

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

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SENATE  
Office of the Secretary

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**SENATE**  
**S. No. 392**

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INTRODUCED BY SENATOR JOSEPH VICTOR "JV" G. EJERCITO

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**AN ACT**  
**ESTABLISHING THE SOLIDARITY FUND OF THE LOCAL GOVERNMENT**  
**UNITS FOR DISASTER RESPONSE AND RECOVERY**

**EXPLANATORY NOTE**

Republic Act No. 10121, otherwise known as "Philippine Disaster Risk Reduction and Management Act of 2010" created the Local Disaster Risk Reduction and Management Fund (LDRRMF) which is composed of "not less than (5%) of the estimated revenue from regular sources". Further, it also provides that "of the amount appropriated for LDRRMF, thirty percent (30%) shall be allocated as Quick Response Fund or stand-by relief and recovery programs in order that situation and living conditions of people in communities or areas stricken by disasters, calamities, epidemics, or complex emergencies, may be normalized as quickly as possible".

In the event of a disaster, calamity epidemic or complex emergency, the Quick Response Fund is the first fund that is depleted and often, found insufficient. This legislative measure therefore seeks to provide for a Solidarity Fund of the Local Government Units (LGUs), which will serve as a second layer of Quick Response Fund. The Solidarity Fund shall be taken from a portion of the LDRRMF of the LGUs and will serve to augment the funds available to LGUs to address their disaster response and recovery needs. The Solidarity Fund may also be used to pay premiums for securing catastrophic insurance for the public infrastructure of the LGUs.

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

A handwritten signature in black ink, appearing to be 'JV' followed by a stylized flourish.

**JOSEPH VICTOR "JV" G. EJERCITO**



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*[Signature]*

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**AN ACT  
ESTABLISHING THE SOLIDARITY FUND OF THE LOCAL GOVERNMENT  
UNITS FOR DISASTER RESPONSE AND RECOVERY**

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

1       SECTION 1. *Short Title.* - This Act shall be known as the "**Local Government**  
2 **Units (LGU) Solidarity Fund for Disaster Response and Recovery Act.**"

3       Sec. 2. *Declaration of Policy.* - It is the declared policy of the State to increase  
4 local capacity to build disaster resilience of communities and to strengthen institutional  
5 mechanisms for the reduction of disaster risks and enhancement of preparedness and  
6 response capabilities at all levels.

7       Sec. 3. *Solidarity Fund.* - A Solidarity Fund will be held as a trust account in a  
8 government bank. Disbursement from said fund will be subject to the issuance of a  
9 release order of the supervisory board.

10       The Supervisory Board shall be composed of the following: Secretary of the  
11 Department of Interior and Local Government, and representatives from the following  
12 who shall serve in an ex-officio capacity: Union of Local Authorities of the Philippines,  
13 League of Provinces of the Philippines, League of Cities of the Philippines, League of  
14 Municipalities of the Philippines, and the Liga ng mga Barangay.

15       Sec. 4. *Source of the Solidarity Fund.* - All Local Government Units are hereby  
16 mandated to contribute point five percent (0.5%) of their total revenues taken from  
17 the Local Disaster Risk Reduction and Management Fund (LDRRMF) other than the  
18 amount set aside for the quick response fund.

1        *Provided*, That an LGU who availed of the Solidarity Fund shall contribute one  
2 percent (1%) of their LDRRMF for the next year; *Provided further*, That the LGU shall  
3 revert to the point five percent (0.5%) contribution if it did not avail of the solidarity  
4 fund for the previous year.

5        *Sec. 5. Availment of the Solidarity Fund.* - In the event of a disaster, any  
6 affected LGU can avail of the Solidarity Fund upon submission of the following: local  
7 Resolution declaring a State of Calamity and Certificate of Exhaustion of the Quick  
8 Response Fund.

9        The maximum payout arising out of any single disaster is 100 times of the LGU  
10 contribution to be released in two equal tranches. The second tranche shall be  
11 released only upon full liquidation of the first tranche released.

12        The maximum release shall not exceed 75% of the total solidarity fund. If the  
13 total claims arising out of a single disaster should exceed 75% of the total Solidarity  
14 Fund, the pay-out shall be pro-rated amongst the claimants.

15        *Sec. 6. Insurance Premiums.* - The Solidarity Fund may be used to pay  
16 premiums for securing catastrophic insurance for public infrastructure of LGUs.

17        *Sec. 7. Use of Fund.* - The Solidarity Fund shall be used exclusively for disaster  
18 response and recoveries for LGUs and the payment of catastrophic insurance  
19 premiums.

20        *Sec. 8. Separability Clause.*- If any provision of this Act is held invalid or  
21 unconstitutional, the other provisions not so declared shall remain in force and effect.

22        *Sec. 9. Repealing Clause.* - All laws, presidential decrees, executive orders, rules  
23 and regulations contrary to or inconsistent with the provisions of this Act are hereby  
24 repealed or modified accordingly.

25        *Sec. 10. Effectivity.* - This Act shall take effect fifteen (15) days after its  
26 publication in the Official Gazette or in a newspaper of national circulation.

*Approved,*