Region VII – Central Visayas	45%	21
Region VIII – Eastern Visayas	49%	15
Region IX – Zamboanga Peninsula	11%	8
Region X – Northern Mindanao	47%	11
Region XI – Davao Region	33.87%	9
Region XII – SOCCSKSARGEN	15.8%	13
Region XIII – Caraga	55.19%	11

Source: NEDA (2019) Philippine Water Supply & Sanitation Master Plan Databook

Health is another basic service that was devolved to local governments and there have been improvements in infant mortality rates but these remain varied across regions. There is also varied local service delivery in local road density across regions (Diokno-Sicat and Maddawin 2018).

Using the Cities and Municipalities Competitiveness Index (CMCI) database, it can be seen that there have been substantial increases in public health clinics at an annual average of 15% from 2011 to 2017. The largest annual average percentage increases in public health facilities were in MIMAROPA (61%), SOCCKSARGEN (34.7%) and CALABARZON (25.9%). The national average annual percentage increase for public evacuation infrastructure was 12% with Central Visayas (25.4%), Davao (17.1%), and Eastern Visayas (13.3%) regions experiencing the largest increases.

Table 6. Number of Public Health Clinic and Public Evacuation Centers, 2011 and 2017

Region	Public Health Clinics			Infrastructure for Public Evacuation Centers		
	2011	2017	Percent increase (Average) ⁵	2011	2017	Percent increase (Average)
NCR	257	827	17.3	1,352	1,578	2.8
CAR	413	675	3.9	940	1,252	2.3
1 Ilocos	189	600	18	1,637	2,636	3.2
2 Cagayan Valley	482	983	8.7	1,593	2,407	5.5
3 Central Luzon	644	914	0.5	1,056	1,718	4.4
4-A CALABARZON	460	2,676	25.9	1,945	3,094	6
4-B MIMAROPA	145	424	61.1	996	1,890	7.9
5 Bicol	289	624	8	1,518	3,096	6.8
6 Western Visayas	701	1,430	8.2	1,605	3,646	7.6
7 Central Visayas	848	1,251	7	1,675	3,185	25.4
8 Eastern Visayas	317	491	0.7	1,012	2,262	13.3
9 Zamboanga Peninsula	187	172	0.2	560	964	4.1
10 Northern Mindanao	426	695	9.3	1,244	1,702	3.6
11 Davao	83	785	20.8	585	1,545	17.1
12 SOCCSKSARGEN	354	1,313	34.7	1,832	2,466	4.8
13 Caraga	415	792	15.1	964	1,368	6.7

Source: DTI CMCI Raw Data (2018)

Despite improvements in devolved infrastructure functions such as public health clinics and public evacuation infrastructure there is still need for strategically placed investments by local governments. This is of utmost importance especially given the two new developments that local governments are and will be facing in the near future, namely: (1) response and recovery to the COVID-19 pandemic; and, (2) increased intergovernmental fiscal transfers coupled with reduced national government local government support programs as a result of the Mandanas Ruling.

In 2018, the Philippine Institute for Development Studies (PIDS) conducted a baseline study of policy and governance gaps of municipalities in the Philippines (Diokno-Sicat et.al. 2020). This study gathered 2017 data on local roads, evacuation centers and health facilities from all 1,373 municipalities⁶ in order to estimate infrastructure gaps (See Annex A). Although figures may be under- or over-estimated, the study was able to estimate for the minimum requirement to close the gap for each infrastructure type. The estimated amount to close the gap on existing 2017 local infrastructure for just these three devolved infrastructure functions totaled a PhP 166.9 billion.

⁵ Since the number of LGUs participating in the CMCI change each year, the number of public health units and public evacuation centers were normalized as an average of the number of LGUs that submitted data for that year. The percent increase was estimated by computing the average of annual percentage changes in the normalized figures.

⁶ The study surveyed all municipalities in the Philippines except for those in the Bangsamoro Autonomous Region of Muslim Mindanao because of the different governance structure.

According to the study, “87% of municipalities need at least PhP 133.3 billion to pave municipal roads existing in 2017”. Region II had the largest kilometer of unpaved roads, needing about PhP 16 billion, followed by Regions XI and XII, which needs PhP 15 billion and PhP 14 billion respectively. On the other hand, Region VI has the least kilometer of unpaved roads costing about PhP 1 billion.

Moreover, “to ensure that there is at least one primary evacuation center in GIDA areas, based on 84% submission of municipalities, the (overestimated) fiscal gap to build 488 more primary evacuation centers ranges from PhP 2 billion to PhP 12.2 billion” depending on the type needed in the area. Region VI needs to build at least one primary evacuation center in 64 different GIDA areas in its region, with cost ranging from PhP 256 million to PhP 1.6 billion. CAR also needs to build about 60 evacuation centers, while Region IX only needs build 7 evacuation centers.

As for Rural Health Units (RHUs), the estimated fiscal gap for 88% range from PhP 17.9 billion (for non-GIDA areas) to PhP 21.4 billion (for GIDA areas). According to the results, Region III and Region IV-A have the largest RHU gap, needing to build additional 309 and 291 RHUs. On the other hand, CAR presented no gaps, while CARAGA only needs 27 RHUs.

Apart from the fiscal gaps, the Baseline study also looked at governance gaps in planning and found that most of the development plans of the municipalities surveyed had outdated comprehensive land-use and development plans as well as local development investment programs. If the national government programs that have been augmenting local funds are discontinued with talks of strengthening decentralization with increased intergovernmental fiscal grants to LGUs there is a need to ensure that these gaps are closed with well-planned and strategic investments.

3. Scope, data and methodology

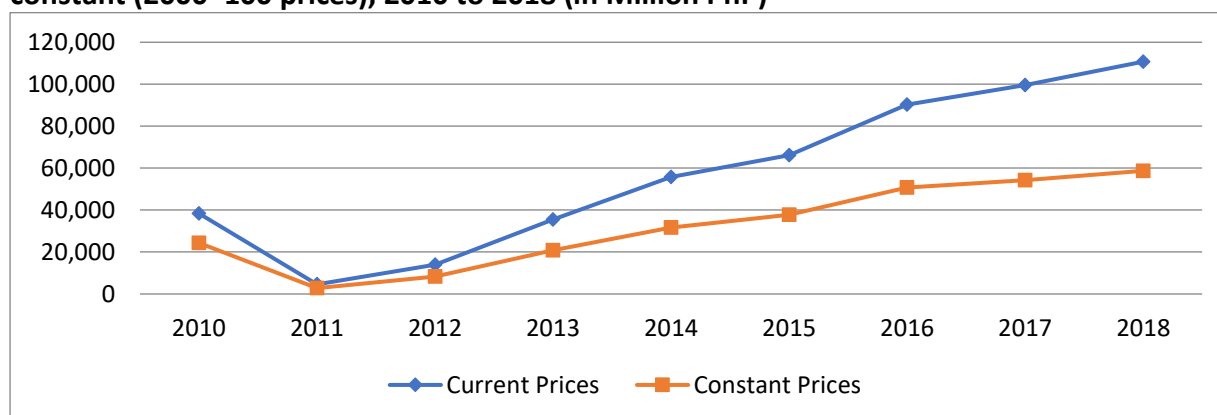
Using a descriptive research design, this study will present a public expenditure review of national government programs that are aimed to assist local governments in the provision of basic infrastructure services. This will require an inventory of the national government programs which aim to give support to local governments will be done through desk review and secondary data collection of expenditure data. To strengthen the analysis, it will also require Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs) with members of national government agencies which have programs that support local governments (e.g. Department of the Interior and Local Government (DILG), Department of Finance (DOF), Department of Public Works and Highways (DPWH), Department of Agriculture (DA)).

4. National government local government assistance programs

Table 7 presents select national government programs that have assisted local governments in delivering devolved infrastructure services. It is not an exhaustive list but includes the major programs for this function. As can be seen in Figure 6 these programs have been increasing at 46% on the average since 2011 starting at PhP 38 billion (in current prices) in 2010, dipping in 2011 and climbing to P111 billion in 2018 (Table 8).

Table 7. National Government Local Government Assistance Programs

Implementing Agency	Program
Department of the Interior and Local Government	Bottom-up Budgeting (BuB)
	Local Government Support Fund - Assistance to Disadvantaged Municipalities (LGSF-ADM)
	Local Government Support Fund - Assistance to Municipalities (LGSF-AM)
	Local Government Support Fund - Assistance to Cities (LGSF-AC)
	Local Government Support Fund – Financial Assistance to LGUs (LGSF-FA)
	<i>Konkreto at Ayos na Lansangan at Daan Tungo sa Pangkalahatang Kaunlaran (KALSADA)</i>
	Local Government Support Fund - Conditional Matching Grant to Provinces (LGSF-CMGP)
	<i>Sagana at Ligtas na Tubig Para sa Lahat (SALINTUBIG)</i>
	Performance Challenge Fund (PCF)
Department of Public Works and Highways	Local Infrastructure Program
	Tourism Road Infrastructure Project Prioritization Criteria (TRIPPC)
Department of Agriculture	Farm-to-Market Road Program
	Small Scale Irrigation Projects

Figure 6. National Government LGU Assistance Program appropriations, current and constant (2000=100 prices), 2010 to 2018 (in Million Php)

Source of basic data: Department of Budget and Management, 2010 to 2018

These national government LGU assistance programs have averaged about 0.5% of GDP and 2% of national government expenditures on the average (Table 8, Figure 7). Furthermore, these programs averaged about 12% of local government expenditures which is roughly the average share that LGUs have spent on capital outlays.

By and large, the Department of Public Works and Highways' Local Infrastructure Program has been receiving the largest allocation on average of all these NG-LGU Assistance programs (Table 9). It has also been the one of the longest programs in existence as will be discussed later. The Tourism Road Infrastructure Program, also of the DPWH, was the second largest program in terms of average annual appropriations at 20%. Historically, the Department of Agriculture's (DA) Farm to Market Road program received the third largest allocation,

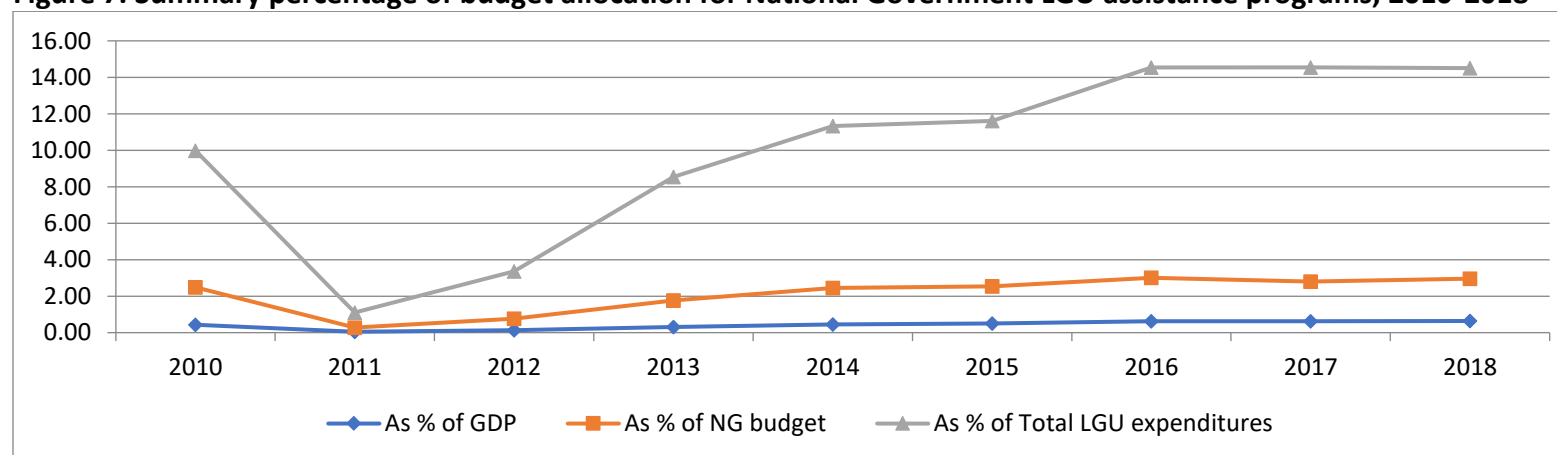
averaging 18%, however, since 2013, Department of the Interior and Local Government programs (such as the Bottom-up Budgeting and Local Government Support Fund, LGSF) have been receiving increased budgetary allocations averaging about 13%. Of these DILG programs, the LGSF Assistance to Municipalities and Conditional Matching Grants to Provinces received the largest allocations (Table 8).

