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NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

RECEIVED BY: 

SENATE
S.B. No. 2105

Introduced by **SENATOR IMEE R. MARCOS**

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

EXPLANATORY NOTE

The most recent data reported in 2019 claims that the total Philippine road network spans an encompassing coverage of 233, 564.5 kilometers where 20.8% or 48, 624 kilometers of which are National Roads under the auspices of the Department of Public Works and Highways (DPWH). Meanwhile, 79.2% of the total Philippine road network are Local Roads extending for about 184, 940.5 kilometers. 12, 040.7 kilometers of which is covered by core roads providing ease of access and direct linkages to the population and the establishments providing basic services and other facilities within the province.¹ It has been highlighted in various studies that a well-connected local road network in good condition is pivotal to the timely movement of people and transport of goods, thus, is crucial to the sustained social and economic progress and development of localities, and ultimately, the whole country.

One of the priorities of the National Government since the devolution of responsibility for Local Road Management to Local Government Units (LGUs) through the Local Government Code of 1991 is to help address the poor state of local roads in the country, as a result of more than two decades of underinvestment.

A road user – whether an investor, a business person or an ordinary citizen will not distinguish the experience of passing through a road based on administrative classification. While 99% of the national road network is already concreted, it is therefore important to equally improve the condition of local roads along with the continuous improvement of national roads.

¹ Congressional Policy and Budget Research Department. (2019). Facts and Figures: Conditional Matching Grant to Provinces (CMGP). Accessed online through the website https://cpbrd.congress.gov.ph/imaaes/PDF%20Attachments/Facts%20in%20Figures/FF2019-49_CMGP_Final.pdf.

The Philippine Institute for Development Studies (PIDS), the World Bank, and the Asian Development Bank (ADB) cited in various studies the "missing middle" phenomenon in our roads network because of the poor quality of local roads and its lack of connectivity with national roads. The PIDS highlighted that underinvestment in local roads is brought about by various factors, including the capacities of LGUs in planning and budgeting and the lack of a good local road inventory.

Since 2001, funding for the maintenance, traffic management, and road safety devices of provincial and city roads have been provided by the National Government under the Special Local Road Fund (SLRF). The fund is 5% of the Motor Vehicle Users Charge (MVUC) or the fees collected by the Land Transportation Office (LTO) from road users and is apportioned to cities and provinces according to their road length and vehicle population. However, the average fund per year per Local Government Unit (LGU) under SLRF only averages ₱10 Million, a little over half the cost of repairs for one kilometer of concrete road.

In 2016, a Program called "*Konkreto at Ayos na Lansangan ang Daan Tungo sa Pangkalahatang Kaunlaran*" or KALSADA, which in the following year transitioned to Conditional Matching Grant to Provinces for Road and Bridge Repair, Rehabilitation, and Improvement or CMGP, was developed by the Department of the Interior and Local Government to assist the provincial governments in upgrading and maintaining their provincial roads.

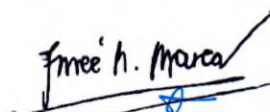
The CMGP Program provides funds for the repair, rehabilitation, and improvement of core provincial roads and bridges, and provides assistance to provincial governments in developing and enriching their capacities in local road management through coaching, mentoring, trainings, and workshops, as well as in developing and introducing road management systems and tools. The capacity development component is to ensure that the provincial governments will have sufficient capacity to continuously develop and maintain these roads in excellent condition. CMGP also ensures that the projects taken under the Program will be implemented in good quality. The funding for CMGP is proposed and is subject to approval under the General Appropriations Act (GAA) yearly.

The extent of local roads that are still in poor-to-bad condition, the recognition of good local road networks as a vital component for local and nationwide socioeconomic progress, and the perennial need of local government units for fund sources for road construction, improvement, and maintenance, establishes the need for this bill which seeks to completely and continuously fill the investment and capacity gap in national-local roads connectivity.

This bill institutionalizes the provision of support from the National Government for 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 so as to ensure the continuous development, improvement, and maintenance in optimal condition of the local road network.

