

# GMA orders release of P12.57B to LGUs

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President Arroyo has ordered the Department of Finance and the Department of Budget and Management to release P12.57 billion to various local government units for their internal revenue allotment.

The P12.57 billion is the amount of IRA that was not previously released to a number of LGUs because of the reenactment of the General Appropriations Act in 2001 and 2004.

In an Executive Order signed last May 12, Mrs. Arroyo ordered the release of the P12.57 billion, saying that the Local Government Code of 1991 mandates that LGUs get a share of the national internal revenue taxes.

Finance officials, however, said that the Code also stipulates that LGUs are obliged to share in cases when the National Government is facing fiscal problems.

This year, the government has decided to set aside its balanced budget goal and postpone this to 2010 given the need to boost spending to cushion the impact of an economic slowdown in the US.

In the EO, Mrs. Arroyo instructed the Department of Budget and Management to determine the share of each LGU from the P12.57 unreleased IRA and issue the corresponding Notice of Payment schedule to concerned LGUs.

The release shall be on installment basis for a period of seven years starting 2009.

The EO also gave LGUs the option to collect in advance their share from the P12.57 billion from trustee banks at a discounted value.

On the part of the Finance department, Mrs. Arroyo

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instructed the department to favorably endorse to the Bangko Sentral ng Pilipinas and other regulatory agencies the application to secure the necessary financial features for the investment certificates that may be issued to improve the net proceeds to the beneficiaries.

The EO also mandated by DOF to open the

necessary trust accounts with trustee banks for the advance collection of LGUs.

Mrs. Arroyo also ordered the Department of Interior and Local Government to help LGUs which intend to collect in advance their share in the P12.57 billion.