

EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )



Senate  
Office of the Secretary

SENATE  
S. B. No. 224

'19 JUL -3 P7:06

RECEIVED

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 total Philippine road network spans 217,643.57 kilometers, 15% of which are National Roads under the auspices of the Department of Public Works and Highways. Meanwhile, 85% of the total Philippine road network are local roads, of which 31,786 km. or 15% of are provincial roads. It has been highlighted in various studies<sup>1</sup> 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 economical 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

The Philippine Institute for Development Studies, the World Bank, and the Asian Development Bank cited in various studies<sup>1</sup> 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 devises 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 P 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

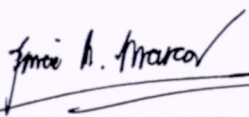
development component is to ensure that the provincial governments will have sufficient capacity to continuously develop and maintain these roads in excellent condition. CMGP also ensures that the projects taken under the Program will be implemented in good quality. The funding for CMGP is proposed and 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 socio-economic 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**  
**PROVIDING FOR THE INSTITUTIONALIZATION OF THE CONDITIONAL**  
**MATCHING GRANT TO PROVINCES (CMGP) FOR ROAD AND BRIDGE**  
**REPAIR, REHABILITATION, AND IMPROVEMENT**

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

1 Section. 1. 1. *Title.* – *This Act shall be known as the Local Road Repair,*  
2 *Rehabilitation, and Improvement Act of 2018.*

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

9 Sec. 3. *Definition of Terms.* - The following terms shall be defined as follows:

10 (a) Local Road Management refers to planning, prioritizing, and  
11 sustainably managing the local road network in consideration of the envisioned  
12 socio-economic development of the local government unit.

13 (b) Local Roads refer to provincial, municipal and barangay roads or roads  
14 that (i) connect cities and municipalities without traversing national roads; (ii)  
15 connect national roads to barangays through rural areas, and (iii) connect to  
16 major provincial government infrastructure.

1 (c) Core Local Roads refer to the minimum road network required to  
2 support economic and social development by providing linkages between the  
3 majority of population and the basic services and facilities within the province.  
4 Core local roads also serve as the primary drivers of local economic growth

5 (d) Local Road Network Development Plan refers to a transparent and  
6 predictable multi-year development program of local road networks, including  
7 provincial, city, municipal, and barangay roads, that need to be improved or  
8 rehabilitated in the next five years to support local economic drivers, particularly  
9 agriculture, trade, logistics, and tourism hubs

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

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

26 Sec. 5. *Powers and Functions.* - The CMGP Program shall be a partnership  
27 program of the Department of the Interior and Local Government and the  
28 Department of Budget and Management for provincial governments. The  
29 aforementioned agencies shall have the following powers and functions:

30 a. The DILG shall:  
31

- 1           1.     administer the funds and manage the operations of the CMGP  
2 Program;
- 3           2.     monitor the provincial governments' compliance with the provisions of  
4 the IRR of the CMGP Program, and set-up a database of the provincial  
5 governments' performance and accomplishments.;
- 6           3.     organize and develop continuing training programs, coaching, and  
7 mentoring for provincial governments on local road management and public  
8 financial management;
- 9           4.     continuously develop tools and systems for LGUs that will support the  
10 continuous development and improvement of the management of local roads;
- 11          5.     plan and implement research and development activities as a center of  
12 knowledge and services in the area of local road management;
- 13          6.     develop a set of criteria for the *annual* allocation of funds provided by  
14 the National Government for the repair, rehabilitation, and improvement of local  
15 roads to be approved by the Program Steering Committee;
- 16          7.     formulate policies that would support the efficient implementation and  
17 achievement of the Program's goals and objectives, for approval and concurrence  
18 of the Steering Committee
- 19          8.     forge partnerships with, and receive from any person and/or  
20 government and private entities, whether foreign or domestic, services relevant to  
21 the purpose and objectives of the Program
- 22          9.     as the lead implementor of the Program, exercise such other powers  
23 and functions, and perform such other acts as may be necessary, proper, or  
24 incidental to the attainment of the Program's purposes and objectives.
- 25          b. The Department of Budget and Management (DBM) shall:
  - 26           1.     issue the Special Allotment Release Order (SARO) and NCA and coordinate  
27 with the BTr for the direct download of funds to the provinces;
  - 28           2.     assist the provincial governments in matters relevant to public financial  
29 management; and
  - 30           3.     develop tools and systems for LGUs that will support the continuous  
31 development and improvement in the management of public finances
  - 32

1 c. The Provincial Governments shall:

2 1. undertake the implementation of *provincial road works* subject to the  
3 provisions of the implementing rules and regulations (IRR) of the CMGP;

4 2. undertake the implementation of road works on *municipal and*  
5 *barangay roads* as identified in the Local Road Network Development Plan and in  
6 coordination with the municipal and barangay government units.

