

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

NINETEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 9400



Introduced by Representative Rodante D. Marcoleta

EXPLANATORY NOTE

This bill seeks to create the Barangay Affairs and Development Commission, define its powers and functions, and establish the Barangay Development Fund.

Republic Act No. 7160, otherwise known as the “*Local Government Code of 1991*,” was enacted to decentralize government by defining the responsibilities and powers of the different levels of government, including provinces, cities, municipalities, and barangays. The Local Government Code sought to strengthen the capacity of local government units, particularly municipalities and barangays, to participate actively in national programs and projects. The barangay, the government level closest to the people, plays a significant role in the country's economic development.

Section 384 of the Local Government Code of 1991 provides:

“SEC. 384. Role of the Barangay. – As the basic political unit, the barangay serves as the primary planning and implementing unit of government policies, plans, programs, projects, and activities in the community and as a forum wherein the collective views of the people may be expressed, crystallized and considered, and where disputes may be amicably settled.”

The late Senator Aquilino Pimentel Jr., the father of the Local Government Code, earlier explained that the powers allotted to the barangay, however, are minimal compared to those granted to the province, city, or municipality. The prevailing conventional wisdom in Congress at that time was that barangays lacked both the structural capacity and administrative know-how to handle the vast powers now devolved to other local government units. For example, incumbent barangay treasurers are not required to have qualifications or pass any government examination to become such. As a result, it was

decided that, while devolving powers to the barangay was necessary, we should begin with the basic support services.

It is also observed that the honorarium received by barangay officials, particularly in rural or remote areas, is significantly lower compared to their counterparts in urban areas or higher class municipalities and cities. This is also evident when comparing their compensation to the minimum wage, considering the extensive nature of their work, which practically amounts to a full day's labor.

Politics also considerably impacts the distribution of resources and projects at the barangay level. A mayor's political priorities may lead to the concentration of resources and development projects in certain areas while neglecting others. Various factors, including political alliances, personal biases, and the availability of funds, can influence this. As a result, economic development is not cascaded to the barangays the way it should.

When politics interfere with the implementation of development programs and projects, it can lead to delays, corruption or even complete abandonment of some initiatives. While cascading development from a city or municipality down to a barangay involves decentralization, the same remains a challenge in the present, even after three decades since the Local Government Code was enacted.

Therefore, it is crucial to reexamine the functions of the barangay not only as a political unit but also as an enabler of the community's socioeconomic affairs. Equipping barangays with the necessary skills to manage their limited resources effectively, generate economic gains, and provide basic local services to their constituents is essential.

This bill seeks to establish a Barangay Affairs and Development Commission, a government agency that will focus on the development and welfare of barangays. The proposed commission will formulate policies, plans, and programs for the development of barangays, monitor and evaluate the implementation of barangay development programs, provide technical assistance and capacity-building initiatives, and coordinate with relevant government agencies for resource generation and allocation for barangay development.

A Barangay Development Fund is also proposed to be established, which will be utilized exclusively for the development projects and programs of the barangays, including subsidies to poor barangays for the honoraria of barangay officials and employees. This will ensure that barangays have the financial

resources to implement their local development initiatives and pay reasonable honoraria for their officials and employees.

The creation of the Barangay Affairs and Development Commission is a way to enhance the capacity of barangays to address the needs of their constituents, particularly in rural areas where many barangays need more resources and expertise to provide essential services. The commission will also bridge the national government and the barangays, ensuring that national policies and programs are effectively implemented.

With the passage of this bill, we are taking a significant step towards strengthening our barangays and, thus, promoting local governance and empowering our citizens at the grassroots level.

In view of the foregoing, the passage of this bill is earnestly sought.



