

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasang Pambansa, Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4600

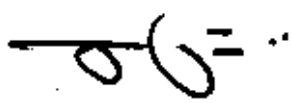
INTRODUCED BY REP. JOSEPH VICTOR G. EJERCITO

EXPLANATORY NOTE

Republic Act No. 10121, otherwise known as "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 (5%) of the estimated revenue from regular sources" and "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.


Rep. JOSEPH VICTOR G. EJERCITO

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

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

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

SECTION 2. Declaration of Policy – It is the declared policy of the State to increase local capacity to build disaster resilience of communities and to strengthen institutional mechanisms for the reduction of disaster risks and enhancement of preparedness and response capabilities at all levels.

SECTION 3. Solidarity Fund – A Solidarity Fund will be held as a trust account in a government bank. Disbursement from said fund will be subject to the issuance of a release order of the supervisory board.

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

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

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

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

SECTION 5. Availment of the Solidarity Fund – In the event of a disaster, any affected LGU can avail of the Solidarity Fund upon submission of the following: local Resolution declaring a State of Calamity and Certificate of Exhaustion of the Quick Response Fund.

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

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

SECTION 6. Insurance Premiums – The Solidarity Fund may be used to pay premiums for securing catastrophic insurance for public infrastructures of LGUs.

SECTION 7. Use of Fund – The Solidarity Fund shall be used exclusively for disaster response and recoveries for LGUs and the payment of catastrophic insurance premiums.

SECTION 8. Separability Cause – Should any section or provision of this Act shall be held unconstitutional or invalid, such declaration shall not invalidate other provisions thereof.

SECTION 9. Repealing Clause – All laws, decrees, executive orders, proclamations, rules and regulations inconsistent herewith are hereby repealed and/or modified accordingly.

SECTION 10. Effectivity – This Act shall take effect fifteen (15) days following its publication in the Official Gazette in two (2) newspapers of general circulation.

Approved,