



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



Twentieth Congress
First Regular Session

HOUSE BILL NO. 3807

Introduced by Representative Emmanuel L. Iway

AN ACT

MANDATING THE LOCAL GOVERNMENT UNITS TO APPROPRIATE NO LESS THAN FOUR PERCENT (4%) OF ITS NATIONAL TAX ALLOTMENT FOR THE DEVELOPMENT AND IMPLEMENTATION OF INFORMATION AND COMMUNICATIONS TECHNOLOGY PROGRAMS AND PROJECTS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7160, AS AMENDED, OTHERWISE KNOWN AS THE “LOCAL GOVERNMENT CODE OF 1991”

EXPLANATORY NOTE

This bill mandates the local government units to appropriate no less than four percent (4%) of their national tax allotment for the development and implementation of information and communications technology (ICT) programs and projects within their respective areas of jurisdiction.

Section 24, Article II (*Declaration of Principles and State Policies*) of the 1987 Constitution provides that “*The State recognizes the vital role of communication and information in nation-building.*” This provision enunciates the basis for prioritizing ICT development and utilization across various sectors, including local government units.

During this era of rapid technological advancement and a technology-driven world, access to timely, accurate, and reliable information is not just a convenience but a necessity. ICT programs and projects are essential tools for empowering individuals, organizations, and communities to participate fully in the digital economy, improve service delivery, and promote inclusive development. However, despite the global advances in technology, many still lack access to reliable internet, digital literacy and modern technology communication tools. ICT programs can bridge this

gap by providing infrastructure, training, and platforms for access, ensuring that no one is left behind in the digital transformation.

A 4% allocation for ICT services is a practical benchmark, consistent with international recommendations. The World Bank underscored the need for sustained and adequate digital government funding, especially at the local level, to avoid fragmented and ineffective implementation.¹ The United Nations Development Programme (UNDP) likewise recommends allocating 3-5% of public budgets to support long-term digital transformation.² This level of investment enables LGUs to build and maintain essential ICT systems and services that are critical for responsive, inclusive, and efficient governance.

Republic Act (RA) No. 10844, otherwise known as "*The Department of Information and Communications Technology Act of 2015*," establishes the Department of Information and Communications Technology as the primary government agency responsible for ICT policy and planning in accordance with the National ICT Development Agenda and E-Government Master Plan. The law does not specifically pertain to local government units (LGUs) but, it guides the overall ICT direction for the country, including how LGUs should integrate ICT into their operations.

Allocating not less than four percent (4%) of LGUs' national tax allotment (formerly internal revenue allotment) for ICT projects and programs ensures local governments to sustainably plan, develop, and maintain technology-enabled services. This approach delivers clear benefits across governance, service delivery, transparency, inclusion, resilience, and economic growth.

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



EMMANUEL L. IWAY

¹ World Bank. (2020, April). *Digital Government Readiness Assessment Toolkit: Guidelines for Task Teams (Version 3.0)*. <https://documents1.worldbank.org/curated/en/999901588145595011/pdf/Digital-Government-Readiness-Assessment-DGRA-Toolkit-V-31-Guidelines-for-Task-Teams.pdf>

² United Nations Development Programme. (2022). *UNDP Digital Strategy 2022–2025*. <https://www.undp.org/publications/digital-strategy-2022-2025>



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

SECTION 1. A new section denominated as Section 287-A is hereby inserted after Section 287 of Republic Act No. 7160, as amended, otherwise known as the “*Local Government Code of 1991*,” to read as follows:

“SECTION 287-A. INFORMATION AND COMMUNICATIONS TECHNOLOGY PROGRAMS AND PROJECTS. – EACH LOCAL GOVERNMENT UNIT SHALL APPROPRIATE IN

1 **ITS ANNUAL BUDGET NO LESS THAN FOUR PERCENT (4%) OF**
2 **ITS NATIONAL TAX ALLOTMENT FOR THE DEVELOPMENT**
3 **AND IMPLEMENTATION OF INFORMATION AND**
4 **COMMUNICATIONS TECHNOLOGY PROGRAMS AND**
5 **PROJECTS.**

6 **“IN IDENTIFYING INFORMATION AND COMMUNICATIONS**
7 **TECHNOLOGY PROJECTS AND PROGRAMS, EACH LOCAL**
8 **GOVERNMENT UNIT SHALL ADHERE TO THE NATIONAL**
9 **INFORMATION AND COMMUNICATIONS TECHNOLOGY**
10 **DEVELOPMENT AGENDA AND E-GOVERNMENT MASTER PLAN**
11 **OF THE DEPARTMENT OF INFORMATION AND**
12 **COMMUNICATIONS TECHNOLOGY AND ESTABLISH THEIR**
13 **OWN ELECTRONIC LOCAL GOVERNMENT UNIT SYSTEM.”**

14 SEC. 2. Within six (6) months from the effectivity of this Act, the
15 Secretary of the Interior and Local Government shall, in coordination with the
16 Secretaries of Information and Communications Technology, and Budget and
17 Management, promulgate the necessary rules and regulations for the effective
18 implementation of this Act.

19 SEC. 3. All laws, rules, regulations, presidential decrees, and other
20 issuances inconsistent with any of the provisions of this Act are repealed or
21 amended accordingly.

1 SEC. 4. This Act shall take effect fifteen (15) days after its publication
2 in the *Official Gazette* or in a newspaper of general circulation.
3 Approved,