RODANTE D. MARCOLETA

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1 **AN ACT**
2 **CREATING THE BARANGAY AFFAIRS AND DEVELOPMENT**
3 **COMMISSION, DEFINING ITS POWERS AND FUNCTIONS,**
4 **ESTABLISHING THE BARANGAY DEVELOPMENT FUND, AND**
5 **APPROPRIATING FUNDS THEREFOR**
6

7 *Be it enacted by the Senate and the House of the Representatives of the*
8 *Philippines in Congress assembled:*
9

10 SECTION 1. **Short Title.** – This Act shall be known as the “*Barangay*
11 *Affairs and Development Commission Act.*”

12 SEC. 2. **Declaration of Policy.** – The State recognizes the barangay as
13 the basic political unit that serves as the primary planning and implementing
14 unit of government policies, plans, programs, projects, and activities in the
15 community and as a forum wherein the collective views of the people may be
16 expressed, formed and considered, and where disputes may be amicably settled.
17 The State also recognizes the important role of barangays in supporting good
18 governance, promoting public participation and achieving sustainable
19 development. Towards this end, the State shall ensure that the social, economic

1 and political status of barangays are realized by overseeing the barangay affairs
2 and providing assistance for their development.

3 SEC. 3. ***Barangay Affairs and Development Commission.*** – The
4 Barangay Affairs and Development Commission, hereinafter referred to as the
5 “*Commission,*” is created to oversee barangay affairs, support the development
6 of barangays and implement the programs and projects of the national
7 government that promote the welfare and development of the barangays.

8 The Commission shall be an agency attached to the Department of the
9 Interior and Local Government (DILG) for policy and program coordination. It
10 shall establish its principal office in the National Capital Region and may set-up
11 field offices as may be necessary to fulfill its mandate and in coordination with
12 appropriate government agencies.

13 SEC. 4. ***Composition.*** – The Commission shall be composed of the
14 Secretary of the Interior and Local Government as *ex-officio* Chairperson, seven
15 (7) regular Commissioners appointed by the President of the Philippines, with
16 the consent of the Commission on Appointments, and the President of the
17 National Liga ng mga Barangay as *ex-officio* member. Of the seven (7) regular
18 Commissioners, three (3) Commissioners shall represent Luzon, two (2) shall
19 represent Visayas and the remaining two (2) shall represent Mindanao:
20 *Provided, That at least two (2) Commissioners are women.*

21 SEC. 5. ***Term of Office.*** – The regular Commissioners shall have a term
22 of office of six (6) years, without prejudice to reappointment by the President of

1 the Philippines. Of those first appointed, the three (3) Commissioners shall hold
2 office for six (6) years, two (2) Commissioners shall hold office for four (4)
3 years, and two (2) Commissioners shall hold office for two (2) years.
4 Appointment to any vacancy shall only be for the unexpired term of the
5 predecessor.

6 SEC. 6. **Qualifications.** – The regular Commissioners must be citizens
7 and residents of the Philippines; at least forty-five (45) years old at the time of
8 their appointment; of good moral character; have not been convicted by final
9 judgment of a crime involving moral turpitude; and possessed a working
10 knowledge in public administration with a minimum of five (5) years of
11 experience in the administration of local government units, preferably with legal
12 or financial knowledge of local government programs.

13 SEC. 7. **Powers and Functions.** – The Commission shall exercise the
14 following powers and functions:

15 (a) Formulate policies, plans, projects and programs for the
16 development of barangays with due consideration to the national and local
17 development plans;

18 (b) Implement plans, programs, projects and activities for the
19 improvement of the social, economic and political conditions of the barangays;

20 (c) Identify the problems and needs of a barangay and recommend
21 appropriate solutions necessary for its development and conduct research, study
22 and analysis for the purpose;

(d) Assess, monitor, and evaluate the performance of the barangays and initiate measures and interventions to improve their operations and services;

(e) Provide technical assistance, advisory services and trainings to barangay officials and personnel;

(f) Coordinate with other national and local government agencies, as well as non-government organizations, civil society groups and other stakeholders involved in barangay development efforts;

(g) Administer and manage the Barangay Development Fund established under Section 17 of this Act, and other resources allocated to the Commission for barangay development;

(h) Issue and promulgate rules, regulations and guidelines as may be necessary to implement and enforce its powers and functions under this Act;

(i) Appoint, hire and maintain adequate staff and personnel, advisers or consultants with suitable qualifications and experience, as may be necessary; and

(j) Exercise such other powers and functions necessary or incidental or that which the President may, from time to time, assign to the Commission to carry out the objectives of this Act and for the effective administration, management and development of barangays.

