

WHEREAS, this declaration of a possible economic collapse is indeed being bolstered by the findings of a separate study entitled: "The Deepening Crisis: The Real Score on Deficits and the Public Debt," released to the public by professors/economists from the University of the Philippines School of Economics in Diliman;

WHEREAS, the same study points to two major causes of the current economic crisis, namely: the failure of the tax structure and bureaucracy, and the inefficiency and lack of accountability on the part of public corporations. Significantly, no explanation on the causes of the crisis could be heaped on the LGUs and on the manner by which they utilize their IRA;

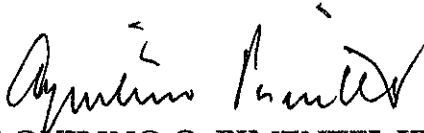
WHEREAS, this is not the first time that the national government interfered in the reduction of the LGUs' IRA. In 1999, 2000 and 2001 the executive branch allocated only P5 billion for the IRA in the form of a special fund which could be accessed by the LGUs only through projects that satisfied the standards set by Malacanang;

WHEREAS, the interference of the executive branch in the fund allocation for the LGUs runs counter to the Constitutional precept on local autonomy, a precept which is now operationalized by the LGUs' absorption of additional responsibilities in the form of some devolved executive functions on health, agriculture, and social services;

WHEREAS, a cut on the current IRA of the LGUs would exacerbate the already critical status of local government program implementation, even just on the basic responsibilities as payment of salaries and other emoluments of devolved employees, not to mention the deprivation of the provinces, cities, municipalities and barangays of the much needed infrastructure, hospitals, and classrooms;

Resolved by the Senate, as it is hereby resolved, to vehemently oppose the move to reduce by an estimated twenty billion pesos (P20B) the internal revenue allotment (IRA) of the local government units (LGUs).

Adopted,


AQUILINO Q. PIMENTEL JR.


M. A. MADRIGAL