Table 8. Summary of appropriations for National Government LGU Assistance Programs, 2010 to 2018

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total appropriations (in nominal PHP million)	38,350	4,590	14,003	35,507	55,750	66,140	90,292	99,534	110,735
Total appropriations (in real (2000=100) PhP million)	24,286	2,794	8,360	20,774	31,618	37,732	50,672	54,230	58,714
As % of gross domestic product	0.43	0.05	0.13	0.31	0.44	0.50	0.62	0.63	0.64
As % of national government budget	2.49	0.28	0.77	1.77	2.46	2.54	3.01	2.80	2.94
As % of Total LGU expenditures	9.98	1.10	3.37	8.55	11.33	11.62	14.54	14.55	14.45
Percentage changes of Total NG LGU Assistance programs		-88.03	205.06	153.57	57.01	18.64	36.52	10.24	11.75
Memo Items:									
IPIN deflator (2000=100)	157.91	164.26	167.5	170.92	176.32	175.29	178.19	183.54	188.60
Nominal GDP (in PHP million)	9,003,480	9,708,332	10,561,089	11,538,410	12,634,187	13,322,041	14,480,349	15,807,596	17,426,202
National Government Budget	1,541,000	1,645,000	1,816,000	2,006,000	2,268,000	2,606,000	3,001,800	3,550,000	3,767,000
NG expenditures (in PHP million)	1,472,977	1,580,017	1,828,981	1,998,376	2,019,062	2,414,641	2,682,815	3,315,325	3,531,765
Total LGU Expenditures	384,163	416,148	415,489	415,489	492,003	569,273	621,020	684,242	766,404

Source: Authors' compilation based on basic data from the General Appropriations Act, various years

Figure 7. Summary percentage of budget allocation for National Government LGU assistance programs, 2010-2018



Source: Authors' compilation based on basic data from the General Appropriations Act, various years

Table 9. Share of individual program allocation to the total National Government LGU Assistance Programs (in %): Philippines, 2010–2020

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Department of the Interior and Local Government											
Local Government Support Fund Programs (LGSF Programs)	14.80	4.36	1.43	0.56	0.73	0.45	8.15	39.95	27.94	25.46	20.63
<i>Of which (for the LGSF-AM sub-programs in 2017 onwards)</i>											
Local Government Support Fund - Assistance to Municipalities (LGSF-AM)	-	-	-	-	-	-	-	-	37.86	35.79	40.60
Local Government Support Fund - Assistance to Cities (LGSF-AC)	-	-	-	-	-	-	-	-	8.37	7.61	8.63
Konkreto at Ayos na Lansangan at Daan Tungo sa Pangkalahatang Kaunlaran (KALSADA)	-	-	-	-	-	-	34.07	-	-	-	-
Local Government Support Fund - Conditional Matching Grant to Provinces (LGSF-CMGP)	-	-	-	-	-	-	-	45.35	26.58	25.13	28.50
Sagana at Ligas na Tubig Para sa Lahat (SALINTUBIG)	-	-	-	-	-	-	-	-	4.48	4.73	5.37
Local Government Support Fund – Financial Assistance to LGUs (LGSF-FA)	-	-	-	-	-	-	4.52	5.78	22.72	26.74	16.90
Local Government Support Fund - Assistance to Disadvantaged Municipalities (LGSF-ADM)	-	-	-	-	-	-	-	48.87	-	-	-
Performance Challenge Fund	0.13	10.89	7.16	2.82	0.84	1.48	1.11	1.01	0.91	0.78	0.72
Bottom-up Budgeting (BuB)	-	-	-	23.65	35.96	31.61	27.37	-	-	-	-
Department of Public Works and Highways											
Tourism Road Infrastructure Project	-	-	-	33.66	25.56	13.39	25.01	12.40	27.91	13.17	15.64
Local Infrastructure Program	67.72	19.39	9.86	3.02	13.11	41.36	28.75	37.31	31.83	51.02	54.95
Department of Agriculture											
Farm-to-Market Road Program	17.09	54.46	35.71	24.38	21.52	9.45	8.17	6.03	8.99	8.02	7.12
Small Scale Irrigation Projects	0.26	10.89	45.83	11.92	2.27	2.26	1.43	3.31	2.41	1.54	0.95

Source: Authors' compilation based on basic data from the General Appropriations Act, various years

4.1. Local Government Support Fund Programs (LGSF)

The Local Government Support Fund (LGSF) Program, formerly Financial Subsidy to Local Government Units from 2010 to 2012, has given financial assistance to LGUs struggling to deliver devolved basic services. In the past decade, this has been a consistent effort of the Department of the Interior and Local Government (DILG) and has evolved from an aggregated program to one that, in recent years, has clearly identified levels of local government and projects that are aligned with both devolved services and national government priorities.

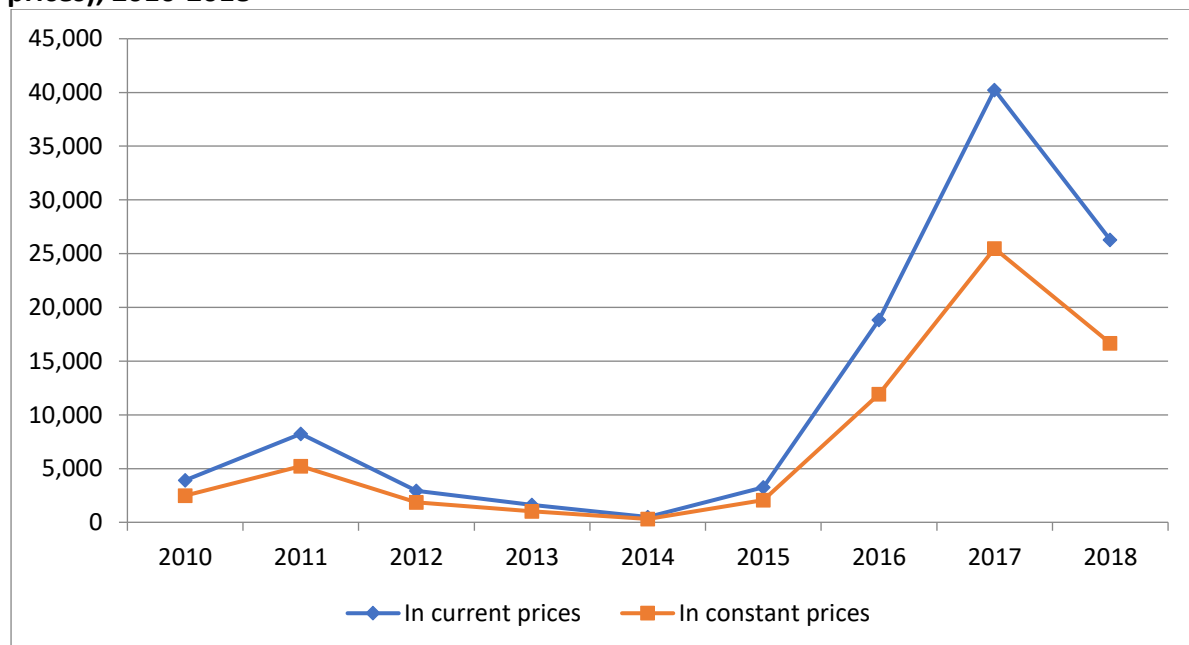
As can be seen in Table 10 and Figure 8, spending was inconsistent in the earlier part of the past decade but began increasing consistently starting 2015 when other LGU assistance programs under the DILG were consolidated under the LGSF banner. Budgetary allocations peaked in 2017 but dipping in 2018.

Table 10. Expenditure trend for the LGSF programs (in PHP million), 2010-2018

LGSF Programs (in million PHP)	2010	2011	2012	2013	2014	2015	2016	2017	2018
<i>In nominal terms</i>	3,900	8,226	2,936	1,616	492	3,246	18,835	40,243	26,296
<i>In real terms (2000=100, IPIN)</i>	2,470	5,209	1,859	1,024	312	2,056	11,927	25,485	16,652
Percentage change		110.92%	-64.31%	-44.95%	-69.56%	559.80%	480.18%	113.66%	-34.66%
MEMO ITEM:									
IPIN (2000=100)	157.91	164.26	167.5	170.92	176.32	175.29	178.19	183.54	188.6

Source: Authors' compilation based on basic data from the General Appropriations Act, various years

Figure 8. LGSF program expenditures in current and constant (In Million Php, 2000=100 prices), 2010-2018



Source: Authors' compilation based on basic data from the General Appropriations Act, various years

4.2. Local Government Support Fund Assistance to Municipalities/Assistance to Disadvantaged Municipalities and Bottom-up Budgeting

4.2.1. Bottom-up Budgeting (2013 to 2016)

In 2012, the bottom-up approach to planning and budgeting was launched through the Human Development and Poverty Reduction Cluster (HDPRC) and Good Governance and Anti-Corruption Cluster (GGACC), together with DBM and DILG.⁷ This is in response to the MDG of reducing poverty from 26.5% in 2009 to 16.6% by 2015, which is also reflected in the PDP for 2011-2016.¹ The BuB aimed to make the national and local planning and budgeting process more participatory by engaging the involvement of grassroots organizations and communities.

The scope of the program continuously grew from 609 target municipalities/cities in 2013, to 1,233 in 2014, and later on included all municipalities/cities in the country in 2015 to 2017 (Manasan, Adaro and Tolin 2017). Target municipalities may choose to implement any project listed in the BUB menu of programs.

The Bottom-up Budgeting program was implemented using the following process (DBM-DILG-DSWD-NAPC JMC No. 1, s. 2012):

1. Preparation for poverty reduction planning and budgeting, including the conduct of a city or municipal civil society assembly
2. Conduct of LPRAP Workshop
3. LPRAP Endorsement of CSOs
4. LPRAP Adoption of Sanggunian
5. Submission of the list of priority projects to the DILG Regional Office (RI)
6. Consolidation of the projects y the DILG RO
7. Validation of projects by the RPRAT
8. Integration of the LGU projects in the budgets of participating agencies
9. Provision of LGU Counterpart, and
10. Project Implementation

In a study conducted by Manasan, Adaro and Tolin in 2017, the results/outcomes of the BUB program was assessed in terms of: (i) addressing the poverty alleviation objective of the program; and (ii) the contribution of the BUB program to strengthening social capital. The results of the study show that BUB projects have improved the respondents' access to transport services and water and sanitation to BUB projects. Moreover, CSOs became more empowered because of the participatory planning and budgeting process that helped them identify government projects that will improve their lives.

According to Acheron (2019), though the BuB led to increased CSO representation that was peer-identified in its created planning process that was parallel to the LGC mandated Local Development Council, several aspects of its institutional shifted power from local to central government such as: (1) bypassing the LDC and going directly to the central government; (2) limited project menu; and, (3) created a tedious bureaucratic process transferring power from NAPC to DILG (Acheron 2019).

⁷ DBM-DILG-DSWD-NAPC Joint Memorandum Circular No. 1, s. 2012 titled "Policy Guidelines and Procedures in the Implementation of Bottom-up Planning and Budgeting for the FY 2013 Budget Preparation"

4.2.2. Local Government Support Fund - Assistance to Disadvantaged Municipalities (2017)

In 2017, the Local Government Support Fund of the DILG was divided into several different programs for each level of government with corresponding objectives and priority programs. One of these was the LGSF - Assistance to Disadvantaged Municipalities (ADM). It received the largest share of the 2017 LGSF budget but was discontinued the following years.

In accordance with the DILG-DBM JMC No. 2017-3, the LGSF-ADM “seeks to equitably assist all municipalities in the delivery of basic services by providing financial subsidy to municipalities for the implementation of their priority programs and projects”⁸. It contributes to the overall Philippine Development Plan (PDP) by strengthening and empowering the Local Development Councils (LDCs) in performing their responsibilities as well as engaging Civil Society Organizations’ (CSOs) to participate in the monitoring process. This falls under the *Malasakit* strand of the PDP or “Ensuring People-Centered, Clean, and Efficient Governance”. It also encourages and “intensifies spending on infrastructure in accordance with the PDP”.

The program covered 1373 municipalities but prioritized the implementation for disadvantaged municipalities. The budget cap per recipient municipality is computed based on four different factors as shown in Table 11. The fund shall be released to eligible municipalities under two conditions: (1) the municipality should be a recipient of the DILG Seal of Good Financial Housekeeping (GFH); and (2) there should be an assessment of their Public Financial Management (PFM) Systems and adoption of the corresponding improvement measures.⁹

Table 11. LGSF-ADM budget cap per recipient municipality, 2017

Factors	Percent share
Equal share: each municipality shall be provided with P8.2 million	58%
Per capita share: each municipality shall be provided with P72 per person based on 2010 Census Population	20%
Years-based share computed from previous national government allocations to the municipality: municipalities with BuB funding since FY 2013 are excluded (484 municipalities); municipalities with BuB funding since Fy 2014 are provided with P3.4 million; and municipalities with BuB funding since FY 2015 are provided with P5.4 million	19%
Share for good performance as determined by DILG: P9.7 million per eligible municipality (70 eligible municipalities)	3%

Source: DILG-DBM JMC No. 2017-3

As stated in the DILG-DBM JMC No. 2016-01, all eligible municipalities may only request funding for the following project types: Water system projects; Evacuation facility; Local access roads; Small water impounding project; and Sanitation facilities. Aside from the general and larger objective of the program which contributes to the achievement of the PDP, this program also contributes not just in infrastructure spending, but also in improving the delivery of basic services such as access to water, access to roads, disaster risk reduction and sanitation.

⁸ DILG-DBM JMC No. 2017-3 titled “Policy Guidelines and Procedures in the Implementation of the FY 2017 Local Government Support Fund-Assistance to Disadvantaged Municipalities (LGSF-ADM) Program,” Sec. 1, p. 1.

