



HOUSE OF REPRESENTATIVES

House Bill No. 6607

Introduced by Representative Victor A. Yap

EXPLANATORY NOTE

Transport is a key sector in the Philippine economy, linking population and economic centers across the archipelago. While the transport infrastructure has been developed and spread across the country – about 215,000 kilometers of roads – the level of service has not been sufficient due to the lack of sustainable financing.¹

The large part of the Philippine road network remains in poor condition and integration is generally weak.² Poor local roads make it expensive to move people and goods, hurting competitiveness and preventing the full potential for sustained economic growth. The poor condition of local roads is a result of low investment by the local government units (LGUs) as the responsibility of local road management was devolved as per Local Government Code of 1991, without appropriate transfer of capacities and resources to take care of its local road network.

In addressing this issue, the Conditional Matching Grant to Provinces (CMGP) Program provided for the apportioning of funds for the repair, rehabilitation, improvement of core provincial, municipal, and barangay roads by the provincial governments. Formerly known as Konkreto at Ayos na Lansangan ang Daan Tungo sa Pangkalahatang Kaunlaran (KALSADA), the CMGP is a partnership program between the Department of the Interior and Local Government (DILG) and Department of Budget and Management for Provincial LGUs in response to the needed infrastructure support, as well as reforms in local roads management and public financial management.³

According to the DILG⁴, 316 CMGP road projects totaling to 1,192 kilometers in the amount of P17.6 billion have reached 92.5% of physical accomplishment in 2017. Notwithstanding this accomplishment, the budget for the CGMP was drastically reduced to 8.2 billion or more than half the following year.

Considering the fact that improving transport infrastructure is critical for enhancing economic growth, this bill seeks to institutionalize the CMGP to support LGUs by providing the necessary funding of provincial road works to all provincial governments annually, as well as the provision of capacity development and quality assurance measures for local road management to ensure the continuous development, improvement, and maintenance of local road networks.



VICTOR A. YAP

Representative, 2nd District of Tarlac

¹ Data retrieved from <https://www.adb.org/sites/default/files/institutional-document/33700/files/philippines-transport-assessment.pdf> on 3 March 2020.

² *Ibid.*

³ Data retrieved from <http://www.region12.dilg.gov.ph/programs-projects/conditional-matching-grant-provinces-cmgp> on 3 March 2020.

⁴ Data retrieved from the Senate Committee on Local Government Hearing on February 18, 2020.

HOUSE OF REPRESENTATIVES

House Bill No. 6607

Introduced by Representative Victor A. Yap

AN ACT
PROVIDING FOR THE INSTITUTIONALIZATION OF THE CONDITIONAL
MATCHING GRANT TO PROVINCES (CMGP) FOR ROAD AND BRIDGE REPAIR,
REHABILITATION, AND IMPROVEMENT

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

SECTION 1. *Title.* - This Act shall be known as the “Local Road Repair, Rehabilitation,
and Improvement Act of 2020.”

SEC. 2. *Declaration of Policy.* - It is hereby declared the policy of the State that local
government units (LGUs) shall be responsible for providing basic services and facilities, such as
local roads and bridges, and that the higher levels of governments shall provide or augment such
services and facilities assigned to lower levels of LGUs when these are not made available or, if
made available, are inadequate to meet the requirements of its inhabitants.

SEC 3. *Definition of Terms.*- The following terms shall be defined as follows:

- (a) Local Road Management refers to planning, prioritizing, and sustainably managing
the local road network in consideration of the envisioned socio-economic
development of the local government unit;
- (b) Local Roads refer to provincial, municipal and barangay roads or roads that (i)
connect cities and municipalities without traversing national roads; (ii) connect
national roads to barangays through rural areas, and (iii) connect to major provincial
government infrastructure;
- (c) Core Local Roads refer to the minimum road network required to support economic
and social development by providing linkages between the majority of population
and the basic services and facilities within the province. Core local roads also serve
as the primary drivers of local economic growth;

(d) Local Road Network Development Plan refers to a transparent and predictable multi-year development program of local road networks, including provincial, city, municipal, and barangay roads, that need to be improved or rehabilitated in the next five years to support local economic drivers, particularly agriculture, trade, logistics, and tourism hubs.

SEC. 4. *The Conditional Matching Grant to Provinces (CMGP) Program.* - There is hereby established a regular National Government Program to be known as the Conditional Matching Grant to Provinces (CMGP) Program. The CMGP shall annually (i) apportion funds for the repair, rehabilitation, and improvement of core provincial, municipal, and barangay roads by the provincial governments, as identified in the provinces' Local Road Network Development Plan; (ii) provide capacity development activities and develop and roll-out systems and tools for the improvement of the provinces' local road management; (iii) administer the funds apportioned to the provincial governments; (iv) safeguard the fund downloaded to the provincial governments.

The CMGP shall be managed by the Department of the Interior and Local Government (DILG), being the national government agency mandated to strengthen local government capability for effective delivery of basic services to the citizenry. Its principal office shall be in Metro Manila, but it may establish other branches or offices elsewhere in the Philippines as may be necessary or proper for the accomplishment of its purposes and objectives.

