

EXECUTIVE ORDER NO. 262

REORGANIZING THE DEPARTMENT OF LOCAL GOVERNMENT
AND FOR OTHER PURPOSES

WHEREAS, Article II, Section 1, of Proclamation No. 3 dated March 25, 1986, provides that, the President shall give priority to measures as to achieve the mandate of the people to completely reorganize the government;

WHEREAS, Article XVIII, Section 16, of the 1987 Constitution recognizes that the reorganization of the government shall be continued even after its ratification;

WHEREAS, Under Article XVIII, Section 6, of the 1987 Constitution, the President shall continue to exercise legislative powers until the first Congress is convened;

WHEREAS, local governments must be involved actively in national development especially in the acceleration of economic recovery, in the restoration of political stability, and in the promotion of social progress;

WHEREAS, in their critical participation in national development that is consistent with local autonomy, the development of the executive, technical, and financial capabilities of local governments must be pursued with greater vigor;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order:

SEC. 1. Title. This Executive Order shall be known as the Reorganization Act of the Department of Local Government and for Other Purposes.

SEC. 2. Reorganization. The Department of Local Government, hereinafter referred to as the Department, is hereby reorganized, in accordance with the provisions of this Executive Order.

SEC. 3. Declaration of Policy. It is necessary to reorganize the Department in order to make it more capable of assisting the President in the exercise of general supervision over local governments, in promoting local autonomy, encouraging community empowerment, and in maintaining public order and safety services.

SEC. 4. Mandate. The Department shall primarily assist the President in the exercise of general supervision over local governments. To accomplish its mandate, the Department shall be guided by the following principles:

Local governments shall be accountable and responsive to the needs of local constituencies;

Allocation of more powers and resources to local governments shall be a primordial philosophy;

Local governments shall be given wider latitude for resource generation, such as:

- (1) Generation of local revenues;
- (2) Local government share in national taxes, grants and subsidies as provided by law;
- (3) Credit financing.

Inter-local government cooperation and coordination mutually beneficial to all concerned shall be enhanced;

- (e) The Department shall enhance the capabilities of local governments by instituting a system of decentralization whereby local governments are given more powers, responsibilities and resources, thereby attaining local autonomy;

Involvement of citizens and community organizations in local government activities shall always be encouraged and promoted;

It shall be the policy of the Department to decentralize substantive operational functions to its regional offices.

SEC. 5. Powers and Functions. To accomplish its mandate the Department shall perform the following powers and functions:

- ba*
- a) x Advise the President on the promulgation of policies, rules, regulations and other issuances relative to the general supervision of local governments;

Establish and prescribe rules, regulations and other issuances implementing laws on the general supervision of local governments and the promotion of local autonomy and community empowerment and monitor compliance thereof by said units;

- (c) Provide assistance in the preparation of national legislation affecting local governments;
- (d) Establish and prescribe plans, policies, programs and projects to strengthen the administrative, technical and fiscal capabilities of local government offices and personnel;

Formulate plans, policies and programs which will meet local emergencies arising from natural and man-made disasters.

SEC. 6. Structural Organization. The Department shall be composed of the Offices of the Secretary, staff and line offices which shall consist of the following:

- (a) Bureau of Local Government Supervision;
- (b) Bureau of Local Government Development;
- (c) National Barangay Operations Office;
- (d) Project Development Services;
- (e) Support Services;
- (f) Office of Public Affairs;
- (g) Regional and Field Offices;

SEC. 7. Secretary of Local Government. The authority and responsibility in the exercise of the mandate of the Department and in the discharge of its powers and functions shall be vested in the Secretary of Local Government, hereinafter referred to as the Secretary, who shall have supervision and control of the Department and who shall be appointed by the President. For such purposes, the Secretary shall have the following duties and powers:

Advise the President on matters relative to power of general supervision over local governments;

Establish appropriate policies and standards for the effective and efficient operations of the Department;

Promulgate policies, rules, and regulations necessary in carrying out Department goals and objectives;

- (d) Exercise supervision and control over all offices within the Department;

Delegate his duties, powers and authority to his subordinates whenever necessary;

Appoint other officers and employees of the Department except as otherwise provided for by law;

Perform such other functions as may be provided by law or directed by the President.

SEC. 8. Office of the Secretary. The Office of the Secretary shall consist of the Secretary and his immediate staff.

SEC. 9. Undersecretaries and Assistant Secretaries. The Secretary shall be assisted by not more than three (3) Undersecretaries and three (3) Assistant Secretaries who shall be appointed by the President upon the recommendation of the Secretary. The Secretary is hereby authorized to delineate and assign the respective functional areas of responsibility of the

Undersecretaries and Assistant Secretaries.