⁹ DILG-DBM JMC No. 2017-3 titled “Policy Guidelines and Procedures in the Implementation of the FY 2017 Local Government Support Fund-Assistance to Disadvantaged Municipalities (LGSF-ADM) Program”

Through this program, peoples' trust and confidence in the LDC will not just be strengthened, but the delivery of these basic services will also improve.

Once released, the municipality shall have full responsibility and accountability in the implementation and execution of the approved projects.¹ For transparency, the fund shall be recorded as a Trust Fund, only to be used for the specified purpose or project, and all transactions made in each project shall also be recorded in a separate subsidiary ledger. Moreover, the projects shall undergo a series of monitoring processes, detailed in DILG MC No. 2018-104. This shall be conducted by the DILG, the Municipal Project Monitoring Committee (MPMC) and a Third Party, which can be composed of partner State Universities and Colleges (SUCs), Civil Society Organizations (CSOs), and People's Organizations (POs).

4.2.3. Local Government Support Fund - Assistance to Municipalities (LGSF-AM) (2018 to present)

The latest development in this initiative was the establishment of the Local Government Support Fund - Assistance Municipalities (LGSF-AM) in 2018. The program covers 1373 municipalities and aims to equitable assist all municipalities in the proper implementation of their priority programs and projects as well as build their capacity towards genuine fiscal autonomy.¹⁰ As with its predecessor, LGSF-ADM, the fund is also allocated based on equal share, per capita share, year-based share, and share for good performance.

Eligible municipalities may choose to seek financial assistance for projects included in the list project menu of the LGSF-AM program below (DILG MC No. 2018-61):

- a) Local access roads
- b) Local bridges
- c) Potable water system projects
- d) Sanitation and health facilities
- e) Small water impounding projects
- f) Evacuation center
- g) DRR rescue equipment
- h) Rain water catchment facilities
- i) Municipal drug rehabilitation facilities

The release of funds is subject to compliance with the following: "(i) the requirements of the DILG Seal of Good Financial Housekeeping; (ii) the requirements of the DILG Local Development Council functionality assessment; and, (iii) assessment of Public Financial Management (PFM) systems and adoption of the corresponding PFM improvement Measures" (Diokno-Sicat, et al 2020, p.1).

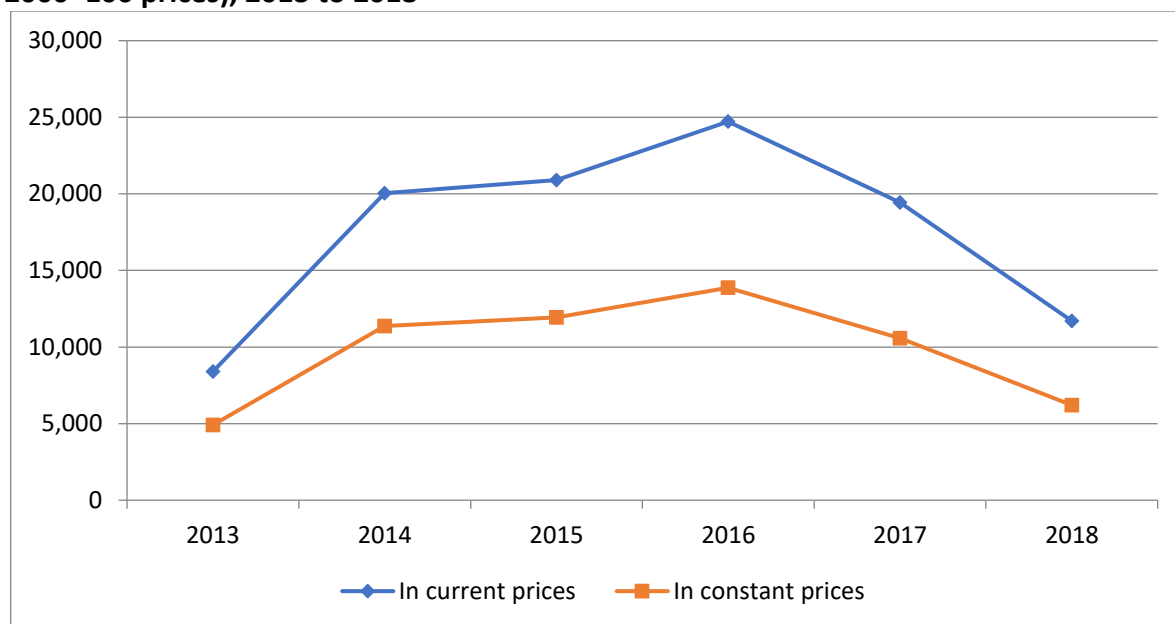
Table 12. Appropriation trend for BuB/LGSF-ADM/LGSF-AM (in PHP million), 2013-2018

	2013	2014	2015	2016	2017	2018
<i>In nominal terms</i>	8,397	20,048	20,906	24,715	19,431	11,714
<i>In real terms (2000=100, IPIN)</i>	4,913	11,370	11,926	13,870	10,587	6,211
Percentage change		138.75%	4.28%	18.22%	-21.38%	-39.71%
MEMO ITEM:						
IPIN (2000=100)	170.92	176.32	175.29	178.19	183.54	188.6

Source: Authors' compilation based on basic data from the General Appropriations Act, various years

¹⁰ DILG MC No. 2018-16 titled "Policy Guidelines and Procedures in the Implementation of the F.Y. 2018 Local Government Support Fund-Assistance to Municipalities (LGSF-AM) Program"

Figure 9. BuB/LGSF-ADM/LGSF-AM expenditures in current and constant (in Million Php, 2000=100 prices), 2013 to 2018



Source: Authors' compilation based on basic data from the General Appropriations Act, various years

4.3. Local Government Support Fund - Assistance to Cities (LGSF-AC)

Aside from the LGSF-AM, the DILG also implemented the Local Government Assistance to Cities in 2018. The program aimed to “enhance the existing or develop new public open spaces in publicly owned lands that are free and accessible to the general public, and serve the purpose of making cities sustainable, livable, and resilient by designing for the environment and for the people”.¹¹ The allocation of the fund to beneficiary cities was computed based on equal sharing in 2018 and 2019, but in 2020 the computation was based on poverty incidence, resource per capita, population, and land area.¹²

In order that the above-mentioned key objectives of the projects are achieved, the LGSF-AC shall be used for the following (DBM LBC No. 120, s. 2019):

1. Types of development of public open space projects that are: (i) new or proposed; (ii) addition to or continuation of existing development of public open space project(s); or (iii) improvement of existing development of public open space project(s), either as a repair or rehabilitation; and
2. Types of public open space projects, such as: (i) parks; (ii) plazas; (iii) esplanades; (iv) waterfronts; (v) streetscapes; (vi) institutional spaces; and (vii) a network of public open spaces combining types of public open space.

The city mayors and other city officials concerned must be responsible and accountable for the proper implementation and utilization of funds for the projects.

Being a relatively new program, there are only two years of data that we can see has been fully appropriated (Table 13).

¹¹ DBM Local Budget Circular No. 123, s. 2020 titled “Guidelines on the Release and Utilization of the Local Government Support Fund-Assistance to Cities under the FY 2020 General Appropriations Act, Republic Act No. 11465”

¹² DBM Local Budget Circular Nos. 116, s. 2018, 120, s. 2019, and 123, s. 2020

Table 13. Appropriation and allotment trend for the LGSF-AC (in PHP million), 2018-2019

	2018	2019
<i>In nominal terms</i>		
Appropriations	2,590	2,490
Allotment	2,533	2,490
<i>In real terms (2000=100, IPIN)</i>		
Appropriations	1,373	
Allotment	1,343	
Ratio of Allotment to Appropriations	98%	100%
MEMO ITEM:		
IPIN (2000=100)	188.6	

Source: Authors' compilation based on basic data from the General Appropriations Act, various years

4.4. Local Government Assistance Fund - Financial Assistance to LGUs

Another program included in the LGSF of the DILG is the LGSF – Financial Assistance to LGUs (LGSF-FA). The LGSF-FA aims to support priority programs and projects identified in the duly approved plans of the LGUs (DBM LBC No. 114, s. 2017). These programs and projects shall not be funded from other sources and shall fall under the qualified projects of the LGSF-FA program (Table 14). What differentiates this program from the other LGSF programs is that eligible projects include those that are “soft” in nature such as transfers to indigent citizens or purchases of vehicles which are not allowed in other programs or allowed under the local development fund.

Table 14. LGSF-FA program/project menu

Program	Qualified Projects
Health	<ul style="list-style-type: none"> a. Assistance to indigent patients either confined or outpatient (including professional fees) b. Purchase of ambulance
Social Services	Assistance to indigent individual or families in any of the following forms: <ul style="list-style-type: none"> a. Medical b. Burial c. Transportation d. Food Assistance e. Cash for Work f. Educational Assistance.
Disaster Risk Reduction and Climate Change Adaptation	<ul style="list-style-type: none"> a. Heavy duty rescue vehicles
Peace and Order or Security	<ul style="list-style-type: none"> a. Purchase of firetrucks b. Purchase of multicabs

Construction, Rehabilitation, Repair, or Improvement of Public Infrastructure Projects	<ul style="list-style-type: none"> a. Local roads and/or bridges b. Public Markets c. Slaughterhouses d. Multi-purpose buildings e. Multi-purpose pavements f. Pathways g. Trails h. Drainage Canals i. Seawalls j. Water system projects including Level 1/Stand alone water points k. [Open and Closed] Sports facilities but not including sports equipment
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Source: DBM LBC No. 114, s. 2017

Requests for the release of funds must be signed by the Local Chief Executive (LCE) and submitted to the Department of Budget and Management (DBM), with the following requirements: “(1) list of priority programs and/or projects to be implemented signed by the LCE; (2) *Sanggunian* Resolution endorsing the list of priority programs/projects, and affirming that such programs/projects are part of the duly approved Local Development Investment Program (LDIP) and Annual Investment Program (AIP); and (3) documents depending on the type of program/project being proposed for funding”¹³. Requests which are not prepared and submitted by the LCEs and do not comply with any of the necessary requirements shall not be evaluated or considered (DBM LBC Nos. 114 and 117). All requests shall be evaluated based on “necessity, just, and equitable distribution among LGUs, and fund availability” (DBM LBC No. 114, s. 2017).

This year, the DBM released a new guideline for LGUs that previously received funding support from LGSF-FA.¹⁴ These LGUs shall have the minimum percentage of physical completion for the programs funded in the previous years, as indicated in Table 15. Failure to meet this requirement shall also be a ground to deny funding request.

Table 15. Minimum percentage of physical completion of LGSF-FA previously funded projects

Year	Minimum Percentage of Physical Completion
2016	100%
2017	100%
2018	100%
2019	70%

Source: DBM LBC No. 122, s. 2020

Once released, the LCE and other officials involved shall be responsible and accountable to the implementation of projects, monitoring, auditing and proper utilization of funds (DBM LBC No. 119, s. 2019).

The budget for the LGSF-FA program constantly increased from 2016 (PhP 862 million) to 2019 (PhP 8 billion). Despite this, its utilization has gone down since 2017.

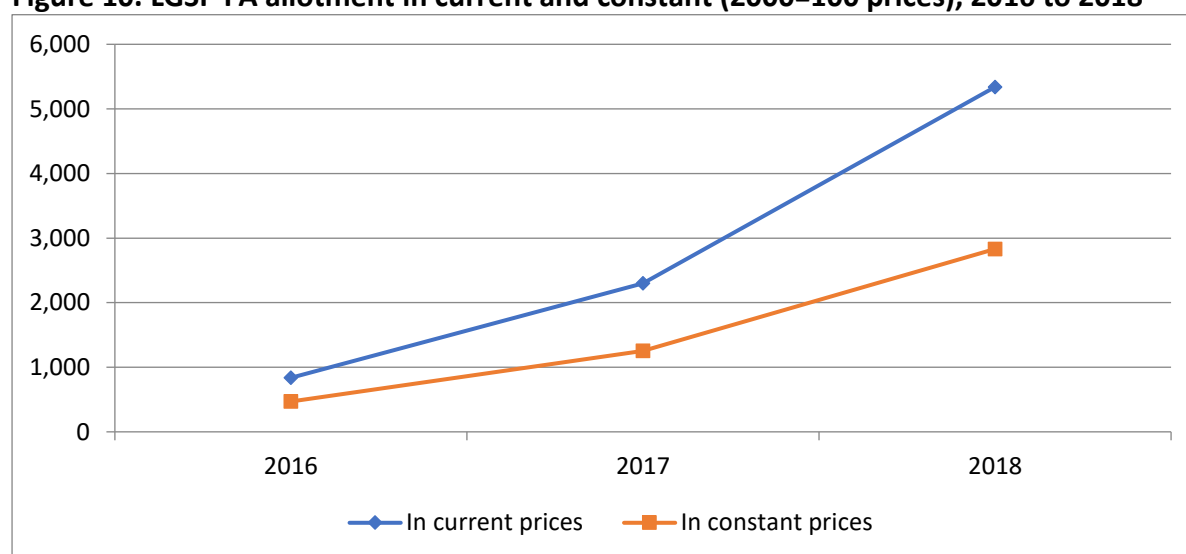
¹³ DBM LBC No. 114, s. 2017

¹⁴ DBM LBC No. 122, s. 2020

Table 16. Appropriation and allotment trend for the LGSF-FA (in PHP million), 2016-2019

LGSF-FA	2016	2017	2018	2019
<i>In nominal terms</i>				
Appropriations	863	2,299	7,030	8,753
Allotment	837	2,299	5,339	1,827
<i>In real terms (2000=100, IPIN)</i>				
Appropriations	484	1,252	3,728	
Allotment	470	1,252	2,831	
Ratio of Allotment to Appropriations	97.03%	100.00%	75.94%	20.87%
MEMO ITEM:				
IPIN (2000=100)	178.19	183.54	188.6	

Source: Authors' compilation based on basic data from the General Appropriations Act, various years

Figure 10. LGSF-FA allotment in current and constant (2000=100 prices), 2016 to 2018

Source: Authors' compilation based on basic data from the General Appropriations Act, various years

4.5. Conditional Matching Grant to Provinces (LGSF-CMGP)

Another component of the LGSF Program is the Conditional Matching Grant to Provinces for Road Repair, Rehabilitation and Improvement (2017), formerly known as Konkreto at Ayos na Lansangan at Daan Tungo sa Pangkalahatang Kaunlaran (KALSADA) in 2016. National and local roads are considered the largest and most important infrastructure assets of the Philippines and this program is intended to assist provinces in the delivery of the basic infrastructure facilities such as roads and bridges (DILG JMC No. 2017-2).

