

Republic of the Philippines

DEPARTMENT OF FINANCE

BUREAU OF LOCAL GOVERNMENT FINANCE



UTILIZATION OF LOCAL GOVERNMENT SHARES

Outline

1. Background and Legal Basis
2. Uses of Fund and Utilization of Shares
3. The eSRE and the ENDRMT
4. Disaggregation of Data

BACKGROUND

ROLE OF THE LOCAL GOVERNMENT UNITS

in regulating the extractive industries

- No project or program that would have environmental impact may be implemented in its territory without consultation from the LGUs affected
- In the case of small-scale mining, the DENR-MGB, through the Provincial or City Mining and Regulatory Board (P/CMRB), regulates its operation. Functions include declaring lands as people's small-scale mining areas, awarding contracts, settling claims and disputes in the mining area, and crafting and implementing rules on small-scale mining
- Quarrying in public or private land for building and construction materials requires a permit from the Provincial Governor or City Mayor for ICCs and HUCs but the application must be lodged with the P/CMRB

LEGAL BASIS

Section 289, LGC

Share in the Proceeds from the Development and Utilization of the National Wealth
Local government units shall have an equitable share in the proceeds derived from the utilization and development of the national wealth within their respective areas

SECTION 290, LGC

Amount of Share of Local Government Units.

Local government units shall, in addition to the internal revenue allotment, have a share of forty percent (40%) of the gross collection derived by the national government from the preceding fiscal year from mining taxes, royalties, forestry and fishery charges, and such other taxes, fees, or charges, including related surcharges, interests, or fines, and from its share in any co-production, joint venture or production sharing agreement

USES OF FUND

- SHALL BE USED TO FINANCE LOCAL DEVELOPMENT PROJECTS
- SHALL BE USED TO FINANCE LIVELIHOOD PROJECTS
- PROCEEDS FROM HYDROTHERMAL, GEOTHERMAL AND OTHER ENERGY SOURCES, 80% SHALL BE APPLIED SOLELY TO LOWER COST OF ELECTRICITY WHERE THE ENERGY SOURCE IS LOCATED
(Sec. 294 of RA 7160, Art. 391 IRR of RA 7160

UTILIZATION OF SHARES:

LGUs' Actual Practice

- Shares are used to augment funds for local development projects (included in lump-sum appropriations)
- Shares are accumulated annually to have enough funds for a specific project.
- Benchmark from other LGUs for best practices

UTILIZATION OF SHARES:

Challenges

- Minimal amount, hence difficult to appropriate for a specific local development or livelihood projects
- Limited information on the usage of the fund
- No project or program menu given for the shares received
- No liquidation report required by authorities

eSRE and ENDRMT



- eSRE – Statement of Receipts and Expenditures
 - The Statement of Receipts and Expenditures report is the basic financial statement prescribed by the Department of Finance to monitor the local government units' (LGUs) financial performance. This report is system generated through the LGU Integrated Financial Tools (LIFT) System of the Bureau of Local Government Finance.

eSRE and ENDRMT



- ENRDMT – Environment and Natural Resources Data
 - The ENRD is a quarterly report submitted by selected local government units (LGUs) with extractive industries, through local treasurers, in the Environment and Natural Resources Data Management Tool (ENRDMT) to report the direct payments made to LGUs by extractive industries, shares from national wealth and the utilizations of such collections.
- **DOF Department Order No. 049-2016**

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“ As we take off for the New Year, 2024 journey, I call on each and every one to pause to reflect on the 8-Point Agenda of the current Administration in line with the identified Development Plans & Programs aligned with our country's long term goals set under the Ambisyon 2040, and the area where the BLGF by virtue of its mandate is committed to the realization of these goals. ”

For the full text, click here:
<https://blgf.gov.ph/wp-content/uploads/2024/01/2024-Message.pdf>

CONSOLACION "Ching" Q. AGCAOILI
Executive Director


IMPROVING LOCAL FINANCE, EMPOWERING LOCAL GOVERNMENTS
ATTAINING EFFICIENCY THROUGH DIGITALIZATION

f in @BLGFPH B.L.G.F.

About DOF - BLGF

The past years saw the evolution of the Bureau of Local Government Finance from a mere organizational unit of the

The Official Seals




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WHAT'S NEW?

