



Partnership for Democratic Local Governance in South-East Asia

Capacity Building for Coaches

18-25 November 2010, Pattaya, Thailand

"The European Union is made up of 27 Member States who have decided to gradually link together their know-how, resources and destinies. Together, during a period of enlargement of 50 years, they have built a zone of stability, democracy and sustainable development whilst maintaining cultural diversity, tolerance and individual freedoms. The European Union is committed to sharing its achievements and its values with countries and peoples beyond its borders".

The European Commission is the EU's executive body.



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Local Government Structures
And Status Decentralization in the
PHILIPPINES

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Basic Information

Area: 298,170 sq. km

Population: 96M

Capital: Manila

Regions: 17

Provinces: 80

Cities: 122

Municipalities: 1,500

Barangays: 40,000 +





Historical Background

- I. First Philippine Republic (1898)
- II. American Period (1902-1935)
 - Modification of municipal, city and provincial government
- II. Commonwealth (1935-1945)
 - 1935 Constitution adapted General Supervision of LG
 - 1946-1972 (National Planning Commission was created)
 - 1959 RA No.2264 (Local Autonomy Act)
 - 1960 RA 2370 (Barrio Charter)
 - 1963 RA 2370 (Amended) Revised Barrio Charter
 - 1967 RA 5158 Decentralization Act of 1967
- III. Martial Law Period
 - 1972-1981 Integrated Reorganization Plan
(Divided country to 11 and later 12 Regions)
- IV. Post Martial Law
 - 1983 Batas Pambansa 337 (LGC) defined the roles of LGUs and its relationship with National Agencies
- V. New Republic
 - 1987-1991 Devoted entire article of the Constitution on LG
 - 1992-Present LGC took effect



1898 First Philippine Republic



**structural and political
dimensions of
local administration**

Marcos Regime

- **creation of regional governments**
- **regional offices of national government departments**
- **regional development councils**
- **integrated area development approach**



Cory Aquino Administration: 1987 Constitution



- **development of local self-government structures**
- **The Constitution defined role of LGU and its relationship with the National government**
- **more decentralized state structure**

1991 – Local Government Code (LGC)



- national government –general supervision
- provinces with mainly coordinating role
- clearer competencies for cities and municipalities in the field of agriculture, health, welfare services, environment, infrastructure, planning and regulatory services.
- address the over centralized politico-administrative system (Manila centered)
- allow increase in taxes and fees.



Fiscal

- a) Increase in revenues for local units by the provision of increased shares in naturally imposed taxes (Local Tax Code and LGC of 1991)**

- b). 20%-40% increase in IRA share based on the formula prescribed by the LGC (70%-population share, 20% in land area, 10% in equal sharing)**

- c) Real Property Taxation Scheme (Real Property Taxation Code)**
 - 35% to the general fund of the Province**
 - 40% to the general fund of the municipality**
 - 25% to the barangay where the property was located**

20 Years After

- LGC not fully exercised:

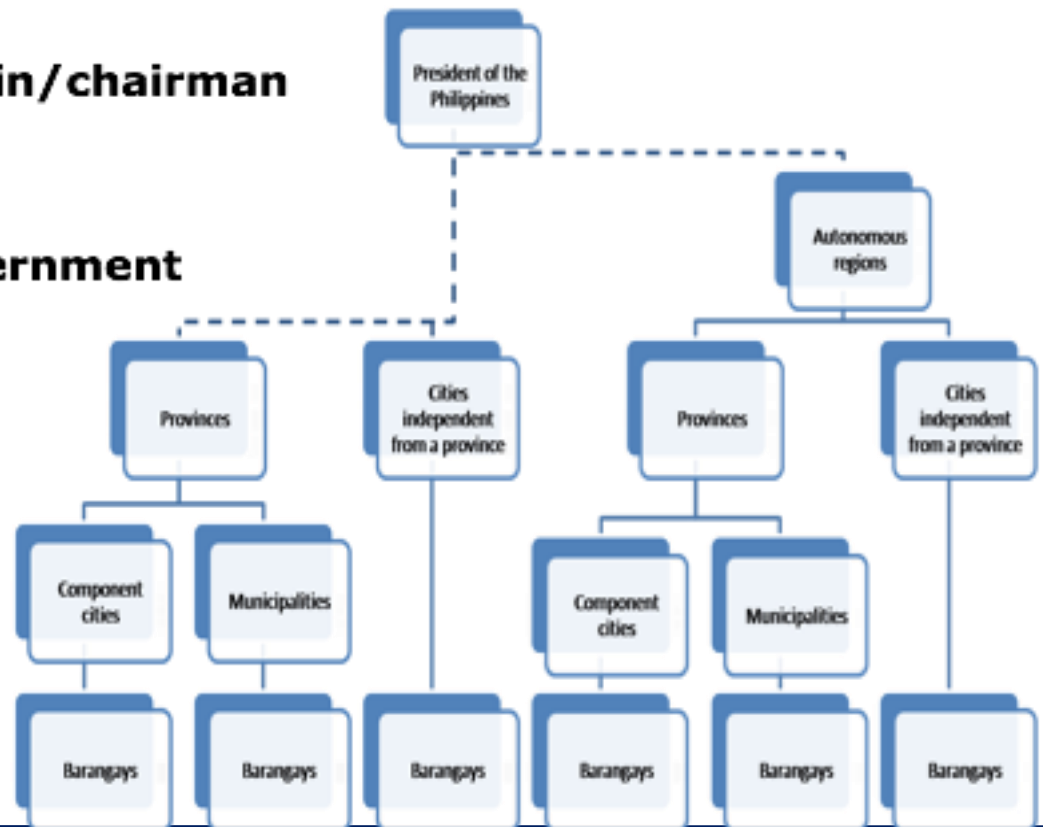


- **tax increase**
 - **bulk of LGU budget still come from general transfer**
 - **big part of the budget is lost before it reaches the LGU**

 - **financial decentralization has yet to be realized**
-
- ❖ **Internal Revenue Allotment (IRA) increased financial resources of various LGUs**

The Barangay

- the lowest administrative level (40,000)
- headed by Barangay Captain/chairman (BC)
- plans and implements government program



People's Participation

- people elect their BC**
- consultation/meetings**
- development planning**
- community based organization**
- civil society participation**





Academe and Civil Society's Participation in Decentralization

The academe:

- **research/scientific analysis of decentralization**
- **consultation with LGU executives/leaders**
- **help produce leaders (training/education)**

Civil society (NGO/PO):

- **development partners**
- **"watchdogs" for LGUs**



Challenges

- **Limited funds for development under the control of LGUs**
- **Gap between planning and decision making of local development councils and the national agency**
- **existence of highly politicized development funds from the Congress**
- **local leadership**



Salamat Po!



Q & A