Eligible projects shall fall under one or a combination of the following categories: Road repair, Road rehabilitation, and Road improvement, as defined in Table 17.

Table 17. Eligible work categories for LGSF-CMGP

Category	Definition
Road Repair	Repair of cracks on concrete pavements; repair of drainage or slope protection structures; replacement/repair of road safety devices; re-blocking of Portland Cement Concrete Pavement (PCCP) or selective replacement of sections of concrete pavements of not more than four (4) continuous

	lane blocks; and repair of bridge/s within the station limits of the road project.
Road Rehabilitation	Re-blocking/replacement of Portland Cement Concrete Pavement (PCCP) exceeding four (4) continuous lane blocks; pavement resurfacing works; and combination of works covered under Sec 5.2.2.1.
Road Improvement	Additional seal or pavement width; geometric improvements; drainage improvements such as renewal or installation of culverts, repair and replacement of curb and gutter, installation of side ditches, and raising of the road to elevate the road pavement above the water table/flood level; provision of road safety features; conversion of gravel roads surface or dilapidated asphalt surface to concrete pavement with adequate provision for drainage structures, shoulder, slope protection, and road safety features/devices including warning signs and pavement markings; repair of bridge/s within the station limits of the road project; and combination of works covered under Sections 5.2.2.1 and 5.2.2.2.

Source: DILG JMC No. 2017-2

The release of funding for identified provinces shall be based on the following categories:

Table 18. Budget share allocation of the CMGP fund

Category	2018	2019
Equal share	20%	20%
Percentage share based on land area	10%	10%
Percentage share based on unpaved and poor to bad paved core roads	40%	20%
Performance in similar nationally-funded projects	20%	
Compliance with 2017/2018 CMGP submission of requirements	10%	10%
Absorptive capacity based on the performance assessment of the implementation of 2017 CMGP projects		30%
Performance on the Achievement of 2017 Governance Reform		10%

Source: DILG 2018 and 2019 GAA, Special Provisions

Once approved, the provinces shall comply with the following requirements in the implementation of the projects (DILG 2018 and 2019 GAA, Special Provisions):

- Submission to the DILG of the updated Provincial Road Network Development Plan, Local Road Management Assessment Report with Improvement Plan and such other requirements as may be provided in the guidelines issued by the DILG and DBM
- Submission to the DBM of Public Financial Management Assessment Report and such other requirements as may be provided in the guidelines issued by DBM
- Strict adherence to the provisions of R.A. No. 9184, its IRR and GPPB guidelines
- Observance of the design, plan specifications, and such other standards and policies of the National Government
- Commitment to fund the cost of maintenance and repairs; and
- The amount released to the LGUs shall be recorded as trust funds to be used for the specified purpose.
- 2018 submission of certification issued by the province's Local Finance Committee that the local road maintenance budget for the current year is sufficient to maintain at

least seventy-five percent (specified in 2018) and one hundred percent (specified in 2019) of fair to good roads with approved Annual Maintenance Work Program.

Furthermore, the implementing province shall also submit quarterly reports of the financial and physical accomplishments, either in printed form or by way of electronic document, to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee of Finance. These are likewise posted on the Open Road Portal for the period of 3 years.

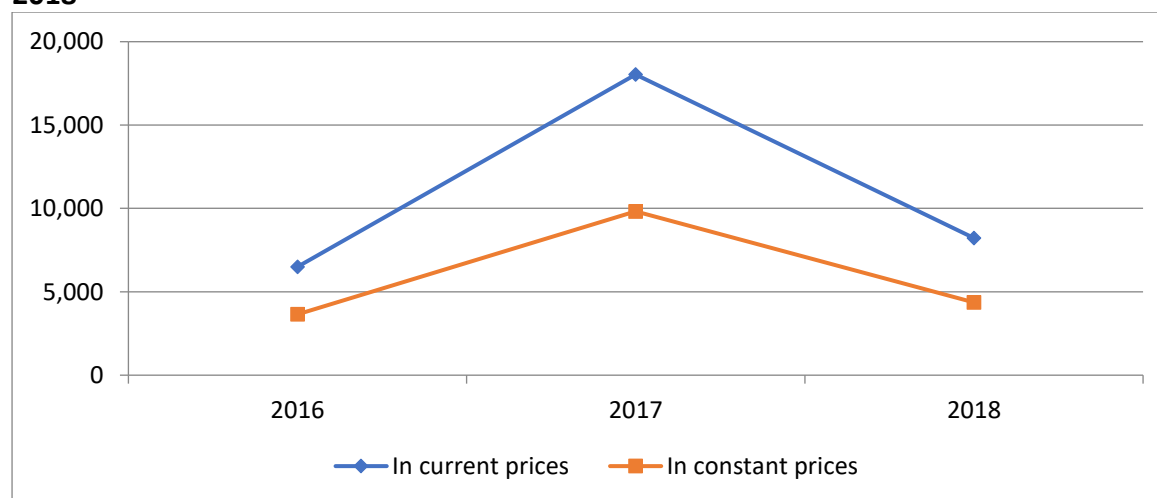
In 2016, PhP 6 billion was allocated for the KALSADA project of the DILG. The budget increased three times when the LGSF-CMGP was introduced in 2017 settling at PhP 8 billion in 2018.

Table 19. Appropriations for KALSADA/LGSF-CMGP (in Million PHP), 2016 - 2018

	2016	2017	2018
<i>In nominal terms</i>	6,500	18,030	8,224
<i>In real terms (2000=100, IPIN)</i>	3,648	9,823	4,360
MEMO ITEM:			
IPIN (2000=100)	178.19	183.54	188.6

Source: Authors' compilation based on basic data from the General Appropriations Act, various years

Figure 11. LGSF-CMGP appropriation in current and constant (2000=100 prices), 2016 to 2018



Source: Authors' compilation based on basic data from the General Appropriations Act, various years

4.6. *Sagana at Ligatas na Tubig sa Lahat (SALINTUBIG)*

The “Sagana at Ligatas na Tubig sa Lahat” or SALINTUBIG program was first implemented in 2012 by the DILG. The program was designed to provide LGUs, as well as water service providers, with capacity development programs and financial grant in order to improve their capacities in planning, implementation, operation, and management of water supply facilities in a sustainable manner.¹⁵ Moreover, it aims to “contribute to the attainment of the goal of achieving universal access to potable water supply and the targets defined in the Philippine

¹⁵ DILG Memorandum Circular No. 2012-83 titled “Policy Guidelines in the Implementation of the Provision of Potable Water Supply Project: 2012 Sagana at Ligatas na Tubig sa Lahat (SALINTUBIG) Program”

Development Plan 2011-2016, Millennium Development Goals (MDG), Philippine Water Supply Sector Roadmap and the Philippine Sustainable Sanitation Roadmap”.¹¹

LGU beneficiaries of the program are identified based on poverty incidence, presence of waterborne diseases, and access to water from the priority list identified by National Anti-Poverty Commission (NAPC) using the DSWD’s National Household Targeting System (NHTS).¹¹ Overall, a total of 455 municipalities were identified as priority targets along with 1,353 waterless barangays outside of the identified municipalities and thematic areas such as: i) poorest waterless barangays with high incidence of water borne diseases; ii) resettlement areas for the poor in Bulacan, Rizal, Cavite, Laguna, Batangas and Albay; and iii) health centers 15 without access to safe water (Porciuncula, Erfe and Navarro 2016).

Eligible projects include rehabilitation/expansion/upgrading of Level 3 water supply systems with appropriate water treatment systems, and construction/rehabilitation/expansion/upgrading of Level 2 and 1 water supply systems.¹¹ These projects shall be in the local Comprehensive Development Plan (CDP) and the Local Development Investment Program (LDIP)¹¹, and must be selected and prioritized through Bottom-Up Planning and Budgeting (BUB) approach which involves consulting with affected communities.¹⁶

The Program sets to accomplish the following outcomes from 2011-2016 in these areas (Porciuncula, Erfe and Navarro 2016):

- a. increased water service coverage for the waterless population to 50 percent;
- b. reduced incidence of water-borne and sanitation related diseases by 20 percent;
- c. improved access of the poor to sanitation services by at least 10 percent; and
- d. sustainable operation of all water supply and sanitation projects constructed, organized and supported by the Program by 80 percent.

In an impact evaluation study conducted by Porciuncula, Erfe and Navarro in 2016, it was found that these targets were underachieved. Although the number of waterless municipalities decreased from 455 in 2010 to 234 in 2015, the number of waterless barangays within the remaining waterless municipalities is still increasing. Hence, the study recommends an improved successor program.

In response to the continuing problem of barangays and municipalities in water and sanitation, the SALINTUBIG program widened its scope and received additional allocation with the same LGU eligibility criteria in 2016.¹⁷ Moreover, in 2018, the LGSF-SALINTUBIG was established for the implementation of water supply subprojects.¹⁸

The LGSF SALINTUBIG experienced a substantial increase in funds in 2015, peaking in 2016 at PhP 1.6 billion but decreasing since then. The allotment utilization rate, i.e. the extent by which DILG utilized allotments made available to DILG were utilized, decreased in that same period (Manasan and Mercado 2001).

¹⁶ DILG Memorandum Circular No. 2013-06 titled “Policy Guidelines in the Provision of the Potable Water Supply Under the 2013 Sagana at Ligtas na Tubig sa Lahat (SALINTUBIG) Program and Bottom-Up Planning and Budgeting (BUPB) Priority LGUs”

¹⁷ DILG Memorandum Circular No. 2016-49 titled “Guidelines for the Implementation of the Provision of Potable Water Supply - Sagana at Ligtas na Tubig sa Lahat (SALINTUBIG) Program for FY 2016”

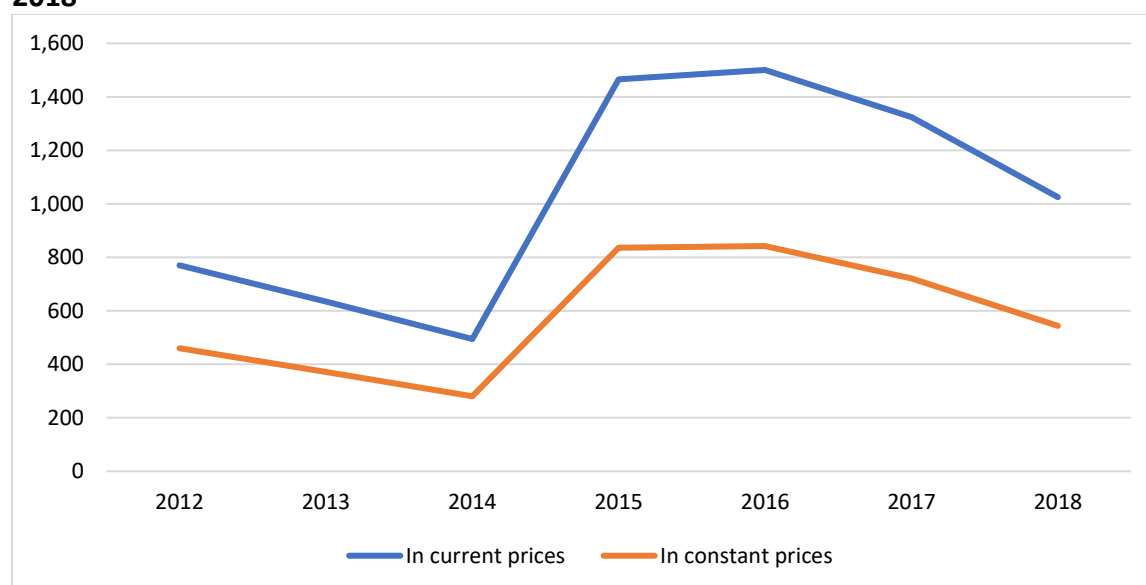
¹⁸ DILG Memorandum Circular No. 2018-14 titled “Guideline for the Implementation of the Provision of Potable Water Supply Local Government Support Fund - Sagana at Ligtas na Tubig sa Lahat (LGSF-SALINTUBIG) Program for FY 2018”

Table 20. SALINTUBIG Allotments and expenditures (in PHP million), 2012-2018

	2012	2013	2014	2015	2016	2017	2018
<i>In nominal terms</i>							
Allotment	770	640	497	1,470	1,617	1,487	1,325
Expenditures	770	635	495	1,465	1,501	1,324	1,025
<i>In real terms (2000=100, IPIN)</i>							
Allotment	460	375	282	838	907	810	703
Expenditures	460	371	281	836	842	721	543
Allotment utilization rate	100.00%	99.13%	99.57%	99.69%	92.81%	89.05%	77.36%
MEMO ITEM:							
IPIN (2000=100)	167.5	170.92	176.32	175.29	178.19	183.54	188.6

Source: Authors' compilation based on basic data from the General Appropriations Act, various years

Only one study was found examining the SALINTUBIG program. This was the 2016 Philippine Institute for Development Studies impact evaluation study of the President's Priority Program for Water (P3W) and the SALINTUBIG. The study found that there was underachievement of targets and due to unmet needs in water and sanitation, the study recommends having an improved successor program (Porciuncula, Erfe and Navarro 2016).

