

[EXECUTIVE ORDER NO. 189, December 21, 1999]

**DIRECTING ALL LOCAL GOVERNMENT UNITS TO SUBMIT TO THE
DEPARTMENT OF BUDGET AND MANAGEMENT THEIR
RESPECTIVE ANNUAL INVESTMENT PLAN**

WHEREAS, Local Government Units (LGUs) are mandated to appropriate in its annual budget no less than twenty percent (20%) of its annual internal revenue allotment for development projects with copies of their respective Development Plans to be furnished the Department of the Interior and Local Government, pursuant to Section 287 of R.A. No. 7160, the Local Government Code of 1991, as implemented by Article 384 of its Implementing Rules and Regulations;

WHEREAS, while the Local Government Code empowers local authorities to manage their internal affairs consistent with devolution and local autonomy, it should be emphasized that part of the responsibility of the national government is to help ensure that public funds, particularly the 20% Development Fund, shall be appropriated and disbursed only for the very purpose or purposes for which such Fund was established; and

WHEREAS, it has been observed that most LGUs, if not all, do not submit an Annual Investment Plan (Local Development Plan) as required under the Local Government Code of 1991).

NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, President of the Republic of the Philippines, by virtue of the powers vested in me by law and the Constitution, do hereby order the following:

SECTION 1. Use of the 20% Development Fund. The Internal Revenue Allotment (IRA) share of local government units equivalent to twenty percent (20%) set aside for development projects shall be used for specific sectoral programs, projects and activities in furtherance of the development agenda of the government. Accordingly, priority consideration shall be given to the following areas:

- a. Solid waste management which may include purchase of related equipment, trucks and compactors, as well as purchase of land for sanitary landfill purposes;
- b. Purchase of lots for hospitals, health centers, day care centers and similar facilities which may include construction, repair and/or maintenance of such facilities;
- c. Purchase of lot for resettlement of squatters, including construction of housing units and facilities;