SEC. 8. **Organizational Structure.** – Subject to the approval of the Department of Budget and Management, the Commission shall determine its organizational structure and staffing pattern, create offices, divisions, or units as

1 it may deem necessary, and appoint its officers and employees in accordance
2 with civil service laws, rules and regulations.

3 In addition to any office that the Commission may create, the
4 Commission shall establish the following permanent offices:

- 5 a. Administrative and Human Resource Management Service;
- 6 b. Barangay Affairs Monitoring and Evaluation Service;
- 7 c. Barangay Development and Planning Service;
- 8 d. Financial Management Service;
- 9 e. Legal Service; and
- 10 f. Regional offices.

11 The office of the Undersecretary for Barangay Affairs and National
12 Barangay Operations Office, including their powers and functions, under the
13 DILG are hereby transferred to the Commission.

14 The remuneration structure for the positions in the staffing pattern shall
15 strictly conform to Republic Act No. 6758, otherwise known as the
16 “*Compensation and Position Classification Act of 1989*,” as amended.

17 SEC. 9. ***Executive Director.*** – The Commission shall appoint an
18 Executive Director who shall be responsible for implementing the policies,
19 rules, regulations and directives of the Commission; the management of the
20 Commission’s daily operations; and for coordinating and supervising the
21 activities of the different offices, divisions, and units of the Commission.

22 The Executive Director shall be a Career Executive Service Officer and

1 must possess a working knowledge in public administration and must have a
2 minimum of five (5) years of experience in the administration of local
3 government units, preferably with legal or financial knowledge of local
4 government programs.

5 **SEC. 10. *Administrative and Human Resource Management Service.* –**

6 The Administrative and Human Resource Management Service of the
7 Commission is responsible for providing the Commission with services relating
8 to human resources development, personnel, records, facilities maintenance,
9 medical and dental, security, and property and procurement services. For such
10 purposes, it shall exercise the following functions:

11 (a) Advise the Commission on all matters relating to internal
12 administration and human resources management;

13 (b) Prepare and implement an integrated personnel plan that includes
14 provisions on merit promotions, performance evaluation, job rotation,
15 suggestions and incentive awards systems, and health and welfare services;

16 (c) Provide services related to human resources training, education,
17 and development, including manpower, career planning and forecasting, and
18 development of indigenous training materials;

19 (d) Develop, establish, and maintain an efficient and cost-effective
20 property procurement system and facilities and coordinate or otherwise
21 interface with relevant agencies, whether government or private, for the purpose
22 of developing or upgrading the system;

1 (e) Secure and maintain necessary facilities, and develop, establish,
2 and maintain an efficient and effective security system covering, among others,
3 personnel, physical installations, equipment, documents, and materials,
4 including the conduct of security investigations;

5 (f) Coordinate with the appropriate government agencies for a more
6 efficient conduct of administrative processes;

7 (g) Develop, establish, and maintain an efficient records system;

8 (h) Provide assistance in its area of specialization to the Commission;
9 and

10 (i) Perform such other related duties and responsibilities as may be
11 assigned or delegated by the Commission or as may be required by law.

12 SEC. 11. ***Barangay Affairs Monitoring and Evaluation Service.*** – The
13 Barangay Affairs Monitoring and Evaluation Service is responsible for
14 providing the Commission timely reports on the status of various Commission
15 projects and activities and regulatory compliance of barangays, and develop and
16 implement monitoring, evaluation and functionality of barangays.