The annual allocation for provincial road works and capacity development will augment the resources for under-provided devolved services, in this case local road management, and provide funding for the sustained implementation of the road works identified by the provincial governments in their Local Road Network Development Plans, and maintenance of their identified roads under their local road life cycle asset management document.

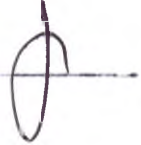
In view of the foregoing, the passage of this measure is earnestly sought.


IMEE R. MARCOS

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AN ACT
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REHABILITATION, AND IMPROVEMENT

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

1 **SECTION 1.** *Title.* – This Act shall be known as the “*Local Roads and Bridges*
2 *Repair, Rehabilitation, and Improvement Act*”.

3
4 **SEC. 2.** *Declaration of Policy.* – It is hereby declared the policy of the State
5 that Local Government Units (LGUs) shall be responsible for providing basic services
6 and facilities, such as local roads and bridges, and that the higher levels of
7 governments shall provide or augment such services and facilities assigned to lower
8 levels of local government units when these are not made available or, if made
9 available, are inadequate to meet the requirements of its inhabitants.

10
11 **SEC. 3.** *Definition of Terms.* – The following terms shall be defined as
12 follows:

- 13 (a) Local Road Management refers to planning, prioritizing, and
14 sustainably managing the local road network in consideration of the
15 envisioned socio-economic development of the local government unit;
16 (b) Local Roads refer to provincial, municipal, and barangay roads or
17 roads that (i) connect cities and municipalities without traversing
18 national roads; (ii) connect national roads to barangays through rural
19 areas; and (iii) connect to major provincial government infrastructure;
20 (c) Core Local Roads refer to the minimum road network required to
21 support economic and social development by providing linkages
22 between the majority of population and the basic services and
23 facilities within the province. Core local roads also serve as the
24 primary drivers of local economic growth; and
25 (d) Local Road Network Development Plan refers to a transparent and
26 predictable multi-year development program of local road networks,

1 including provincial, city, municipal, and barangay roads, that need to
2 be improved or rehabilitated in the next five years to support local
3 economic drivers, particularly agriculture, trade, logistics, and tourism
4 hubs.

5
6 **SEC. 4. Conditional Matching Grant to Provinces (CMGP) Program.** – There
7 is hereby established a regular National Government Program to be known as the
8 Conditional Matching Grant to Provinces (CMGP) Program. The CMGP shall annually
9 (i) apportion funds for the repair, rehabilitation, and improvement of *core*
10 provincial, municipal, and barangay roads and bridges by the provincial
11 governments, as identified in the provinces' Local Road Network Development Plan;
12 (ii) provide capacity development activities and develop and roll-out systems and
13 tools for the improvement of the provinces' local road management; (iii) administer
14 the funds apportioned to the provincial governments; (iv) safeguard the fund
15 downloaded to the provincial governments.

16
17 The CMGP shall be managed by the Department of the Interior and Local
18 Government (DILG), being the national government agency that is mandated to
19 strengthen local government capability for effective delivery of basic services to the
20 citizenry. The principal office shall be in Metro Manila, but it may establish other
21 branches or offices elsewhere in the Philippines as may be necessary or proper for
22 the accomplishment of its purposes and objectives.

23
24 **SEC. 5. Powers and Functions.** – The CMGP shall be a partnership program
25 of the DILG and the Department of Budget and Management (DBM) for provincial
26 governments. The aforementioned agencies shall have the following powers and
27 functions:

28
29 (a) The DILG shall:

- 30 1. administer the funds and manage the operations of the CMGP
31 Program;
- 32 2. monitor the provincial governments' compliance with the
33 provisions of the Implementing Rules and Regulations (IRR) of
34 the CMGP Program, and set-up a database of the provincial
35 governments' performance and accomplishments;
- 36 3. organize and develop continuing training programs, coaching,
37 and mentoring for provincial governments on Local Road
38 Management and Public Financial Management;
- 39 4. continuously develop tools and systems for LGUs that will
40 support the continuous development and improvement of the
41 management of local roads;
- 42 5. plan and implement research and development activities in the
43 area of local road management;

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

16
17 (b) The DBM shall:

- 18 1. issue the Special Allotment Release Order (SARO) and NCA and
19 coordinate with the BTr for the direct download of funds to the
20 provinces;
- 21 2. assist the provincial governments in matters relevant to public
22 financial management; and
- 23 3. develop tools and systems for LGUs that will support the
24 continuous development and improvement in the management
25 of public finances.