- Credit Financing for COVID-19 Programs
- Local Fees and Charges (LFC) Toolkit

BLGF ISSUANCES

- Local Finance Circulars
- BLGF Memorandum Circulars
- Manuals

STATISTICS

eSRE UPDATES

BLGF MONITORING FORM ON LGU SMVS

2023 LOCAL ASSESSOR'S PROFILE

BLGF MONITORING FORM FOR TOBACCO EXCISE TAXES

LOCAL TREASURY EXAMINATIONS

- 2022 ICLTE Results
- 2019 ICLTE Results
- 2018 ICLTE Results
- 2017 BCLTE & ICLTE Results

LGU CREDIT FINANCING

- LGU Process on Certificate of NDSC and BC
- Documentary Requirements for the Certification of Net Debt Service Ceiling - Regional Offices
- LGU Debt Data
- Information and Education Campaign
- Public Information and Consultation

LGU REPORT SYSTEM

- LGU PROPERTY INDEX NUMBER**
- LOCAL PLANNING AND BUDGET CALENDAR**
- LGU INCOME CLASS**
 - Cities
 - Municipalities
 - Provinces
- BLGF TRAINING CALENDAR**
- LOCAL GOVERNANCE REFORM PROJECT (LGRP)**
 - LGRP E-Newsletter
 - LGRP Videos

eSERVICES

- PVS Application
- Request for Authority to Purchase Accountable Form
- DOF-DILG JMCS (SMV & IDLE LANDS)**
- CUSTOMER SATISFACTION SURVEY**
- FOI SURVEY**
- ASSISTANCE TO LGUS**
 - Assessment Loan Revolving Fund (ALRF)
- NOTICE TO PUBLIC**
 - Notices of Loss
 - Notices of Payment of RPT
 - Jobs in BLGF (Central and Regional Office)
 - Procurement Opportunities
 - Bid Opportunities
 - Notice of Bid Awards



I. Latest Annual Local Finance Data

A. Statement of Receipts and Expenditures (SRE)

[a. FY 2023-SRE by LGU](#)

B. Fund Balance Composition

C. Annual Regular Income (ARI) and Dependencies

D. Environment and Natural Resources (ENR) Data

- [a. FY 2021 – ENR Data by LGU – General Collections](#)
- [b. FY 2021 – ENR Data by LGU – Shares from National Wealth](#)
- [c. FY 2021 – ENR Data by LGU – Grants and Donations](#)
- [d. FY 2021 – ENR Data by LGU – Corporate Programs and Projects](#)
- [e. FY 2021 – ENR Data by LGU – Utilization of Collections and Shares](#)

E. Real Property Assessment Reports (RPAR)

ANNOUNCEMENTS

- ▶ [BLGF Indicators for the 2024 Seal of Good Local Governance \(SGLG\) Assessment of th...](#)
- ▶ [BLGF Indicators for the 2023 Seal of Good Local Governance \(SGLG\) Assessment of th...](#)
- ▶ [BLGF reminds local treasurers on assessment of local taxes, fees and charges](#)
- ▶ [BLGF sets FY2020 collection target of local treasurers at Php307.08B](#)
- ▶ [Conduct of Continuing Professional Development \(CPD\) Courses: Skills...](#)
- ▶ [Conduct of Continuing Professional Development \(CPD\) Courses: Skills...](#)
- ▶ [School Assignment and Important Reminders for BCLTE and ICLTE on October 14, 2018](#)
- ▶ [Advisory to Participants on the Training on Skills Enhancement Training on the Updatin...](#)



Types of Collections

- General Collections - Locally collected by LGUs (Local Business Tax, RPT, Community Tax, Tax on Mining, Environmental Fees, Mayor's Permit, Occupation Fees, Registration Fees, Regulatory Fees)
- Shares from the National Wealth— Forestry Charges, Mining Tax, Royalty Income from Energy Resources Production and Mineral Reservations and others
- Grants and Donations
- Corporate Programs and Projects
- Utilization of Collections and Shares

Upcoming Changes to the LIFT System

- Upgrade of the system
- Disaggregation of lump-sum budget items
- Special Health Fund
- Inclusion of the Barangays

Proposed Action Plan

- Continuous capacity building of LIFT System users
- Recommend to LGUs to have this function performed by regular / permanent civil servant
- Information dissemination on proper classification

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THANK YOU!

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