Figure 12. SALINTUBIG expenditures in current and constant (2000=100 prices), 2012 to 2018

Source: Authors' compilation based on basic data from the General Appropriations Act, various years

4.7. Performance Challenge Fund

The Performance Challenge Fund (PCF) or the Local Governance Performance Management Program - Performance-Based Challenge Fund for LGUs is a performance-based reform program of the DILG, established in 2010. It provides incentives to qualified LGUs that reach a certain level of excellence in governance “for the implementation of local development projects that are aligned with the national government strategic thrusts and goals ... [such as] the Millennium Development Goals (MDGs), tourism and local economic development, the objectives of the Philippine Disaster Risk Reduction and Management Act of 2010, and the

Ecological Solid Waste Management Act of 2000.”¹⁹ Unlike the other national government programs included in this survey since it is a grant conditional on receiving the Seal of Good Local Governance (SGLG), it also provides assistance in delivering devolved services.

All LGUs that passed the Seal of Good Housekeeping (SGH), in 2010-2013, or the SGLG from 2014 to present, are qualified to avail the PCF grant. The grant is intended to finance high-impact local development projects prioritized by LGUs.²⁰ Table 21 specified eligible projects per area of development which LGUs could choose from.

Overall, the PCF can be used as: subsidy for big projects; counterpart funds for foreign assisted projects of the LGUs; co-financing for joint projects with other LGUs; and counterpart for LGU projects with the private sector (PPP).²¹ However, there are certain restrictions to the use of this grant: financing tax payments;²² projects exclusively on training or capacity development; financing of microcredit loans; administrative expenses; salaries, wages and overtime pay; travelling expenses, whether domestic or foreign; registration or participation fees in training, seminars conferences and conventions; construction, repair or refinishing of admin offices; and, purchase of administrative office furniture, fixtures, equipment or appliances.²³

Table 21. Eligible projects under the PCF

Area of development/Pillar	Eligible projects
Attainment of MDGs/Sustainable Development Goals	School buildings, rural health units/health centers, birthing or lying-in facilities, water and sanitation, housing and settlements, rehabilitation center, patrol cars, and public safety and security command center equipment
Stimulation Local Economic Development and Promotion of Ease of Doing Business	Core local roads and bridges, access roads, irrigation systems, post-harvest facilities, cold storage facilities, ports and wharves and other economic structures and growth enhancement projects like tourism facilities, public market, slaughterhouse, automation of permits and licenses
Preparing for Disaster and Adapting to Climate Change	Flood control, storm drainage, dikes, seawall and related flood protection measures and slope protection, evacuation centers, early warning system/devices and rescue equipment, motor vehicles
Promoting Environmental Protection*	Purchase of solid waste management equipment, material recovery facilities, sewerage system
Furthering Transparency and Accountability**	Website development and equipment

Source: Department of the Interior and the Local Government MC 2017-160 (2017), as illustrated by Diokno-Sicat, et. al (2020)

¹⁹ DILG Memorandum Circular No. 2011-62 titled “Guidelines in the Implementation of the Performance Challenge Fund (PCF)”

²⁰ DILG Memorandum Circular No. 2018-203 titled “Guidelines in the Implementation of the Performance Challenge Fund (PCF)”

²¹ DILG Memorandum Circular No. 2011-62 titled “Guidelines in the Implementation of the Performance Challenge Fund (PCF)”

²² DILG Memorandum Circular 2010 -unnumbered

²³ DILG Memorandum Circular No. 2015-111 titled “Operational Guidelines on the Implementation of 2015 Performance Challenge Fund”

Note: *Promoting environmental protection is added in 2011; **Furthering Transparency and Accountability is added in 2012

The PCF was originally intended for 4th and 6th income class LGUs, but later on its scope was expanded to all income classes. In 2011, requirement of an LGU counterpart was discontinued (DILG 2011) to allow for more LGUs to participate and qualify for the grant. This would explain the low appropriation utilization rates for 2010 to 2011 (Table 23).

Once the PCF grant is released directly to the LGUs, the local administration are required to post the status of their PCF-funded projects on the PCF website, and each project shall be accurately geotagged (DILG 2018). Each project must be implemented within one year, and shall be a whole single project, instead of a component of other projects.²⁴

In a recent study by Diokno-Sicat et al. (2020) entitled “Assessment of the Performance Challenge Fund”, the authors argued that “it is the best time to revisit the objective and design of the Seal and the PCF, whether this should be exclusively for the best performing local governments in terms of governance or if the objective is to ensure that all local governments become eligible for the PCF or maybe both.” (Diokno-Sicat et al. 2020, p. 24).

The author recommended considering different eligibility criteria or incentives defined over income class or region. This was because the researchers found that repeated recipients of the PCF grant come from 1st to 4th class municipalities, leaving the poorer municipalities behind. Furthermore, more than 30 percent of non-passers were concentrated in the Bicol, Eastern Visayas and Central Visayas regions. Citing a similar study by Medina-Guce in 2019, the authors also recommended to have the same SGLG criteria for at least two years and consider asymmetric approach in incentivizing behavior in order to address these issues.

In the same study, results further show that some municipalities are unaware of the PCF, which calls for stronger information dissemination activities. Also, it is crucial to have capacity-building programs especially aimed to address lack of certain plans, which is one of the reasons why some municipalities did not avail pass the SGLG.

Table 22 below shows the appropriation and expenditure trends for the PCF program through the years. In 2010 to 2011, the PCF received a smaller allocation since it was originally intended to 4th and 6th income class LGUs only. Starting 2012, the scope of the PCF expanded to all income classes, however the budget remained to PhP 1 billion until 2019. Hence, increased qualifying LGUs will result in a smaller amount of grant.

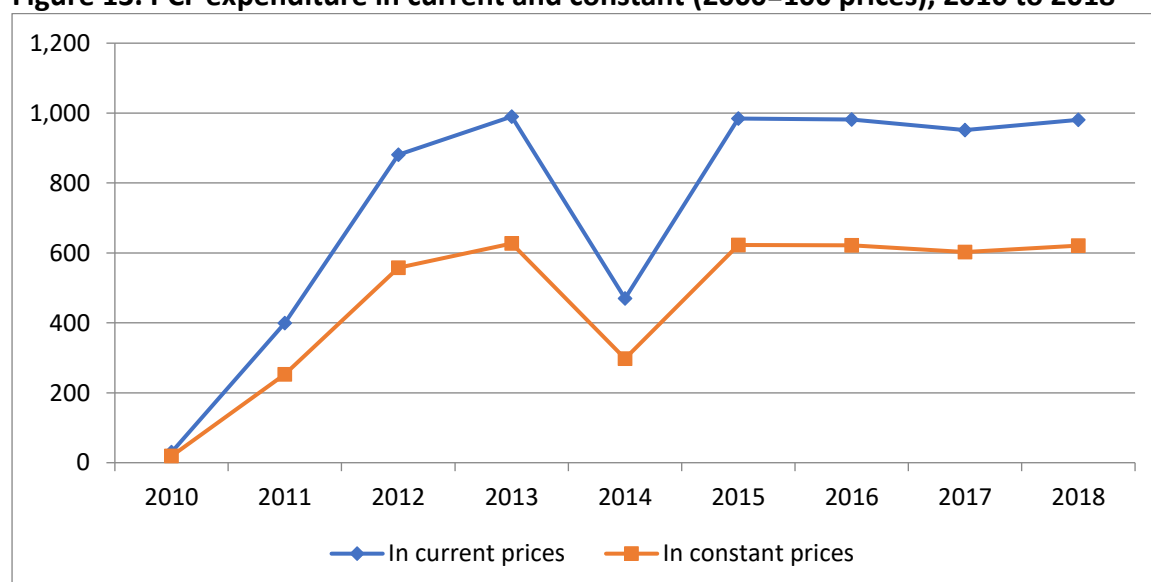
In terms of expenditure trend, the amount allocated for the PCF program had lower utilization in earlier years from 2010 2013. In its first year of implementation, the PCF was intended for the lower income municipalities but there was low utilization because few lower income class municipalities could satisfy the SGLG requirements and there was a counterpart funding on the part of the municipality.

²⁴ DILG Memorandum Circular No. 2019-202 titled “Operational Guidelines on the Implementation of Performance Challenge Fund (PCF) for FY 2019”

Table 22. PCF Appropriations and expenditures (in PHP million), 2010-2019

PCF (in Million Php)	2010	2011	2012	2013	2014	2015	2016	2017	2018
<i>In nominal terms</i>									
Appropriations	50	500	1003	1000	470	982	1004	1004	1004
Expenditures	30	399	881	990	470	984	981	951	980
<i>In real terms (2000=100, IPIN)</i>									
Appropriations	32	317	635	633	298	622	636	636	636
Expenditures	19	253	558	627	298	623	621	602	621
Appropriation utilization rate	60.0%	79.8%	87.8%	99.0%	100.0%	100.2%	97.8%	94.8%	97.7%
MEMO ITEM:									
IPIN (2000=100)	157.91	164.26	167.5	170.92	176.32	175.29	178.19	183.54	188.6

Source: Authors' compilation based on basic data from the General Appropriations Act, various years

Figure 13. PCF expenditure in current and constant (2000=100 prices), 2010 to 2018

Source: Authors' compilation based on basic data from the General Appropriations Act, various years

This program has now been institutionalized in the SGLG Act of 2019. The PCF fund will be replaced with the SGLG fund an oversight and policymaking body was created called the SGLG Council that are currently drafting the implementing rules and regulations. Aligned with the evidence of persistent non-passer LGUs, Sec. 13 of the SGLG Act mandates that “concerned national government agencies should provide technical assistance for capacity-building for identified gaps of LGUs which have not qualified for the SGLG award” (Diokno-Sicat, Mariano, et al. 2020).

4.8. Local Infrastructure Program

The Department of Public Works and Highways (DPWH) is mandated to undertake the planning, design, construction and maintenance of the country's infrastructure such as national roads and bridges, flood control systems, water resources projects, and other public works.

Furthermore, “the Administrative Code provides that the DPWH as the “State’s engineering and construction arm” has the sole responsibility over public works and may only delegate some of its powers and functions based on law “to any agency it determines to have the adequate technical capability” (Supangco 2000, as cited in Manasan and Mercado 2001, p. 20). This has been cited in the literature as a reason that the department has been implementing local infrastructure programs to help local governments with inadequate technical capacity since decentralization (Manasan and Mercado 2001). The DPWH local infrastructure programs have adopted names such as Various Infrastructure including Local Projects (VILP)²⁵ for a decade since the early 2000s, Regional and Local Infrastructure Program in 2014, which is more recently called the Local Infrastructure Program (DPWH General Appropriations Acts of 2014 to 2020, Special Provisions).

The amount allocated for the Local Infrastructure Program shall be used for the construction and rehabilitation of different local infrastructures, as presented in Table 23. In 2017, the department gave prioritization to poorer municipalities and their component barangays particularly in the order of LGU classification enumerated: 1) fourth to sixth class under Categories 1 and 2 provinces; 2) fourth to sixth class in other provinces; 3) second to third class; and 4) first class.

Table 23. List of allowable infrastructure projects

Infrastructure Project	Conditions
Local roads and bridges	Priorities and criteria, program of works, standards and specifications of the DPWH
Classrooms or academic buildings	Priorities, programs of works, standards and specifications of the DepEd or CHED, as the case may be
Multi-Purpose buildings	Standard designs and specifications of the DPWH
Levels 2 and 3 water supply systems	Standards and specifications of the DPWH and LWUA
Flood Control and Drainage (added in 2017)	Standards and Specifications of DBM

Source: DPWH General Appropriations Acts of 2014 to 2020, Special Provisions

Any proposal for the availment of these projects shall include the scope, location and estimated cost, as well as the beneficiary of the projects. The DPWH shall also certify that the LGU has the capacity to implement the projects. Once approved, projects covered shall then comply with the corresponding conditions (DPWH GAA 2018):

- a. Not more than (1%) of the total project cost shall be used for engineering and administrative expenses.
- b. Upon completion of construction or rehabilitation of the said local infrastructures, the DPWH shall turnover the management and ownership to the LGU concerned, which shall be responsible for the maintenance and repair costs.

