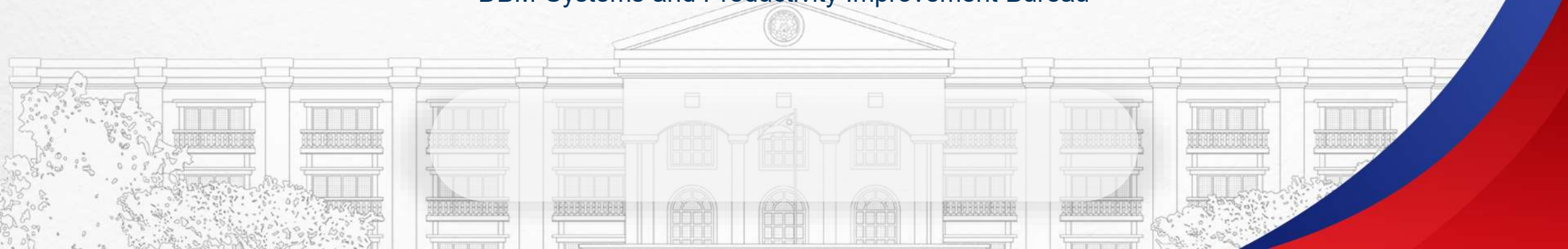




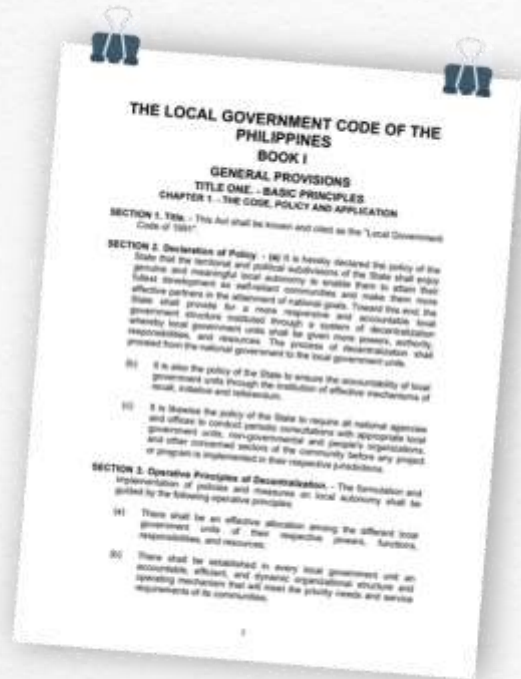
# **Salient Features of Executive Order (EO) No. 103, s. 2025 Amending EO No. 138, s. 2021 and Its Draft Implementing Rules and Regulations**

**DIRECTOR JOHN ARIES S. MACASPAC**  
DBM-Systems and Productivity Improvement Bureau



# Full Devolution Effort of Government

## The Local Government Code of 1991 Republic Act No. 7160



### Section 17 (a)

Enjoins the LGUs to be self-reliant and continue exercising their powers and functions and discharge the functions and responsibilities of NG agencies and offices devolved to them under the Code

### Section 17 (b)

Provides the list of basic services and facilities devolved to the LGUs, including the barangays



# Salient Features of EO No. 138



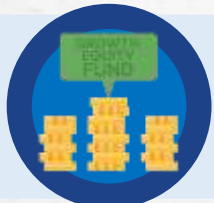
**Delineation of NG and LGU Roles**



**Creation of the Committee on Devolution**



**Preparation of Devolution Transition Plans**



**Establishment of Growth Equity Fund**



**Capacity Building for LGUs and NGAs**



**Strengthening of Planning, Investment Programming, and Budgeting Linkage and M&E Systems**



**Communications Plan and Strategy**



**Options for Affected NGA Personnel**



# Status of Devolution Transition Plans

## NGA DTPs

Approved DTPs (3)		
DOH	CPD/POPCOM	DOF
Awaiting Revision and Resubmission by NGAs Concerned and/or Further Evaluation by DBM (15)		
DOST	DILG	DTI
DSWD	DepEd	DA
DHSUD	DPWH	DOT
DENR	DOTr	DOJ
DOLE	NIA	OPAPRU
No Submission of DTPs (2)		
DOE	DICT	

## LGU DTPs

Summary	Total	Completed	%
Barangays	39,451	39,450*	99.9%
Cities/ Municipalities	1,477	1,477	100%
Provinces/ HUCs/ ICCs/ NCR LGUs	114	114	100%
<b>Total</b>	<b>41,042</b>	<b>41,041</b>	<b>100%</b>

*\* 1 barangay with non-existent officials*

Source: DILG

# Updating of Policies on the Full Devolution Effort



**March 2023** – The President directed the devolution oversight agencies to conduct studies on the full devolution of functions and services to LGUs based on their respective absorptive capacities

