

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS
Second Regular Session

House Bill No. 7493



Introduced by Representatives Ron P. Salo and Ciriaco S. Calalang

EXPLANATORY NOTE

The barangay is the basic political unit of the Philippine Government System and plays a crucial role in the progress and development of the entire country. It serves as the primary planning and implementing unit of government programs, and deals directly with the people concerning their needs and aspirations.

However, many barangays, especially in the undeveloped and underdeveloped areas in the countryside, still lack the necessary resources in order to provide the basic services to its people, and to spur economic development. The internal revenue allotment (IRA) share that barangays are receiving from the national government is oftentimes insufficient to fund their programs and services. Some barangays are also receiving substantially less than the others because of the sharing formula established in existing laws.

In order to address this concern, the proposed Bill seeks to establish a Barangay Equalization Fund which will be annually released to every barangay in order to augment their meager resources. It is hoped that this will help address prevailing nationwide poverty and spur the development in the countryside. The Barangay Equalization Fund shall be exclusively used to fund their infrastructure programs, livelihood programs, social services, as well as fund a nutrition program for its residents.

Indeed, the indispensable role of barangays in nation-building necessitates that Congress provide it with sufficient resources in order to address the most basic needs of the people, as well as ensure their economic development.

In view of the foregoing, approval of this bill is urgently sought.


RON P. SALO
KABAYAN Partylist


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KABAYAN Partylist

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AN ACT
ESTABLISHING A BARANGAY EQUALIZATION FUND

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

SECTION 1. Declaration of Policy. – Section 9, Article II of the 1987 Constitution states that “(t)he State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.”

SEC. 2. Barangay Equalization Fund. – There shall be included in the annual General Appropriations Act a Barangay Equalization Fund for every barangay. The appropriation of each barangay shall be based on the Philippine Statistics Authority's income classification of the city or municipality in which the barangay belongs. The Barangay Equalization Fund shall be on top of the Internal Revenue Allotment share that each barangay is already receiving from the national government.

- a) Every barangay of Fourth, Fifth and Sixth Class municipalities shall receive an annual appropriation of Six Million Pesos (P 6,000,000.00).
- b) Every barangay of First, Second and Third Class municipalities shall receive an annual appropriation of Five Million Pesos (P 5,000,000.00).
- c) Every barangay of Fourth, Fifth and Sixth Class cities shall receive an annual appropriation of Four Million Pesos (P 4,000,000.00).
- d) Every barangay of First, Second and Third Class cities shall receive an annual appropriation of Three Million Pesos (P 3,000,000.00).

SEC. 3. Fund Classification. – The Barangay Equalization Fund shall be released annually to every barangay before March 1 of the calendar year, and shall be treated as a trust fund in their annual budget.

SEC. 4. Exclusive Allocation. – The fund shall be solely allocated for the improvement of the health and upliftment of the economic life of the residents of the barangay, and shall be specifically allotted as follows:

- a) 25% shall be allocated for infrastructure development;
- b) 25% shall be allocated for livelihood programs;
- c) 25% shall be allocated for social services such as medical, educational, transportation, burial, and food subsidy assistance; and
- d) 25% shall be allocated for a barangay nutrition program.

Not more than 5% of the allocated amount shall be spent for administration of any of the aforesaid program or project.

SEC. 5. Prohibited Acts. – Any public officer who misappropriate the funds shall be liable for malversation as defined under Article 217 of the Revised Penal Code. Private persons who knowingly and willingly participate in the misappropriation shall be equally liable.

SEC. 6. Implementing Rules and Regulations. – Within ninety (90) days from the effectivity of this Act, the Department of Budget and Management, the Department of Finance, and the Department of the Interior and Local Government, shall promulgate the implementing rules and regulations of this Act.

SEC. 7. Appropriations. – The amount necessary for the initial implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 8. Separability Clause. – If any provision or part of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall continue to be in full force and effect.

SEC. 9. Repealing Clause. – All laws, executive orders, and administrative orders or parts thereof inconsistent with any provision of this Act are hereby repealed or amended accordingly.

SEC. 10. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in the online version of the *Official Gazette* or in two (2) newspapers of general circulation.

Approved.