17 The National Barangay Operations Office under the DILG shall serve as
18 the Barangay Affairs Monitoring and Evaluation Service and exercise the
19 following functions:

20 (a) Advise the Commission on all matters relating to monitoring,
21 evaluation and functionality of barangays;

22 (b) Assess, monitor and evaluate the performance of barangays and

1 initiate measures to improve their operations and services;

2 (c) Develop policies, plans and programs related to barangay
3 governance and administration;

4 (d) Develop and maintain a system for retrieving and processing
5 monitoring information on all projects and activities of concern, including the
6 regulatory compliance of barangays, to the Commission;

7 (e) Provide technical assistance and advisory services to the
8 barangays;

9 (f) Coordinate with the appropriate national government agencies
10 tasked with management of barangay affairs; and

11 (g) Perform such other related duties and responsibilities as may be
12 assigned or delegated by the Commission or as may be required by law.

13 SEC. 12. ***Barangay Development and Planning Service.*** – The
14 Barangay Development and Planning Service is responsible for developing
15 policies, plans and programs related to barangay development. For this
16 purpose, it shall exercise the following functions:

17 (a) Advise the Commission on all matters relating to barangay
18 development and planning;

19 (b) Develop policies, plans and programs related to barangay
20 development and coordinate with other stakeholders involved in barangay
21 development efforts;

22 (c) Formulate strategies and priorities for sustainable development in

barangays consistent with national development objectives and initiate or undertake relevant surveys for development planning;

(d) Assist in the formulation of Barangay Development Master Plan and gather, analyze and organize necessary data and information;

(e) Provide technical assistance related to its functions to the other services and other offices of the Commission as needed; and

(f) Perform such other related duties and responsibilities as may be assigned or delegated by the Commission or as may be required by law.

SEC. 13. *Financial Management Service.* – The Financial Management Service is responsible for providing the Commission with coordinated services relating to financial systems and procedures, budget, cash, accounting, and all financial housekeeping matters, including the management of the Barangay Development Fund. For such purposes, it shall have the following functions:

(a) Advise the Commission on all matters relating to the accounting of government expenditures and receipts, budgeting and cash management, project finances, and financial systems and procedures;

(b) Prepare budget proposals and pursue formal budget authorizations, undertake budget execution, and prepare and submit all appropriate reports to the proper offices;

(c) Develop and maintain accounting, financial, and assets management systems, procedures, and practices in the Commission, including the management of the Barangay Development Fund;

(d) Provide assistance in its area of specialization to any unit of the Commission;

(e) Review and appraise systems and procedures, organizational structure, assets management practices, accounting, and other records, reports, and performance standards such as budgets and standard costs of the Commission; and

(f) Perform such other related duties and responsibilities as may be assigned or delegated by the Commission or as may be required by law.

SEC. 14. *Legal Service.* – The Legal Service is responsible for providing the Commission with services on legal affairs such as contract letting and litigation, legal and legislative research, complaints and investigation, legal counseling, and other matters of law. For such purposes, it shall have the following functions:

(a) Advise the Commission on all matters relating to legal affairs;

(b) Prepare Department contracts and legal instruments, review and interpret all contracts and agreements entered into by the Commission, and evaluate all legal proposals;

(c) Conduct administrative investigation as well as the review of administrative charges against officers and employees of the Commission;

(d) Exercise functional jurisdiction over the legal staffs of regional offices;

(e) Provide legal assistance to the Commission and its offices; and

(f) Perform such other related duties and responsibilities as may be assigned or delegated by the Commission or as may be required by law.