SEC. 10. Support Services. The Support Services of the Department shall be as follows:

Planning Service, which shall be responsible for providing the Department with efficient and effective service relating to planning, programming, research and statistics;

- (b) Financial and Management Service, which shall be responsible for providing the Department with efficient and effective staff advice and assistance on budgetary, financial and management improvement matters;

Legal Service, which shall be responsible for providing the Department with efficient and effective legal counselling services, assistance to the Secretary in the review or determination of subordinate bodies/agencies, collaboration with the Solicitor General in handling cases affecting the Department, and investigation of administrative cases involving Department personnel and local officials;

Electronic Data Processing Service, which shall be responsible for providing adequate and up-to-date data and management information inputs, including monitoring of all field operations, to serve as basis for effective planning, management and control, policy formulation and decision-making; and

Administrative Service, which shall be responsible for providing the Department with efficient and effective services relative to personnel, information, records, supplies, equipment, collection, disbursements, security and custodial work and other kinds of services not related to other services above enumerated.

SEC. 11. Office of Public Affairs. There shall be established in the Department an Office of Public Affairs, which shall have the following functions:

Provide technical assistance in the modernization and maintenance of a Department-wide micro-telecommunications systems;

Provide mechanisms for the operationalization of the intent of the provisions of public information, coverages and documentation of the activities of the Department;

Perform functional supervision over regional information centers in providing the citizenry with relevant information on the program of the Department and the Government's thrust towards the participation

of the citizens in the democratic processes;

Establish and prescribe plans, programs to implement the administrative and technical capabilities of public officers and personnel both on the central and regional levels;

Establish and prescribe guidelines in the administration of Information and Public Assistance Services;

Extend consultation services and advice in the implementation of Regional Information Services;

Assess information needs of the people through opinion polls and surveys;

(h) Provide assistance on various public programs of the Department;

(i) Establish and implement policies, plans, programs and projects to meet local emergencies arising from natural and man-made disasters;

Perform such other duties and responsibilities as may be assigned or delegated by the Secretary in the effective delivery of public services or as may be required by law.

SEC. 12. Bureau of Local Government Supervision. The Bureau of Local Government Supervision, to be headed by a Bureau Director appointed by the President upon the recommendation of the Secretary, shall have the following functions:

Advise and assist the Secretary in the exercise of the power of general supervision of the President over local governments, particularly in the formulation and implementation of national laws, policies and standards concerning local government operations and their personnel;

(b) Establish and prescribe guidelines in the administration of the Katarungang Pambarangay Program;

Monitor compliance of national laws and policies by local governments;

(d) Provide assistance in the preparation of national legislation affecting local governments and in the promotion of local autonomy;

Extend consultation services and advice in promoting local autonomy;

- (f) Provide assistance to local governments in the promotion of citizens participation in local government activities;

Provide technical and financial assistance, as well as secretariat services to the Leagues of Provinces, Cities and Municipalities;

- (h) Perform other functions as may be delegated by the Secretary or as provided for by law.

SEC. 13. Bureau of Local Government Development. The Bureau of Local Government Development, to be headed by a Bureau Director appointed by the President upon the recommendation of the Secretary, shall have the following functions:

Establish and prescribe plans, policies, programs and standards to strengthen the administrative, fiscal and technical capabilities of local government offices and personnel;

Provide technical assistance to enhance the administrative, fiscal and technical capabilities of local government officers and personnel;

- (c) Formulate, prescribe, monitor and periodically evaluate local development policies, plans, programs and projects designed to enhance the participation of local governments in planning and implementation;

Establish a system of incentives and grants to local governments and prescribe policies, procedures and guidelines in the implementation of self-help assistance projects;

Formulate and develop models, standards and technical materials on local government development;

Provide consultation services and advice on local government involved in development programs;

- (g) Establish viable systems of strategies and approaches for local governments anchored on citizens participation within a wholistic and integrated framework for the development of communities;

Perform other functions as may be delegated by the Secretary or as provided for by law.

SEC. 14. Local Government Academy. There shall be established in the Department a Local Government Academy which shall be responsible for human resource development and training of local government officials and Department personnel. The Academy shall be under the direct supervision of a Board of Trustees composed of the Secretary of Local Government as

Chairman and four (4) other members to be appointed by the President upon recommendation of the Secretary. The structure and staffing pattern of the Local Government Academy shall be described and approved by the Secretary.

SEC. 15. National Barangay Operations Office. The National Barangay Operations Office which shall be headed by a Director to be appointed by the President upon the recommendation of the Secretary, shall have the following functions:

- (a) Formulate policies, plans and programs that will promote community and citizens participation in the political development of the barangay through the mobilization and participation of barangay assemblies;

Initiate projects on innovative barangay development strategies and approaches in close coordination with the Bureau of Local Government Development;

Provide secretariat services to the Association of Barangay Councils and serve as a clearing house on matters affecting barangay officials' insurance, hospitalization, educational and other benefits as provided by law;

Provide continuing information dissemination to barangay units on national development efforts and issues in order for barangay assembly members to participate meaningfully in national development;

Establish and maintain masterlists of barangays and barangay officials and barangay socio-economic profile;

- (f) Provide situation and political analysis for the Secretary on barangay affairs.