SEC. 5. *Powers and Functions.*- The CMGP Program shall be a partnership program of the DILG and the Department of Budget and Management (DBM) for provincial governments. The aforementioned agencies shall have the following powers and functions:

a) The DILG shall:

1. administer the funds and manage the operations of the CMGP Program;
2. monitor the provincial governments' compliance with the provisions of the Implementing Rules and Regulations of the CMGP Program, and set-up a database of the provincial governments' performance and accomplishments;
3. organize and develop continuing training programs, coaching, and mentoring for provincial governments on local road management and public financial management;
4. continuously develop tools and systems for LGUs that will support the continuous development and improvement of the management of local roads;
5. plan and implement research and development activities as a center of knowledge and services in the area of local road management;

6. develop a set of criteria for the annual allocation of funds provided by the National Government for the repair, rehabilitation and improvement of local roads to be approved by the Program Steering Committee;
7. formulate policies that would support the efficient implementation and achievement of the CMGP Program's goals and objectives, for approval and concurrence of the Steering Committee;
8. forge partnerships with, and receive from any person and/or government and private entities, whether foreign or domestic, services relevant to the purpose and objectives of the CMGP Program;
9. as the lead implementor of the CMGP Program, exercise such other powers and functions, and perform such other acts as may be necessary, proper, or incidental to the attainment of the Program's purposes and objectives.

b) The DBM shall:

1. issue the Special Allotment Release Order (SARO) and Notice of Cash Allocation and coordinate with the Bureau of Treasury for the direct download of funds to the provinces;
2. assist the provincial governments in matters relevant to public financial management; and
3. develop tools and systems for LGUs that will support the continuous development and improvement in the management of public finances

c) The Provincial Governments shall:

1. undertake the implementation of provincial road works subject to the provisions of the IRR of the CMGP;
2. undertake the implementation of road works on municipal and barangay roads as identified in the Local Road Network Development Plan and in coordination with the municipal and barangay government units;
3. provide capacity development to municipal and barangay governments under its territorial jurisdiction on Local Road Management and Public Financial Management; and
4. may undertake road works for municipalities and barangays by administration.

SEC. 6. CMGP Program Steering Committee - The governance and policy direction of the CMGP Program shall be vested in, and its powers exercised by, a Program Steering Committee, which shall be composed of seven (7) members, as follows:

- (a) The Undersecretary for Local Government of the DILG as Chairman;
- (b) The Secretary General of the League of Provinces of the Philippines (LPP);
- (c) The Undersecretary for Local Government and Regional Operations Group of the DBM;
- (d) The Undersecretary for Budget Preparation and Execution Group of the DBM;
- (e) The Undersecretary for Investment Programming of the National Economic and Development Authority (NEDA);
- (f) The Undersecretary for Planning and Public-Private Partnership of the Department of Public Works and Highways (DPWH); and
- (g) The Undersecretary for Domestic Finance Group and Legislative Liaison or the Executive Director of the Bureau of Local Government Finance of the Department of Finance (DOF).

SEC. 7. *Functions and Responsibilities of the Program Steering Committee.*

The Committee shall have the following functions:

- (a) To formulate and adopt policies and measures for the management and operation of the CMGP Program;
- (b) To approve, through its Chairman, the staffing pattern of the CMGP Program Management Office;
- (c) To promulgate rules and regulations for the discharge of its powers and functions and the internal operations of the CMGP Program Management Office, *Provided*, That the Chairman of the Committee shall exercise the power to appoint, promote, discipline, or remove the personnel of the CMGP Program;
- (d) To oversee the financial affairs of the CMGP Program according to its requirements; and
- (e) To periodically monitor and review the operations and accomplishments of the CMGP Program.

SEC. 8. *Management and Staffing of the Program.* - The Program shall be administered by a Program Manager engaged by the DILG, and shall receive such salary and remuneration as may be determined by the Steering Committee Chairman. The Program Manager shall be responsible for forming a team for carrying-out Program operations, project monitoring, technical assistance, and capacity development for provincial governments. The qualifications, competencies, salaries, and compensation of the Program staff shall likewise be evaluated and determined by the Committee Chair.

1
2 **SEC. 9. *Government Coordination.*** - The CMGP Program Management Office shall
3 assist, cooperate, and coordinate with other government agencies for the attainment of the purposes
4 and objectives of this Act.
5

6 **SEC. 10. *Appropriations.*** - The amount necessary to carry out the provisions of this Act
7 shall be included in the General Appropriations Act of the year following its enactment into law and
8 thereafter.
9

10 **SEC. 11. *Implementing Rules and Regulations.*** - Within thirty (30) days from the
11 completion of their appointments, the Program Steering Committee shall convene, and with the
12 existing CMGP Program Management Office, and the Office of the Project Development Services
13 where the Program is lodged, shall draft the Program guidelines, and IRR, as necessary, for the
14 implementation of this Act. The rules and regulations shall be issued within one hundred eighty
15 (180) days from the date of the Committee's initial meeting.
16

17 **SEC. 12. *Repealing Clause.*** - All laws, executive orders, presidential decrees, presidential
18 proclamations, letters of instruction, rules and regulations or parts thereof which are inconsistent
19 with the provisions of this Act are hereby repealed or modified accordingly.
20

21 **SEC. 13. *Separability Clause.*** - If any provision of this Act is declared unconstitutional or
22 invalid, other parts of provisions hereof not affected thereby shall continue to be in full force and
23 effect.
24

25 **SEC. 14. *Effectivity.*** - This Act shall take effect fifteen (15) days following its publication
in the Official Gazette, or in two (2) newspapers of general circulation in the Philippines.

Approved,