

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

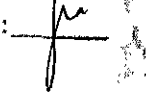


Senate
Office of the Secretary

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SENATE

Senate Bill No. 1087

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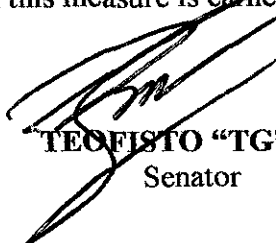
Introduced by **Senator TEOFISTO "TG" GUINGONA III**

EXPLANATORY NOTE

Republic Act No. 10121, "An Act Strengthening the Philippine Disaster Risk Reduction and Management System, Providing for the National Disaster Risk Reduction and Management Framework and Institutionalizing the National Disaster Risk Reduction and Management Plan, Appropriating Funds and for other Purposes", the Local Disaster Risk Reduction and Management Fund (LDRRMF) is composed of "not less than five percent (5%) of the estimated revenue from regular sources" "of the amount appropriate 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 sufficient. This legislative measure seeks to provide for a Solidarity Fund of the Local Government Units 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 infrastructures of the LGUs.

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


TEOFISTO "TG" GUINGONA III
Senator



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SENATE

Senate Bill No. 1087

RECEIVED BY: *ji*

Introduced by Senator Teofisto "TG" Guingona III

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

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

1 **SECTION 1. *Short Title.*** This Act shall be known as the Local Government Units (LGU) Solidarity
2 Fund for Disaster Response and Recovery Act.
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5 **SECTION 2. *Declaration of Policy.*** It is the declared policy of the state to increase local capacity to
6 build disaster resilience of communities and to strengthen institutional mechanisms for the reduction
7 of disaster risks and enhancement of preparedness and response capabilities at all levels.
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10 **SECTION 3. *Solidarity Fund.*** A Solidarity Fund will be held as a trust account in a government
11 bank. Disbursement from said fund will be subject to the issuance of a release order of the
12 supervisory board.
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14 The supervisory board shall be composed of the following: Secretary of the Department of Interior
15 and Local Government, and representatives from the following: Union of Local Authorities of the
16 Philippines, League of Provinces of the Philippines, League of Cities of the Philippines, League of
17 Municipalities of the Philippines, and Liga ng mga Barangay. They shall serve in an *ex-officio*
18 capacity.
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21 **SECTION 4. *Source of the Solidarity Fund.*** All Local Government Units are hereby mandated to
22 contribute point five percent (0.5%) of their total revenues taken from the Local Disaster Risk
23 Reduction and Management Fund (LDRRMF) other than the amount set aside for the quick response
24 fund.
25

26 Provided that an LGU who availed of the Solidarity Fund shall contribute one percent (1%) of their
27 LDRRMF for the next year.
28

29 Provided further, that the LGU shall revert to the point five percent (0.5%) contribution if it did not
30 avail of the solidarity fund for the previous year.

1 **SECTION 5. *Availment of the Solidarity Fund.*** In the event of a disaster, any affected LGU can
2 avail of the solidarity fund upon submission of both a local resolution declaring a state of calamity
3 and a certificate of exhaustion of the quick response fund.
4

5 The maximum payout arising out of any single disaster is 100 times of the LGU contribution to be
6 released in two equal tranches. The second tranche shall be released only upon full liquidation of the
7 first tranche released.
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9 The maximum release shall not exceed 75% of the total solidarity fund. If the total claims arising
10 out of a single disaster should exceed 75% of the total solidarity fund, the pay-out shall be pro-rated
11 amongst the claimants.
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14 **SECTION 6. *Insurance Premiums.*** The solidarity fund may be used to pay premiums for securing
15 catastrophic insurance for public infrastructures of LGUs.
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18 **SECTION 7. *Use of the Fund.*** The Solidarity Fund shall be used exclusively for disaster response
19 and recoveries for LGUs and the payment of catastrophic insurance premiums.
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22 **SECTION 8. *Separability Clause.*** Should any section or provision of this act be held
23 unconstitutional or invalid, such declaration shall not invalidate the other provisions.
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26 **SECTION 9. *Repealing Clause.*** All laws, decrees, executive orders, proclamations, rules and
27 regulations inconsistent herewith are hereby repealed and/or modified accordingly.
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30 **SECTION 10. *Effectivity.*** This Act shall take effect fifteen (15) days following its publication in the
31 Official Gazette or in two (2) newspapers of general circulation.

Approved,