Perform other functions as may be delegated by the Secretary or as provided for by law.

SEC. 16. Project Development Services. There shall be established in the Department the Office of Project Development Services which shall have the following functions:

Formulate innovative approaches and strategies designed to promote technical capabilities of local governments;

- (b) Assist in the development of program components for the implementation of tested and appropriate systems and processes at the local level;

Perform other functions as may be delegated by the Secretary or as provided for by law.

SEC. 17. Regional and Field Offices. There shall be one Regional Office in each of the administrative regions established

by law to be headed by a Regional Director appointed by the President upon the recommendation of the Secretary. The Regional Office shall have other field offices as may be necessary to carry out its functions which are as follows:

Implement laws and rules, regulations, other issuances, policies, plans, programs and projects of the Department;

Provide efficient and effective service to local government;

Coordinate with regional offices of other departments, offices and agencies affecting local administration and development;

Assist local governments develop their overall capabilities for local government administration and development;

- (e) Perform other functions as may be delegated by the Secretary or as provided for by law.

SEC. 18. Abolished Agencies, Offices, Units of the Department. The following agencies, offices and units are hereby abolished:

National Secretariat Paglilingkod sa Bagong Lipunan;

Katipunan ng mga Sanggunian National Secretariat and the Pambansang Katipunan ng mga Punong Bayan sa Pilipinas Office;

Operations, Monitoring and Support Office;

- (d) Barangay Brigades Development Program Office;

- (e) Management Information System Office;

Lupong Tagapagpaganap Secretariat; and

Magalang-Angat Task Force Development Project.

SEC. 19. Leagues of Provinces, Cities and Municipalities. There is hereby created the Leagues of Provinces, Cities and Municipalities.

The functions, budget and records of the Katipunan ng mga Sanggunian National Secretariat and the Pambansang Katipunan ng mga Punong Bayan sa Pilipinas, shall be transferred to the Leagues of Provinces, Cities and Municipalities created under this Executive Order. The Leagues shall be under the supervision of the Bureau of Local Government Supervision.

The Secretary is hereby authorized to promulgate the necessary implementing rules that will activate these Leagues.

SEC. 20. Transitory Provisions. In accomplishing the reorganization of the Department, the following transitory provisions shall be complied with:

The transfer of a government unit shall include the functions, appropriations, funds, records, equipment, facilities, choses in action, rights, other assets, and liabilities, if any, of the transferred unit as well as the personnel thereof, as may be necessary, who shall, in a hold-over capacity, continue to perform their respective duties and responsibilities and receive the corresponding salaries and benefits. Those personnel from the transferred unit whose positions are not included in the Department's new position structure and staffing pattern approved and prescribed by the Secretary or who are not reappointed shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of Section 21 hereof.

The transfer of functions which results in the abolition of the government unit that exercised them shall include the appropriations, funds, records, equipment, facilities, choses in action, rights, other assets and personnel as may be necessary to the proper discharge of the transferred functions. The abolished unit's remaining appropriations and funds, if any, shall revert to the General Fund and its remaining assets, if any, shall be allocated to such appropriate units as the Secretary shall determine or shall otherwise be disposed in accordance with the Government Auditing Code and other pertinent laws, rules and regulations. Its liabilities, if any, shall likewise be treated in accordance with the Government Auditing Code and other pertinent laws, rules and regulations. Its personnel shall, in a hold-over capacity, continue to perform their duties and responsibilities and receive the corresponding salaries and benefits. Its personnel whose positions are not included in the Department's structure and staffing pattern approved and prescribed by the Secretary under Section 21 hereof or who are not reappointed, shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of the same Section 21.

Any transfer of functions which does not result in the abolition of the government unit that has exercised them shall include the appropriations, funds, records, equipment, facilities, choses in action, rights, and assets and personnel as may be necessary to the proper discharge of the transferred functions. The

liabilities, if any, that may have been incurred in connection with the discharge of the transferred functions, shall be treated in accordance with the Government Auditing Code and other pertinent laws, rules and regulations. Such personnel shall, in a hold-over capacity, continue to perform their duties and responsibilities and receive the corresponding salaries and benefits unless in the meantime they are separated from the service. Any personnel, whose position is not included in the Department's new position structure and staffing pattern approved and prescribed by the Secretary under Section 21 hereof or who is not reappointed, shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of the same Section 21.