The DPWH shall submit a quarterly report on the financial and physical accomplishments to the DBM, the House Committee on Appropriations, and the Senate Committee on Finance. The list of infrastructure projects and its corresponding locations shall also be posted in the department’s website for the period of 3 years.

²⁵ Commission on Audit (2012). *Special Audits Office Report No. 2012-03: Priority Development Assistance Fund (PDAF) and Various Infrastructures including Local Projects (VILP)*.

This program is one of the longest running national government LGU assistance programs and has also provided the largest assistance to LGUs averaging 32%. As early as 2001, Manasan and Mercado (p.20) shared “the common reason cited for the national government’s continuous involvement in local infrastructure projects, the provisions in the Code to the contrary, is the LGUs’ lack of technical capability”. Furthermore, evaluations of these programs has been limited with the most recent being a Special Audit Report of the Commission on Audit (COA) in 2012. The report was able to audit only a third of the budget allocated for the PDAF and the DPWH’s Various Infrastructure Local Projects since this was the only data that oversight and implementing agencies could give. Some of the findings included:

1. Funds were released to implementing agencies without administrative and technical capabilities. These IAs, in turn, used the funds without due regard to existing rules and regulations.
2. There were substantial amounts transferred to NGOs, without any appropriation law or ordinance authorizing such transfer and were used for projects not eligible under the program.
3. Reported projects were supported with spurious documents and infra projects were found deficient or implemented in private lots prohibited under the law.

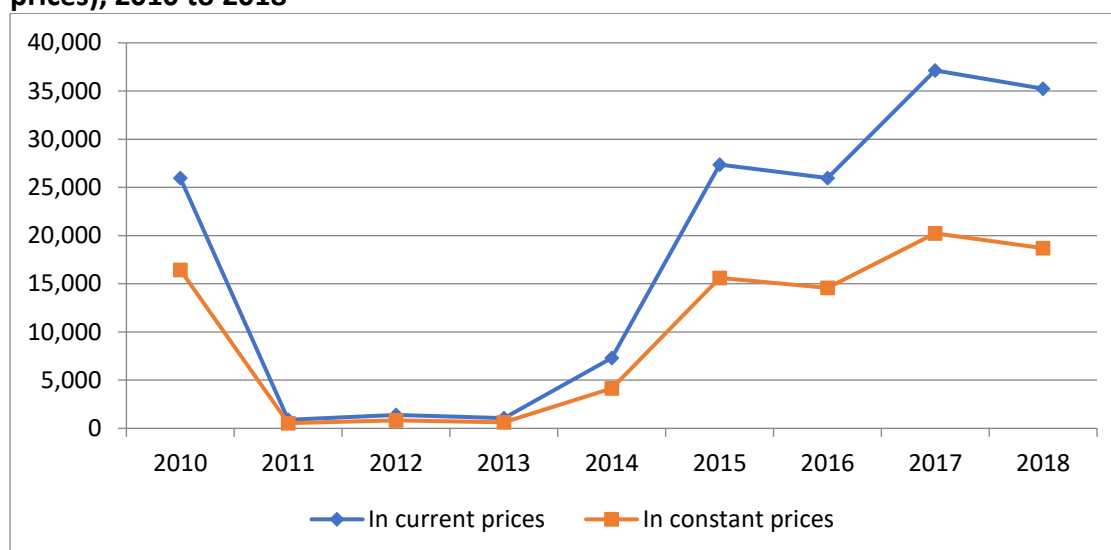
In the past decade, the Local Infrastructure Program experienced a dip in funding from 2011 to 2014, recovering to 2010 levels in 2015 to PhP 27 billion. This dip in appropriations coincided with the conduct of the 2012 Commission on Audit Special Audit Report on the Priority Development Assistance Fund and the DPWH’s Various Infrastructure Local Projects (VILP) implemented from 2007 to 2009. Some of the findings were: (1) that oversight and implementing agencies did not have a complete database of detailed releases since they were only able to do so for only PhP 32.47 billion of the PhP 101.608 billion released for the VILP program from 2007 to 2009; (2) funds were released to implementing agencies without administrative and technical capabilities that, in turn, used the funds without regard to existing rules and regulations; (3) substantial amounts were transferred to non-government organizations (NGOs) without any supporting appropriation law or ordinance and were used for projects not eligible under the program; and, (4) reported projects were supported with spurious documents and the infrastructure projects were found deficient or implemented in private lots prohibited under the law (Commission on Audit 2012).

Table 24. Local Infrastructure Program appropriations (in PHP million), 2010-2018

	2010	2011	2012	2013	2014	2015	2016	2017	2018
<i>In nominal terms</i>	25,971	890	1,381	1,071	7,309	27,353	25,960	37,139	35,252
<i>In real terms (2000=100, IPIN)</i>	16,447	542	824	627	4,146	15,604	14,569	20,235	18,691
MEMO ITEM:									
IPIN (2000=100)	157.91	164.26	167.5	170.92	176.32	175.29	178.19	183.54	188.6

Source: Authors’ compilation based on basic data from the General Appropriations Act, various years

Figure 14. Local Infrastructure Program appropriation in current and constant (2000=100 prices), 2010 to 2018



Source: Authors' compilation based on basic data from the General Appropriations Act, various years

In examining the application of the 2017 special provision that, for budgetary allocations, priority will be given to poorer municipalities and their component barangays, a correlation analysis was done using the 2015 regional poverty incidence and the 2017 regional distribution of Local Infrastructure Program allocations. There is assumed to be a two-year lag in incorporating the results of the 2015 poverty incidence in the budgeting process which happens a year in advance. The results show a weak correlation between the regional distribution of appropriations and regional poverty incidence, with the latter accounting for only 14% of the variation in appropriations (Table 25).

Table 25. Correlation between 2015 Poverty Incidence and 2017 Regional Distribution of the Local Infrastructure Program

	2015 Poverty Incidence	Regional Distribution of the 2017 Local Infrastructure Program
2015 Poverty Incidence	1	
Regional Distribution of the 2017 Local Infrastructure Program	-0.3754*	1
	0.1679	

Source: Authors' computation

4.9. Tourism Road Infrastructure Program (TRIP)

In 2012, the Department of Tourism (DOT) and the DPWH launched the Tourism Road Infrastructure Program, a Convergence Program which aimed to give financial support to all LGUs in constructing, upgrading, rehabilitating and improving roads and bridges leading to tourist destinations in lined with the National Tourism Development Program (DOT-DPWH 2012). The national and local roads and bridges covered under this program shall be those jointly identified by DPWH and DOT based on the basic technical criteria and priority areas for tourism development (DOT-DPWH 2014).

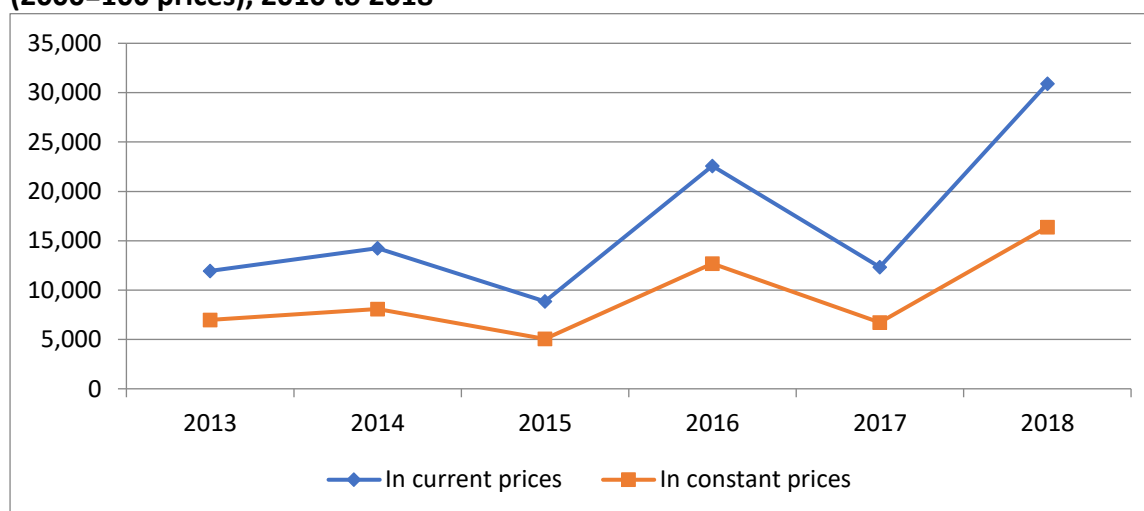
Funding of the TRIP has been inconsistent as can be seen in Table 26 and Figure 15 with the highest allocation being in 2018. Similar to the Various Local Infrastructure Program, there are very few studies examining this program. One such study is COA's 2015 Citizen Participatory Audit Report of TRIP projects in Surigao City. Instead of the traditional audit report, this one used citizen feedback on the effectiveness of the project and the implementation of the project. The results showed that citizens thought the projects were effective in attaining their objective of increasing tourism and that the implementation was smooth with sufficient funds (Commission on Audit 2015).

Table 26. Budget allocation for Tourism Road Infrastructure Program (in PHP million), 2013-2018

	2013	2014	2015	2016	2017	2018
<i>In nominal terms</i>	11,950	14,251	8,854	22,582	12,340	30,909
<i>In real terms (2000=100, IPIN)</i>	6,992	8,083	5,051	12,673	6,723	16,389
MEMO ITEM:						
IPIN (2000=100)	170.92	176.32	175.29	178.19	183.54	188.6

Source: Authors' compilation based on basic data from the General Appropriations Act, various years

Figure 15. Tourism Road Infrastructure Program appropriation in current and constant (2000=100 prices), 2010 to 2018



Source: Authors' compilation based on basic data from the General Appropriations Act, various years

4.10. Farm-to-Market Road Projects (FMR)

For the past 10 years, the Department of Agriculture (DA) institutionalized programs that aim to help LGUs to provide better service in agriculture. One of these programs is the Farm-to-Market Road program (DA General Appropriations Acts of 2010 to 2020, Special Provisions).

The funding for the program shall be released to the DPWH, which shall be allocated based on the projects proposed by two agencies: the Department of Agriculture (DA), getting 80% of the allocated budget; and the Department of Agrarian Reform (DAR), getting 20%. In planning, the DA is responsible for identifying prospect locations where the projects shall be constructed as well as the construction design and program of work prepared, while the DAR is responsible for designing the agrarian reform communities (ARCs) network plan and other areas covered under the Comprehensive Agrarian Reform Program (CARP).

It is crucial in identifying prospective locations to conduct consultations with the district Representative, local administration, and most importantly the resident-farmers and fisherfolks of the area. The DA is also required to prepare a network plan which should consider the number of farmers and fisherfolks and their families who shall benefit from it and the amount, kind and importance of agricultural and fisheries products produced in the area.

The network plan shall include: (i) the over-all rationale and objective of the plan; (ii) implementation strategy; (iii) the location of FMRs which must lead to arterial or secondary roads and key production areas; (iv) the estimated length in kilometers of FMRs to be constructed; (v) the costing, construction design, and specifications consistent with the standards set by the DPWH for FMR projects; and (vi) project components. All of these shall also be reflected in the department's official website along with budgetary allocation, utilization of amounts, status of implementation, project evaluation and/or assessment reports, and the geo-tagged photos of the projects.

Further, the following areas shall be prioritized: (i) where major rice, corn and high value commercial crops producing provinces; (ii) where the majority of small farmers registered under the RSBSA, and agrarian reform communities and other CARP covered areas; (iii) where there are a large number of subsistence fisherfolks as determined by the DA; and (iv) the provinces or regions where the absolute number of poor farmers and/or fisherfolks and the 'incidence of poverty are high.

In 2012, an LGU counterpart of not less than ten percent (10%) of the project cost was required in order to avail of the FMR projects. This was adjusted in 2013, wherein only the first (1st) to third (3rd) class LGUs are required to provide a counterpart, and no counterpart was required for fourth (4th) to sixth (6th) class LGUs. This was then removed in the succeeding years.

Once the funds have been released, the DA shall ensure that the projects are continuously validated and monitored through geo-tagging activity. Upon completion of the construction, rehabilitation and repair of FMRs, the DPWH shall turnover the management and ownership to the LGUs concerned, which shall commit to shoulder the maintenance and repair cost.

