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POSITION PAPER

EXPRESSING GRAVE CONCERN ON THE PROPOSAL TO TURN-OVER THE IMPLEMENTATION OF THE CONDITIONAL MATCHING GRANT PROGRAM FOR ROAD REPAIR, REHABILITATION AND IMPROVEMENT (CMGP) FROM THE PROVINCES TO THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS

The League of Provinces of the Philippines would like to express its grave concern over the proposal in the House of Representatives to turn-over the implementation of the Conditional Matching Grant Program for Road Repair, Rehabilitation and Improvement (CMGP) from the provinces to the Department of Public Works and Highways.

The proposal made by some members of the Committee on Appropriations of the House of Representatives to turn over the implementation of the CMGP to the DPWH during the hearing on the budget proposal of the Department of the Interior and Local Government on 18 August 2017 may be a step backward insofar as empowering the local government units, particularly the provinces, is concerned.

An amount of P18 billion has been proposed under the Assistance to LGUs (ALGU) in the 2018 National Expenditure Program for the implementation of the CMGP, to be directly downloaded to the provinces for the repair, rehabilitation and maintenance of identified core provincial road networks.

This program is a nationwide scale-up strategy to institutionalize and push forward the successes of the Provincial Road Management Facility earlier piloted in 10 provinces undertaken by the Australian Department of Foreign Affairs and Trade, through the DILG.

As with its predecessor PRMF, the CMGP, which was first implemented in 2016 through the KALSADA Program, is not merely an infrastructure program. One of its objectives is to introduce key governance reforms in the LGU in the areas of local roads management and public financial management.

Beyond road repair, rehabilitation and maintenance, the provinces, in implementing the CMGP, are expected to improve their capacity to sustainably plan, prioritize and manage their key road networks and allocate funds for it.

As such, in the implementation of the CMGP, the provinces are likewise expected to develop a Local Road Information Management System; come up with their respective Local Road Management Plans; implement local road construction and maintenance projects at par with standards, with both quality control and quality assurance. More importantly, at the end of the program, provinces are expected to be able to book their local roads as assets, and use it as basis for the programming and regularly allocate resources for future road repairs, maintenance and rehabilitation projects.

In terms of public financial management, the key outputs of the CMGP is the creation, operationalization and institutionalization of the internal audit service in the province; increased funding for road infrastructure through stronger budgeting revenue generation and expenditure management. While procurement for all projects to be undertaken through the CMGP are fully compliant with the provisions of R.A. 9184, or the Procurement Act, Agency Procurement Compliance and Performance Indicators

(APCPI) are conducted annually to measure the performance and to improve procurement system of the LGUs.

The direct downloads of funds to provinces for the implementation of the CMGP is consistent with President Rodrigo R. Duterte's fiscal policy to give additional funds to LGUs and to condition such resources on the implementation of higher good governance standards, improvement of their capacity to generate resources, and strengthen LGUs' ability to deliver basic services.

Given these conditions, the download of the CMGP funds to the implementing provinces are premised on the following criteria of allocation: Equal Share: 20%; percentage share based on land area: 10%; Percentage Share of Unpaved and Poor-to-Bad Core Roads: 40%; performance in the implementation of similar nationally-funded projects (KALSADA): 20%; and, compliance with 2017 CMGP submission of requirements: 10%.

Being a conditional grant, the DILG, in the 2018 implementation, added two more performance-based criteria for the allocation of the CMGP funds among provinces: (1) the performance in the implementation of the 2016 KALSADA program and (2) the compliance with the submission of the CMGP requirements in 2017, which were not previously considered in the 2017 CMGP allocation.

From the P6.5B allocation for the 2016 KALSADA program, an aggregate of 193 out of the 202, or 93%, of the proposed projects have either been already been completed or ongoing. Relative to the 2017 CMGP allocation of P18 billion, as of 18 August 2017, the DBM has already downloaded the project funds to 62 provinces. Of these, the Province of Nueva Vizcaya has already completed its proposed projects, 14 provinces have begun implementation, while the rest are currently in various phases of procurement and pre-procurement activities.

To ensure that there is no duplication of projects, and as part of the governance reforms toward transparency and multi-stakeholder participation, the Provincial Development Council (PDC), identified, selected and approved the projects proposed to be funded through the CMGP. The Congressmen of all the districts in their respective provinces are represented in the PDC.

The successful implementation of the CMGP in all provinces throughout the country will not only spur local and national development, but will be an excellent opportunity for LGUs to prove its absorptive capacity to manage more funds and have a greater role in public spending to increase its per capita income and contribute significantly to our country's GNP.


It is toward this end that the League of Provinces of the Philippines is earnestly appealing to the good members of the Congress to positively consider retaining the implementation of the CMGP to the provincial governments, instead of transferring it to the Department of Public Works and Highways.

Respectfully submitted.

FOR THE LEAGUE OF PROVINCES OF THE PHILIPPINES:
Signed this 4th day of September 2017, in the City of Pasig


GOV. RYAN LUIS V. SINGSON
National President


GOV. AL FRANCIS C. BICHARA
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