7 3. provide capacity development to municipal and barangay governments  
8 under its territorial jurisdiction on Local Road Management and Public Financial  
9 Management; and

10 4. may undertake road works for municipalities and barangays by  
11 administration.

12 Sec. 6. *CMGP Program Steering Committee* – The governance and policy  
13 direction of the CMGP Program shall be vested in, and its powers exercised by, a  
14 Program Steering Committee, which shall be composed of seven (7) members, as  
15 follows:

16 (a) The Undersecretary for Local Government of the Department of the  
17 Interior and Local Government (DILG) as Chairman;

18 (b) The Secretary General of the League of Provinces of the Philippines  
19 (LPP);

20 (c) The Undersecretary for Local Government and Regional Operations  
21 Group of the Department of Budget and Management (DBM);

22 (d) The Undersecretary for Budget Preparation and Execution Group of the  
23 DBM;

24 (e) The Undersecretary for Investment Programming of the National  
25 Economic and Development Authority (NEDA);

26 (f) The Undersecretary for Planning and Public-Private Partnership of the  
27 Department of Public Works and Highways (DPWH); and

28 (g) The Undersecretary for Domestic Finance Group and Legislative Liaison  
29 or the Executive Director of the Bureau of Local Government Finance of the  
30 Department of Finance (DOF).  
31

1            *Sec. 7. Functions and Responsibilities of the Program Steering Committee.*

2            The Committee shall have the following functions:

3            (a)    To formulate and adopt policies and measures for the management  
4            and operation of the Program;

5            (b)    To approve, through its Chairman, the staffing pattern of the CMGP  
6            Program Management Office;

7            (c)    To promulgate rules and regulations for the discharge of its powers  
8            and functions and the internal operations of the CMGP Program Management  
9            Office, *Provided*, that the Chairman of the Committee shall exercise the power to  
10           appoint, promote, discipline, or remove the personnel of the CMGP Program;

11           (d)    To oversee the financial affairs of the CMGP Program according to its  
12           requirements; and

13           (e)    To periodically monitor and review the operations and  
14           accomplishments of the Program.

15           *Sec. 8. Management and Staffing of the Program.* The Program shall be  
16           administered by a Program Manager engaged by the Department of the Interior  
17           and Local Government (DILG), and shall receive such salary and remuneration as  
18           may be determined by the Steering Committee Chairman. The Program Manager  
19           shall be responsible for forming a team for carrying-out Program operations,  
20           project monitoring, technical assistance, and capacity development for provincial  
21           governments. The qualifications, competencies, salaries, and compensation of the  
22           Program staff shall likewise be evaluated and determined by the Committee Chair.

23           *Sec. 9. Government Coordination.* – The CMGP Program Management Office  
24           shall assist, cooperate, and coordinate with other government agencies for the  
25           attainment of the purposes and objectives of this Act.

26           *Sec. 10. Appropriations.* – The amount necessary to carry out the provisions  
27           of this Act shall be included in the General Appropriations Act of the year  
28           following its enactment into law and thereafter.

29           *Sec. 11. Implementing Rules and Regulations.* – Within thirty (30) days from  
30           the completion of their appointments, the Program Steering Committee shall  
31           convene, and with the existing CMGP Program Management Office, and the Office  
32           of the Project Development Services where the Program is lodged, shall draft the



1 Program guidelines, and implementing rules and regulations, as necessary, for the  
2 implementation of this Act. The rules and regulations shall be issued within one  
3 hundred eighty (180) days from the date of the Committee's initial meeting.

4 Sec. 12. *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  
7 or modified accordingly.

8 Sec. 13. *Separability Clause.* If any provision of this Act is declared  
9 unconstitutional or invalid, other parts of provisions hereof not affected thereby  
10 shall continue to be in full force and effect.

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

*Approved,*