SEC. 15. **Regional Office.** – Regional offices are responsible for providing support and assistance to barangays within their regional jurisdiction. For this purpose, their duties and responsibilities are as follows:

(a) Facilitate the implementation of national government programs and projects in the barangays within the region;

(b) Provide technical assistance and capacity-building programs to barangay officials and workers to enhance their skills and knowledge in governance, administration, and community development;

(c) Conduct research, surveys, and studies to identify the needs and concerns of the barangays and their residents, and develop appropriate policies and programs to address them;

(d) Coordinate with other government agencies, non-governmental organizations, and other stakeholders to ensure the effective and efficient delivery of services to the barangays;

(e) Monitor and evaluate the performance of barangay officials and workers and providing feedback and recommendations for improvement;

(f) Provide support and assistance to barangays in times of emergencies and disasters, including natural calamities, conflicts, and other crises;

(g) Promote the empowerment and participation of barangay residents,

1 particularly women, youth, and marginalized groups, in governance and
2 development processes;

3 (h) Assist in the resolution of conflicts and disputes within and among
4 barangays and facilitate the peaceful settlement of issues and concerns; and

5 (i) Perform such other related duties and responsibilities as may be
6 assigned or delegated by the Commission.

7 SEC. 16. **Regional Director.** – The regional office shall be headed by a
8 regional director who shall be responsible for efficiently and effectively
9 carrying out the duties and responsibilities of the regional office. The regional
10 director shall, within the defined powers, exercise functional and administrative
11 supervision over barangays within the region. The regional director shall also
12 perform such other related duties and responsibilities as may be assigned or
13 delegated by the Commission or as may be required by law.

14 The regional director shall be assisted by one (1) assistant regional
15 director who shall exercise supervision in the planning, evaluation, and
16 technical assistance functions of the regional office.

17 SEC. 17. **Barangay Development Fund; Sources.** – There is hereby
18 created a Barangay Development Fund (BDF), which shall be administered by
19 the Commission for the accelerated development of all barangays and
20 implementation of the programs, projects and activities under the Barangay
21 Development Master Plan provided in Section 18 of this Act. The BDF shall be
22 sourced from the following:

(a) Three percent (3%) of the National Tax Allotment or NaTA, which shall be deducted from the share of provinces;

(b) Three percent (3%) of the National Tax Allotment or NaTA, which shall be deducted from the share of cities;

(c) Four percent (4%) of the National Tax Allotment or NaTA, which shall be deducted from the share of municipalities;

(d) Any Fund that the Congress of the Philippines may appropriate for the purpose of barangay development;

(e) Donations, grants, and endowments from private individuals, organization and corporations; and

(f) Savings in the annual budget of local government units or any available funds as certified by the National Treasury.

SEC. 18. *Barangay Development Master Plan.* – The Chairperson of the Commission shall, in coordination with the Director General of the National Economic Development Authority (NEDA) and other concerned government agencies and stakeholders formulate a Barangay Development Master Plan. The master plan shall include:

(a) Priority listing of barangays that require immediate social and economic development;

(b) Common and specific program for all barangays;

(c) Utilization of the BDF that includes the following purposes:

(1) Construction and maintenance of barangay infrastructure, such as roads, bridges, health centers, and schools;

(2) Livelihood and employment programs for the residents of the barangay;

(3) Promotion of economic development by supporting small businesses and attracting investment;

(4) Improvement of access to education and equality of learning opportunities for residents of the barangay;

(5) Environmental protection and conservation projects;

(6) Disaster preparedness and mitigation programs;

(7) Health and sanitation programs;

(8) Subsidies to poor barangays for the honoraria of barangay officials and employees; and

(8) Any other projects and programs that promote the development of the barangay;

(d) Oversight, audit and accountability function of the Commission, DILG, and the barangays; and

(e) Other components of the program as may be determined by the Commission, DILG and NEDA.

SEC. 19. **Management and Administration.** – The Commission shall, through the Executive Director and Financial Management Service, oversee the management and administration of the BDF, establish guidelines and

1 procedures for the allocation, disbursement and monitoring of funds, and ensure
2 that the funds are utilized for their intended purposes.

3 SEC. 20. ***Annual Report.*** – The Commission shall submit an annual
4 report to the President of the Philippines and Congress of the Philippines on the
5 status of the BDF, including the amount of funds collected and disbursed and
6 the projects and programs implemented.

