

[OP EXECUTIVE ORDER NO. 9, March 29, 2001]

**REPEALING EXECUTIVE ORDER NO. 189, S. 1999, AS AMENDED
BY EO NO. 250, S. 2000, AND EXECUTIVE ORDER NO. 190, S.
1999**

WHEREAS, it is the declared policy of the State that its territorial and political subdivisions shall enjoy genuine and meaningful local autonomy to enable them to attain their fullest development as self-reliant communities and make them more effective partners in the attainment of national goals;

WHEREAS, the issuance of Executive Order (EO) No. 189, series of 1999, as amended by EO No. 250, series of 2000, and EO No. 190, series of 1999, has been viewed as undermining the fiscal autonomy of local government units (LGUs);

WHEREAS, EO No. 189, as amended, tends to limit the flexibility of LGUs by requiring them to set aside 20% of their Internal Revenue Allotment (IRA) share for development projects on specific sectoral programs, projects and activities;

WHEREAS, EO No. 190, on the other hand, has effectively encroached on the fiscal autonomy of local governments to allocate their resources in accordance with their own priorities by directing the holdback of a certain portion of the IRA for specific purposes identified by the national government; and

WHEREAS, there is a need to repeal the foregoing executive issuances consistent with the declared policy of local autonomy.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order the following:

Section 1. Repeal of Executive Order Nos. 189 (as amended) and 190. Executive Order No. 189, series of 1999, as amended by Executive Order No. 250, series of 2000, and Executive Order No. 190, series of 1999, are hereby repealed, being contrary to the principles of local and fiscal autonomy vested by law on local government units.

Sec. 2. Release of the IRA Representing the 20% Development Fund. Without prejudice to the provisions of Chapter 1, Title III, Book II of Republic Act No. 7160 or the Local Government Code of 1991, the LGUs shall submit their respective annual development plans to the Department of Interior and Local Government, copy furnished the Department of Budget and Management (DBM).

The release of the 20% Development Fund shall be in accordance with the procedures and guidelines issued by the DBM for the speedy and effective enforcement of the provisions of Section 288 of RA 7160 and its implementing rules