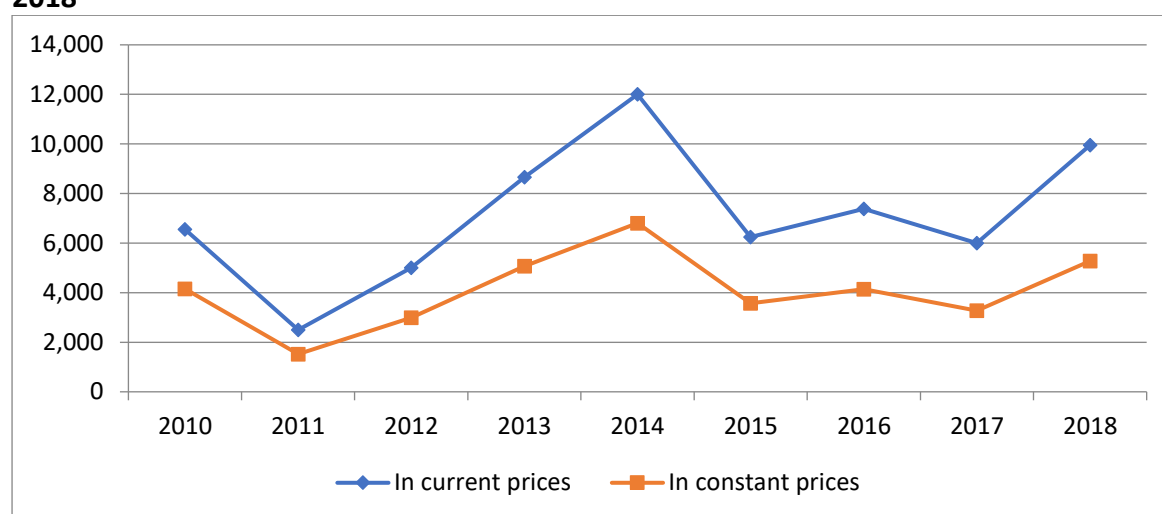
Similar to the DPWH LGU assistance programs, budgetary allocations for FMR projects do not follow a consistent trend (Table 27). There was also no reviews of this program.

Table 27. Farm to Market Road Program appropriations (in PHP million), 2010-2018

FMR Projects	2010	2011	2012	2013	2014	2015	2016	2017	2018
In nominal terms	6,555	2,500	5,001	8,657	12,000	6,250	7,377	6,000	9,958
In real terms (2000=100, IPIN)	4,151	1,522	2,986	5,065	6,806	3,566	4,140	3,269	5,280
MEMO ITEM:									
IPIN (2000=100)	157.91	164.26	167.5	170.92	176.32	175.29	178.19	183.54	188.6

Source: Authors' compilation based on basic data from the General Appropriations Act, various years

Figure 16. FMR Program appropriation in current and constant (2000=100 prices), 2010 to 2018



Source: Authors' compilation based on basic data from the General Appropriations Act, various years

4.11. Small Scale Irrigation Projects

Aside from the FMR program, the DA has also been implementing irrigation projects to provide better service in agriculture in the past 10 years (DA General Appropriations Acts of 2010 to 2020, Special Provisions). The Small Scale Irrigation Projects aim to restore, improve, construct or install irrigation projects (DA 2020) in the following priority production areas (DA 2014): (i) where the majority of small farmers registered under the RSBSA are located; and (ii) provinces or regions where the absolute number of poor farmers and the incidence of poverty are high as identified in the latest official poverty statistics of the WSCB.

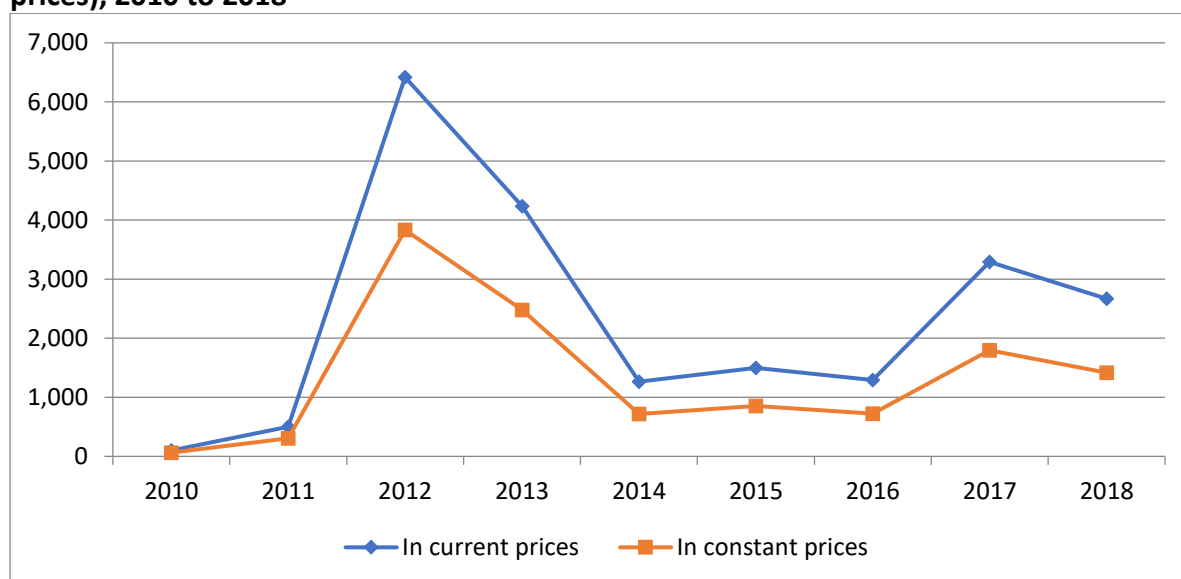
Upon completion of the small-scale irrigation facilities, the DA shall turn over the management of the facilities, and transfer its ownership to the LGU or irrigator's association (DA 2014).

Table 28. Budget allocation for Small Scale Irrigation Projects (in PHP million), 2010-2018

	2010	2011	2012	2013	2014	2015	2016	2017	2018
<i>In nominal terms</i>	100	500	6,418	4,232	1,266	1,496	1,291	3,292	2,669
<i>In real terms (2000=100, IPIN)</i>	63	304	3,832	2,476	718	853	724	1,794	1,415
MEMO ITEM:									
IPIN (2000=100)	157.91	164.26	167.5	170.92	176.32	175.29	178.19	183.54	188.6

Source: Authors' compilation based on basic data from the General Appropriations Act, various years

Figure 17. Small Scale Irrigation Projects appropriation in current and constant (2000=100 prices), 2010 to 2018



Source: Authors' compilation based on basic data from the General Appropriations Act, various years

5. General Findings

The main objective of this study was to survey national government programs that were directed to assisting local governments in delivering devolved infrastructure services. This involved: (1) identifying and defining relevant programs in the past decade; (2) examining the public resources allocated as well as program evolution of these programs in the past decade; (3) investigating any association of development indicators with said programs; and, (4) gathering lessons in the implementation of these programs to help guide oversight agencies and policymakers to prepare for the increased transfer of national government funds to local governments because of the Mandanas ruling as well as recovering from COVID-19 pandemic.

There were thirteen national government LGU assistance programs included in this study that were concentrated in three departments, namely, the DPWH, DILG and DA. Total allocations averaged 0.5% of GDP and 2% of national government expenditures. What was more interesting, is that these programs received allocations of about 12% of local government expenditures which is roughly the same average share LGUs spent on capital outlays in the same period. This would imply that if the NG programs are discontinued in the future, to maintain at least the current levels of local infrastructure spending, LGUs must double their capital outlay expenditures.

Of the programs, the DPWHs' Local Infrastructure Program received the largest average allocation and is one of the longest programs in existence. The second largest program, in terms of average annual appropriations, is the DPWH's Tourism Road Infrastructure Program that started in 2013. The DA's Farm to Market Road program, also one of the longest running LGU assistance programs, received the third largest allocations, averaging 18%. Finally, the DILG, including all of their various assistance programs such as the BuB and LGSF programs, has been receiving increased budgetary allocations averaging about 13%. Of these DILG programs, the LGSF Assistance to Municipalities and Conditional Matching Grants to Provinces received

the largest allocations. These programs target specific kinds of devolved infrastructure such as roads, bridges, water systems and health and evacuation facilities.

Among these programs, those at the DILG had the most frequent redesign from a general lump-sum fund to assist all levels of LGUs to more specific programs defined over the different levels of local governments, e.g. province, city, municipalities, and with identified projects across these levels. For provinces this would be roads, for cities the development of public open spaces and for municipalities specific infrastructure deemed aligned with Philippine Development Plan infrastructure priorities. This was perhaps an effort to streamline programs given that different levels of LGUs have different needs. Further to the recognition of different LGU needs, the DILG maintained, but downsized, the more general Financial Assistance program for other non-infrastructure or “soft” spending not allowed under the other DILG programs.

In contrast, the DPWH and DA programs experienced less redesign, perhaps because their programs were for very specific infrastructure. There were, however, some minor revisions in terms of prioritization for poorer municipalities or in the prescribed manner of implementation, i.e. use local manpower to create jobs. Despite these, there were generally no development indicators or targets explicitly defined for these NG-LGU programs on which to base monitoring and evaluation.

What other observations and lessons would be useful to policymakers preparing for strengthened decentralization in the current and post-COVID scenario?

1. The difficulty in getting expenditure data makes it difficult to assess and monitor these programs.

The limitation in this exercise was the challenge in gathering expenditure data primarily because of the work from home arrangements that came about because of the COVID-19 pandemic. Though the appropriations for the programs were mostly available from the GAA on the DBM website, such was not the case for expenditure data. Some agencies did not respond entirely to data requests. For the LGSF, PCF, SALINTUBIG and BuB programs the team had to go directly to the implementing agency for expenditure data. Even so, only PCF, SALINTUBIG and BuB expenditure data for water were shared.

Because of the difficulty in obtaining data, impact assessments or evaluations of these programs are rare. One of the few reports examining these programs is the COA 2012 Special Audit report that cited the difficulty in gathering data on DWPH VILP releases from 2007 to 2009 and based their audit on only one-third of the total releases for said program.

2. There were no specific trends in the budgetary allocations of almost all of the programs except for the later version of the performance-based Performance Challenge Fund which, in itself, serves different purpose one of ensuring a certain level of governance.

One of the reasons for erratic funding is that some of the programs are based on the needs of an LGU that could be relatively non-recurring such as installation of water systems and satisfying a minimum requirement in terms of devolved functions such as a rural health unit or an evacuation center.

3. Several programs such as the BuB, LGSF-ADM and the Performance Challenge Fund started as programs targeted to lower income local governments. Program coverage was eventually expanded to all local governments regardless of income class primarily because of the low uptake of the programs since lower income local governments had more difficulty in satisfying requirements for eligibility (Diokno-Sicat, Mariano, et al. 2020).

In the case of the PCF, there was low uptake because of the need for counterpart funding or inability to satisfy the requirements to be eligible. Though the counterpart funding element was removed, to date there are still poorer LGUs that have not received the SGLG and, therefore, unable to receive the PCF grant. If policymakers decide to continue to implement an assistance program in strengthened decentralization, they must take these factors into consideration.

Furthermore, some of the programs started as lump-sum but evolved into programs for specific levels of LGUs and limited to certain types of programs. This was perhaps an effort to better justify government expenditures but should also be a factor considered in any future LGU assistance program. At the same time, this should be balanced with understanding what the needs of the targeted LGUs are.

4. Budget utilization rates are higher for national government local assistance programs than the mandated local development fund (LDF), which is the primary source of local government infrastructure investments. If these local government assistance programs will be discontinued when the Mandanas ruling is implemented in 2022, this means that infrastructure investment will solely depend on local government investments through the LDF. With historically insufficient utilization of the LDF, policymakers should figure out how to ensure that local governments utilize the LDF which will also increase because of the Mandanas ruling since it is mandated to be at least 20% of internal revenue allotments (Sec. 287, LGC 1991).

Anecdotally, one of the reasons LGUs give to explain insufficient LDF utilization is that they need to prioritize the implementation of programs funded by the national government since these have an expiration date while the LDF does not. This reason would apply to the DILG LGSF and PCF programs because the funds are downloaded to the local government for program implementation. However, this reason would not apply to the DPWH local infrastructure program since it is the department that implements them. And even for the DILG programs, the amounts given to local governments are not considerably large (e.g. the PCF grant ranges from PhP 1M to 3M and for a 4th class municipality that spends about PhP 16M for the LDF, the PCF grant is only 20%) that it would be a cause of delay in local investment programs.

Others have alluded to the procurement process as an administrative reason in delayed LDF project implementation. Local governments are covered by Republic Act No. 9184.²⁶ Under ideal conditions (i.e. no failure of bidding), the procurement process would take about one month. If there are failure of bids or other political economy reasons, this might cause delay in program implementation.

Without a more detailed study of the absorptive capacity of LGUs to identify bottlenecks in LDF implementation, it would be difficult to determine a specific course of action to

²⁶ Republic Act. No 9184, *An Act Providing for the Modernization, Standardization and Regulation of the Procurement Activities of the Government and for Other Purposes*

improve LDF utilization. This brings us now to the question, will LDF utilization improve if national government programs for local governments are discontinued with the Mandanas ruling? One direction policymakers could look at is to see if there are existing mandates or administrative guidelines that would make LGUs face a harder budget constraint for the LDF, i.e. recommend fund validity so that investment programs are done in a timely manner.

One direction that is being considered by policymakers, given that some NG-LGU Assistance programs will be discontinued, is creating a fiscal equalization fund/program to help poorer local governments (Manasan 2020). If this will be done, it should be aligned with the mandate and programs of the SGLG and CBMS Laws, to avoid overlap and use public monies efficiently.

Given that the programs examined focus primarily on devolved infrastructure, would infrastructure gaps be a good basis for identifying local governments that need assistance moving forward? Do poorer regions have higher infrastructure needs?