7 SEC. 21. ***Interface with Other Sector Regulators.*** – The Department of
8 Interior and Local Government shall continue to assist the President of the
9 Philippines in the exercise of general supervision and establishment of rules,
10 regulations and other issuances implementing the Local Government Code and
11 promotion of local autonomy, community empowerment and monitor
12 compliance over provinces, cities and municipalities; while the Commission
13 shall exercise such general supervision and establishment of rules and
14 regulations implementing the Local Government Code and promotion of local
15 autonomy, community empowerment and monitor compliance over the
16 barangays.

17 SEC. 22. ***Transfer of Rights and Obligations.*** – The Commission shall,
18 by virtue of this Act, be subrogated to all the rights, and assume all the
19 obligations of the relevant parts of any government agency or unit whose
20 powers and functions have been transferred to the Commission.

21 The transfer of powers and functions as indicated in the preceding
22 paragraph, as applicable and as herein provided for, shall take effect within one

1 hundred eighty (180) days after the effectivity of this Act. The foregoing
2 transfer of powers and functions shall include all applicable funds, personnel,
3 records, property, and equipment, as may be necessary. All offices shall
4 continue to function under their present mandates until transition is effected as
5 provided for under this Act.

6 All rights and obligations of affected government agencies are hereby
7 transferred to and assumed by the Commission and shall be acted upon in
8 accordance with the rules and regulations of the Commission on Audit and other
9 pertinent laws, rules, and regulations.

10 SEC. 23. ***Separation from Service.*** – Employees separated from
11 government service as a result of this Act shall, within six (6) months from their
12 separation from the service, receive the benefits to which they may be entitled
13 under existing laws, rules, and regulations.

14 SEC. 24. ***Appropriations.*** – The amount necessary for the organization
15 of the Commission and its initial operations shall be charged against the current
16 appropriations of the Contingent Fund. Thereafter, such sums as necessary to
17 fully carry out the objectives, powers, and functions of the Commission shall be
18 included in the annual General Appropriations Act.

19 The Commission shall submit its annual budget, which shall include,
20 among others, detailed information on the compensation and benefits received
21 by their employees, to the Office of the President for approval.

22 SEC. 25. ***Periodic Performance Evaluation.*** – The Commission is

1 hereby required to formulate and enforce a system of measuring and evaluating
2 periodically and objectively the performance of the Commission and submit the
3 same annually to the President.

4 SEC. 26. ***Prohibition Against Organizational Change.*** – No change in
5 the organizational structure herein prescribed shall be valid except upon prior
6 approval of the President for the purpose of promoting efficiency and
7 effectiveness in the delivery of public services.

8 SEC. 27. ***Implementing Rules and Regulations.*** – Within one hundred
9 twenty (120) days from the effectivity of this Act, the Chairperson of the
10 Commission shall, in coordination with the Secretaries of Budget and
11 Management and National Economic and Development Authority and the
12 Chairperson of the Civil Service Commission and in consultation with other
13 government agencies, promulgate the necessary rules and regulations for the
14 effective implementation of this Act.

15 SEC. 28. ***Separability Clause.*** – If any provision of this Act is declared
16 unconstitutional or invalid, the remaining parts or provisions not affected shall
17 remain in full force and effect.

18 SEC. 29. ***Repealing Clause.*** – The provisions of Republic Act No. 7160,
19 otherwise known as the “*Local Government Code of 1991*,” which are
20 inconsistent with this Act are hereby amended or modified accordingly. All
21 other laws, executive orders, issuances, rules and regulations, or parts hereof
22 inconsistent with the provisions of this Act are repealed or modified

1 accordingly.

2 SEC. 30. ***Effectivity.*** – This Act shall take effect fifteen (15) days after
3 its publication in the *Official Gazette* or in a newspaper of general circulation.

4 Approved,