26
27 (c) The Provincial Governments shall:

- 28 1. undertake the implementation of *provincial road works* subject
29 to the provisions of the implementing rules and regulations
30 (IRR) of the CMGP;
- 31 2. undertake the implementation of road works on *municipal and*
32 *barangay roads* as identified in the Local Road Network
33 Development Plan and in coordination with the municipal and
34 barangay government units;
- 35 3. provide capacity development to municipal and barangay
36 governments under its territorial jurisdiction on Local Road
37 Management and Public Financial Management; and
- 38 4. may undertake road works for municipalities and barangays by
39 administration.

40
41 **SEC. 6. CMGP Program Steering Committee.** – The governance and policy
42 direction of the CMGP Program shall be vested in, and its powers exercised by, a

1 Program Steering Committee, which shall be composed of seven (7) members, as
2 follows:

- 3 (a) The Undersecretary for Local Government of the DILG as Chairman;
- 4 (b) The Secretary General of the League of Provinces of the Philippines
5 (LPP);
- 6 (c) The Undersecretary for Local Government and Regional Operations
7 Group of the DBM;
- 8 (d) The Undersecretary for Budget Preparation and Execution Group of
9 the DBM;
- 10 (e) The Undersecretary for Investment Programming of the National
11 Economic and Development Authority (NEDA);
- 12 (f) The Undersecretary for Planning and Public-Private Partnership of the
13 Department of Public Works and Highways (DPWH); and
- 14 (g) The Executive Director of the Bureau of Local Government Finance of
15 the Department of Finance (DOF).

16
17 **SEC. 7. *Functions and Responsibilities of the Program Steering Committee.***

18 – The Committee shall have the following functions:

- 19 (a) to formulate and adopt policies and measures for the management
20 and operation of the Program;
- 21 (b) to promulgate rules and regulations for the discharge of its powers
22 and functions and the internal operations of the CMGP Program
23 Management Office, *Provided*, that the Chairman of the Committee
24 shall exercise the power to appoint, promote, discipline, or remove
25 the personnel of the CMGP Program;
- 26 (c) to oversee the financial affairs of the CMGP Program according to its
27 requirements; and
- 28 (d) to periodically monitor and review the operations and
29 accomplishments of the Program.

30 **SEC. 8. *Government Coordination.*** – The *Program Steering Committee* shall
31 assist, cooperate, and coordinate with other government agencies for the
32 attainment of the purposes and objectives of this Act.

33
34 **SEC. 9. *Appropriations.*** – The amount necessary to carry out the
35 implementation of the provisions of this Act shall be included in the General
36 Appropriations Act of the year following its enactment into law and thereafter.

37
38 **SEC. 10. *Implementing Rules and Regulations.*** – Within thirty (30) days from
39 the completion of their appointments, the Program Steering Committee shall
40 convene with the existing CMGP Program Management Office and the Office of the
41 Project Development Services where the Program is lodged, and shall draft the
42 program guidelines, and implementing rules and regulations, as necessary, for the

1 implementation of this Act. The rules and regulations shall be issued within one
2 hundred eighty (180) days from the date of the Committee's initial meeting.

3

4 **SEC. 11. *Repealing Clause.*** – All laws, executive orders, presidential decrees,
5 presidential proclamations, letters of instruction, rules and regulations or parts
6 thereof which are inconsistent with the provisions of this Act are hereby repealed or
7 modified accordingly.

8

9 **SEC. 12. *Separability Clause.*** – If any provision of this Act is declared
10 unconstitutional or invalid, other parts of provisions hereof not affected thereby shall
11 continue to be in full force and effect.

12

13 **SEC. 13. *Effectivity.*** – This Act shall take effect fifteen (15) days following
14 its publication in the Official Gazette, or in two (2) newspapers of general circulation
15 in the Philippines.

Approved,