To answer this question, Table 29 contains the results of two recent PIDS studies' the Baseline Study on Fiscal and Governance Gaps (2020) and An Assessment of the Performance Challenge Fund (PCF) and The Seal of Good Local Governance: Perceptions from Municipalities (2020). The Baseline study for municipalities estimated the fiscal gap for municipal roads, evacuation centers and rural health units based on existing infrastructure in 2017 (Diokno-Sicat, Adaro, et al. 2020). The assessment of the PCF study found that majority of the municipalities that were never eligible for the PCF, i.e. did not receive the SGLG, were poorer and concentrated in the Bicol, Central and Eastern Visayas regions (Diokno-Sicat, Mariano, et al. 2020). Using 2015 regional poverty incidence as the point of reference, it can be seen that there are regions with high poverty incidence (defined to be higher than the 2015 national poverty incidence of 21.6%) and low occurrence of municipalities in that region receiving the SGLG and consequently access to the PCF. These regions, namely Bicol, Central Visayas, Zamboanga and Northern Mindanao, however, do not have relatively high 2017 infrastructure gaps (i.e. less than the average national gap) based on the LGSF-AM Baseline study (Annex A).

Table 29. Regional Infrastructure Gaps, Poverty Incidence and Performance Challenge recipients

Region	Total Infrastructure Fiscal Gap in 2017 (for municipal roads, evacuation center in GIDA area, RHU), in Million Php	2015 Poverty Incidence (in %)	Performance Challenge Fund recipient municipalities (as % of total municipalities in the region), 2010 to 2018
CAR	14,948	22.6	76
1 Ilocos	6,596	18.8	100
2 Cagayan Valley	18,500	17.6	98
3 Central Luzon	10,390	10.4	88
4-A CALABARZON	9,230	12.2	90
4-B MIMAROPA	14,469	24.8	73

5 Bicol	6,849	39.5	57
6 Western Visayas	4,551	24.4	96
7 Central Visayas	8,621	29.1	65
8 Eastern Visayas	10,080	41.2	37
9 Zamboanga Peninsula	9,745	37.5	69
10 Northern Mindanao	9,242	38.4	70
11 Davao	17,124	23.5	100
12 SOCCSKSARGEN	16,898	38.2	93
13 Caraga	9,668	39.5	99

Source: Authors' compilation

On the other hand, there also are the Davao and SOCCSKSARGEN regions that have high poverty incidence and high infrastructure gaps but that also have more than 90% of their municipalities receiving the SGLG and PCF at least once. Finally, we have the regions that have high poverty incidence, high occurrence of SGLG/PCF among their municipalities but also low infrastructure needs. These are the Cagayan Valley, Western Visayas and CARAGA regions.

Though poverty incidence in this analysis is proxy for LGU income class, there is no strong evidence to suggest that regions with higher poverty incidence have larger infrastructure needs. There is, however, evidence of a strong correlation between poverty incidence and the proportion of regional municipal PCF recipients (Table 30). As poverty incidence increases, the proportion of municipal recipients decreases, consistent with expectations. Poverty incidence accounts for almost 28% of the variation in PCF recipients. There is also weak correlation between the proportion of PCF recipients in a region and infrastructure gaps, that a larger number of PCF recipients in a region there is higher infrastructure fiscal gap but accounting only for 5% of the variation. This, however, is weak and needs to be examined further.

Table 30. Correlation of poverty incidence, infrastructure gap and PCF recipients

	2015 Poverty Incidence (in %)	2017 Infrastructure Fiscal Gap, in Million PhP	Percentage of regional municipal PCF recipients (In %), 2010 to 2018
2015 Poverty Incidence (in %)	1		
2017 Infrastructure Fiscal Gap, in Million PhP	-0.1299	1	
	0.6446		
Percentage of regional municipal PCF recipients (In %), 2010 to 2018	-0.5293*	0.2294*	1
	0.0424	0.4108	

Source: Authors' computation

Furthermore, the weak correlation between the regional distribution of DPWH's Local Infrastructure Program with poverty incidence should encourage a better design and targeting of any national government local assistance program post-Mandanas. Without more detailed regional expenditure data of these programs it is difficult to assess the impact of these programs on regional development indicators.

6. Recommendations

The next few years are a time for: (1) continued response to and recovery from the COVID-19 pandemic; and, (2) preparing for increased intergovernmental fiscal transfers coupled with reduced national government local government support programs as a result of the Mandanas Ruling. Policymakers should be clear in the design of policy or strengthened decentralization with the objective of both protecting the vulnerable and ensuring strategic investments that have the largest impact in terms of increasing income. For the latter, there is a need for strategically placed infrastructure investments by local governments since these have the largest potential for creating economic growth. To do this, we propose the following:

1. Provide real time data on fund utilization of programs including documentation of the time between issuance of allotments and obligating or awarding of the programs, i.e. to monitor length of procurement, for improved monitoring and evaluation/program adjustments. The current efforts at the DBM of BTMS and having real time disbursement monitoring is a welcome one and should be pursued. This is especially important for monitoring and evaluating progress as well as will be useful in current asset management efforts of the national government.
2. Though there is a strong argument to protect overall fiscal balance by discontinuing some NG-LGU programs because of the increase in transfers to local governments with the Mandanas ruling, there might still be a need to have some programs that are targeted towards the lower income or vulnerable local governments that are consistently affected by natural disasters, have lackluster performance in governance or poor implementation of investment programs. If policymakers decide to pursue such a program, the objectives, eligibility criteria, monitoring and evaluation of such programs should be clearly defined. There must be baseline data and specific indicators to guide monitoring progress and a sunset clause to the assistance to avoid dependency or disincentive effects of such a program.

Said programs should be consistent with and complement the recent laws that were passed such as the CBMS and SGLG laws. Policymakers should ensure there be no overlap or duplication of efforts in programs undertaken under either of these laws and any new local government assistance program. The laws both articulate that local governments from the lowest three income classes will be given priority assistance in establishing the CBMS and satisfy requirements in attaining the SGLG. In some cases, those these are not related to the income class since there are 4th income class municipalities that have won SGLG or have been successfully able to implement the CBMS consistently (Diokno-Sicat, Mariano, et al. 2020).

Furthermore, the expenditure trends examined in this study showed that apart from the performance-based grant the PCF, there were no consistent trends in the individual programs though overall budgetary allocations were increasing through time. This seems to suggest that the erratic funding for these different programs were driven by either (1) the demand of local governments based on their need for specific programs such as SALINTUBIG; (2) depended on the ability of the executive to persuade funding for such programs; or, (3) both.

3. There has to be strengthened oversight in development fund utilization if national government LGU assistance programs will be discontinued. To do this, understanding

the bottlenecks to complete fund utilization should be priority. Current efforts at the DILG in aligning development plans must also consider investment planning and getting these implemented through the local development plans. It is not enough to ensure plans are aligned, but it is important that these plans get implemented.

Some questions such a study should try to answer are: (1) are local government income classes related to the LDF utilization rate?; (2) what are the bottlenecks faced by local governments in the LDF utilization that might carryover to when the Mandanas ruling is implemented?; (3) Have there been issues in the utilization of NG programs that have been used as a reason for low LDF utilization?; (4) Will these issues no longer be faced with the discontinuation of the LG-LGU assistance programs?; (5) What safeguards can be implemented to ensure the LDF is implemented?

A possible solution to the last question would be to look for any policy or mandate that requires LGUs to spend their LDF within a year, otherwise, there would be an administrative violation. If the LDF utilization is not tied to the validity of the LGU annual budget, perhaps oversight agencies could issue guidelines effecting an expiration of funds similar to the national government cash-based budgeting. This could be gradually implemented from the current no hard budget constraint to two-year validity of the LDF and then to just one-year validity.

Bottomline, in moving forward with recovery, policymakers must strengthen oversight to ensure that local governments invest in infrastructure if the LGU support programs are discontinued or redesigned for select LGUs. Economic growth is not just the responsibility of the national government, it can be hastened/quicken with local growth especially given evidence that local fiscal multiplier effects are highest for capital spending (investments) (Debuque-Gonzales Forthcoming). Whether to reduce poverty or propel the economy into recovery, this should be one of the major considerations in the design of policy.

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8. Annex

Annex A. LGSF-AM Baseline Results

Annex A Table 1. Gap and costing of municipal roads by Region, 2017

Region	Paved		Unpaved		Total Length of Road	% of Unpaved Roads	Estimated Cost (Php16M/km of road) (In Million Php)
	Concrete	Asphalt	Gravel	Earth			
NCR	5.80	2.18	-	-	7.98	-	-
CAR	360.16	12.38	276.04	564.48	1,213.05	69.29	13,448,256,272.00
Region I	1015.94	46.21	195.42	87.81	1,345.38	21.05	4,531,743,508.80
Region II	799.17	27.31	680.44	362.35	1,869.28	55.79	16,684,668,031.26
Region III	854.61	91.79	260.31	84.79	1,291.51	26.72	5,521,660,320.00
Region IVA	833.27	104.43	139.60	178.96	1,256.27	25.36	5,096,925,360.00
Region IVB	245.31	3.56	373.06	437.34	1,059.27	76.51	12,966,353,325.72
Region V	453.96	24.63	66.69	137.25	682.52	29.88	3,262,964,377.12
Region VI	504.74	28.43	57.47	19.17	609.81	12.57	1,226,244,826.39
Region VII	637.45	47.76	311.50	96.53	1,093.25	37.32	6,528,545,584.00
Region VIII	1,187.50	22.00	257.91	309.26	1,776.66	31.92	9,074,651,955.95
Region IX	331.20	28.31	412.88	140.20	912.60	60.61	8,849,389,680.00
Region X	554.80	3.46	252.58	210.67	1,021.52	45.35	7,412,136,712.00
Region XI	301.07	17.48	765.44	212.14	1,296.12	75.42	15,641,190,496.00
Region XII	376.64	36.09	566.14	353.60	1,332.46	69.03	14,715,753,097.60
CARAGA	277.45	3.55	382.90	138.48	802.38	64.98	8,342,040,048.00
Total	8,739.07	499.56	4,998.37	3,333.03	17,570.04	47.42	133,302,523,594.84

Annex A Table 2. Gap and costing of evacuation centers in GIDA areas by Region, 2017

Region	Number of DOH GIDA Identified LGUs with Primary Evacuation Center	Number of DOH GIDA Identified LGUs	Proportion of GIDA Identified LGUs with Primary Evacuation Center	Gap	Two-Storey Building (Capacity:15 Families@5 pax per family)	One -Storey Building (Capacity:37@5 pax per family)	Two-Storey Building (Capacity:146 Families@5 pax per family)
					Estimated Cost: Php4M	Estimated Cost: Php7.6M	Estimated Cost: Php25M
NCR			-				
CAR	15	75	20.0%	60	240.00	450.00	1,500.00
Region I	18	54	33.3%	36	144.00	270.00	900.00
Region II	22	62	35.5%	40	160.00	300.00	1,000.00
Region III	13	46	28.3%	33	132.00	247.50	825.00
Region IVA	7	20	35.0%	13	52.00	97.50	325.00
Region IVB	10	30	33.3%	20	80.00	150.00	500.00
Region V	14	58	24.1%	44	176.00	330.00	1,100.00
Region VI	25	89	28.1%	64	256.00	480.00	1,600.00
Region VII	19	49	38.8%	30	120.00	225.00	750.00
Region VIII	17	36	47.2%	19	76.00	142.50	475.00

Region IX	0	7	0.0%	7	28.00	52.50	175.00
Region X	15	57	26.3%	42	168.00	315.00	1,050.00
Region XI	13	32	40.6%	19	76.00	142.50	475.00
Region XII	7	29	24.1%	22	88.00	165.00	550.00
CARAGA	22	61	36.1%	39	156.00	292.50	975.00
Total	217	705	30.8%	488	1,952.00	3,660.00	12,200.00

Annex A Table 3. Gap and costing of RHUs by Region, 2017

Region	2015 PSA Population	Number of RHUs (1 RHU: 20,000 Popn)	Number of LGUs with RHU report (LGSF-AM Data)	RHU Gap (b-c)	Cost (Million Php)	
					Non-GIDA	GIDA
	a	b	c	d	10.9	13.07
All Regions (Except ARMM)	56,485,825	2,824	1186	1,638	17,857.37	21,412.47
CAR	1265998	63	63	0	-	-
Region I	4040998	202	113	89	970.64	1,163.88
Region II	2887987	144	82	62	680.15	815.56
Region III	7867449	393	84	309	3,372.16	4,043.50
Region IVA	8087416	404	113	291	3,175.94	3,808.22
Region IVB	2574351	129	52	77	836.22	1,002.70
Region V	4783824	239	49	190	2,073.08	2,485.80
Region VI	4839922	242	110	132	1,438.76	1,725.19
Region VII	4193907	210	107	103	1,119.38	1,342.23
Region VIII	3431011	172	131	41	442.00	530.00
Region IX	2242959	112	57	55	601.11	720.78
Region X	2852668	143	83	60	650.00	779.41
Region XI	2401627	120	43	77	840.19	1,007.45
Region XII	3237939	162	37	125	1,361.38	1,632.40
CARAGA	1777769	89	62	27	293.08	351.43