In case of the abolition of the government unit which does not result in the transfer of its functions to another unit, the appropriations and funds of the abolished entity shall revert to the General Fund, while the records, equipment, facilities, choses in action, rights, and other assets thereof shall be allocated to such appropriate entities as the Secretary shall determine or shall otherwise be disposed in accordance with the Government Auditing Code and other pertinent laws, rules and regulations. The liabilities of the abolished units shall be treated in accordance with the Government Auditing Code and other pertinent laws, rules and regulations, while the personnel thereof, whose position, is not included in the Department's new position structure and staffing pattern approved and prescribed by the Secretary under Section 21 hereof or who has not been reappointed, shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of the same Section 21.

In case of merger or consolidation of government units, the new or surviving unit shall exercise the functions (subject to the reorganization herein prescribed and the laws, rules and regulations pertinent to the exercise of such functions) and shall acquire the appropriations, funds, records, equipment, facilities, choses in action, rights, other assets, liabilities, if any, and the personnel, as may be necessary, of the units that compose the merged unit shall, in a hold-over capacity, continue to perform their respective duties and responsibilities and receive the corresponding salaries and benefits unless in the meantime they are separated from the service. Any such personnel, whose position is not included in the Department's new position structure and staffing pattern approved and prescribed by the Secretary under Section 21 hereof or who has not been reappointed, shall be deemed separated

from the service and shall be entitled to the benefits provided in the second paragraph of the same Section 21.

- (f) In case of termination of a function which does not result in the abolition of the government unit which performed such function, the appropriations and funds intended to finance the discharge of such function shall revert to the General Fund while the records, equipment, facilities, choses in action, rights and other assets used in connection with the discharge of such function shall be allocated to the appropriate units as the Department shall determine or shall otherwise be disposed in accordance with the Government Auditing Code and other pertinent laws, rules and regulations. The liabilities, if any, that may have been incurred in connection with the discharge of such function shall likewise be treated in accordance with Government Auditing Code and other pertinent laws, rules and regulations. The personnel who have performed such function, whose positions are not included in the Department's new position structure and staffing pattern approved and prescribed by the Secretary under Section 21 hereof or who have not been reappointed, shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of the same Section 21 hereof.

SEC. 21. New Organizational Structure and Staffing Pattern. Upon approval of this Executive Order, the officers and employees of the Department shall be in a holdover capacity, until such time that the reorganization of the Department is completed.

The new organizational structure and staffing pattern of the Department shall be approved and prescribed by the Secretary within one hundred twenty (120) days from the approval of this Executive Order and the authorized positions created thereunder shall be filled with regular appointments by him or by the President, as the case may be. Those incumbents whose positions are not included therein or who are not reappointed shall be deemed separated from the service. Those separated from the service shall receive the retirement benefits to which they may be entitled under existing laws, rules and regulations. Otherwise, they shall be paid the equivalent of one month basic salary for every year of service, or the equivalent nearest fraction thereof favorable to them on the basis of the highest salary received, but in no case shall such payment exceed the equivalent of 12 months salary.

SEC. 22. Periodic Performance Evaluation. The Secretary is hereby required to formulate and enforce a system of measuring and evaluating periodically and objectively the performance of the Department and submit the same to the President of the Philippines.

SEC. 23. Notice or Consent Requirement. If any reorganizational change herein authorized is of such substance by materiality as to prejudice third persons with rights recognized by law or contract and such notice to or consent of creditors is required to be made or obtained pursuant to any agreement into, with any of such creditors, then such notice or consent requirement shall be complied with prior to the implementation of such reorganizational change.

SEC. 24. Prohibition Against Change. No change in the reorganization herein prescribed shall be valid except upon prior approval of the President/or by an act of Congress for the purpose of promoting efficiency and effectiveness in the delivery of public services. The Secretary shall see to it that there shall be no overlapping of functions between and among the different offices and bureaus of the Department.

SEC. 25. Funding. Funds needed to carry out the provisions of this Executive Order shall be taken from funds available in the Department.

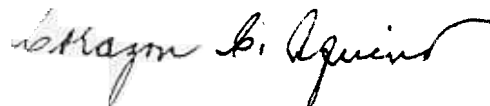
SEC. 26. Implementing Authority of the Secretary. The Secretary shall issue such rules, regulations and other issuances as may be necessary to ensure the effective implementation of the provisions of this Executive Order.

SEC. 27. Separability Clause. If, for any reason or reasons, any part or provision of this Order shall be held unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.


SEC. 28. Repealing Clause. Except as otherwise provided herein, all laws, acts, decrees, executive orders, proclamations and administrative regulations, or part or parts thereof which are inconsistent with this Order are hereby repealed or modified accordingly.

SEC. 29. Effectivity. This Executive Order shall take effect immediately.

APPROVED IN THE City of Manila, Philippines, this 25th day of July, in the Year of Our Lord, Nineteen Hundred and Eighty-Seven.



By the President:



JOKER P. ARROYO
Executive Secretary