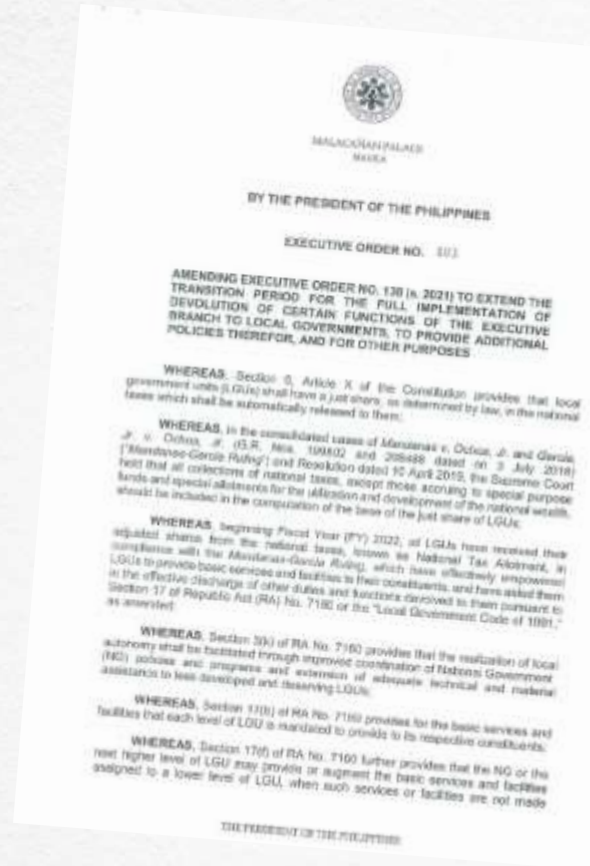
- **DILG and ULAP** studied appropriate unbundling and re-assignment of functions and services devolved to LGUs
- **DEPDev** study focused on determination of the optimal devolution transition period considering the fiscal capacities of LGUs
- Result of said studies served as basis for the proposed amendments to EO No. 138



# Full Devolution Effort of Government

**Executive Order No. 103**  
dated 06 November 2025

**Amending Executive Order No. 138 (s. 2021) to Extend the Transition Period for the Full Implementation of the Devolution of Certain Functions of the Executive Branch to Local Governments, to Provide Additional Policies, and for Other Purposes**



# Salient Features of EO No. 103, s. 2025

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# Salient Features of EO No. 103



## Section 1 (d)

### Extended Transition Period for Full Devolution to LGUs



Full devolution transition period pursuant to EO No. 138

Extended full devolution transition period for **CITIES**

Extended full devolution transition period for **PROVINCES, MUNICIPALITIES, and BARANGAYS**



# Salient Features of EO No. 103



## Section 1 (d)

### Priority Assistance to Poor, Lagging, and Disadvantaged LGUs

#### Implementation of devolution shall prioritize assistance to:

- LGUs belonging to 4<sup>th</sup> to 5<sup>th</sup> income classes
- Poor, lagging, and disadvantaged LGUs
  - LGUs situated in geographically isolated and disadvantaged areas (GIDAs)
  - LGUs with high poverty incidence



# Salient Features of EO No. 103



## Section 1 (e)

### Conduct of Strategic Review of NGA Mandates, Functions, and Services

- Focus on core functions, services, and PAPs of NGAs in line with **steering role of national government**
- Identify **duplications and unnecessary overlaps** with **LGU devolved functions**
- Determine those that can be readily implemented by LGUs or those affecting and/or applicable to all LGUs vis-a-vis those which require huge investments and specialized technical expertise, and/or those involving specific geographical areas
- Determine **appropriate implementation and capacity development strategies** for full devolution transition



# Salient Features of EO No. 103



## Section 1 (f)

### Preparation and/or Updating of NGA and LGU Devolution Transition Plans (DTPs)

- Organization of **Devolution Transition Committees** of NGAs
- Pertinent **NGAs and LGUs** to **simultaneously prepare/update their respective DTPs** and ensure coherence and harmonization of both plans
- Submission of the DTPs **90 days** from the effectivity of the IRR or any other supplemental guidelines to be issued
- Consideration of scaled down/phased out NGA PAPs in the LGU budget
- **Mainstreaming and prioritization** of devolved functions and services assumed by the LGUs in the Local Development Plans and Annual Budget



# Salient Features of EO No. 103



## Section 1 (i)

### Provision of Technical Support and Capacity Development (CAPDEV) Interventions for LGUs

- NGAs concerned to formulate a long-term CAPDEV strategy and program for LGUs
- **DILG**, through the **Local Government Academy**, to oversee the provision of CAPDEV for LGUs and facilitate collaboration/engagement at the grassroots level
- **DAP** to assist the NGAs in organizational review and development of service delivery standards
- **DOF**, through the **Bureau of Local Government Finance**, to intensify CAPDEV on revenue generation and resource mobilization
- **DBM** to capacitate LGUs on the methods, techniques, and procedures on local budget operations and expenditure management



# Salient Features of EO No. 103



## Section 1 (i)

### Provision of Technical Support and Capacity Development (CAPDEV) Interventions for LGUs (cont.)

- **Regional Development Councils** to facilitate access to technical and financial support from NGAs concerned for PAPs supporting the devolved functions and services
- **DOF-BLGF** to regularly monitor the fiscal position and performance of LGUs



# Salient Features of EO No. 103



## Section 1 (h)

### Retention of Growth Equity Fund (GEF) and Creation of Fiscal Equalization Grant Scheme After Transition Period

- GEF to serve as additional funding support to LGUs to:
  - Cover funding requirements of poor, disadvantaged, lagging, and low-income LGUs for the implementation of their priority programs and projects to address fiscal gaps arising from the devolution; or
  - Augment provincial resources for inter-municipal programs and projects, in order to gradually enable the full and efficient implementation of devolved functions, services, and facilities
- Fiscal equalization grant scheme to be created in lieu of GEF after transition period, subject to further study by ComDev

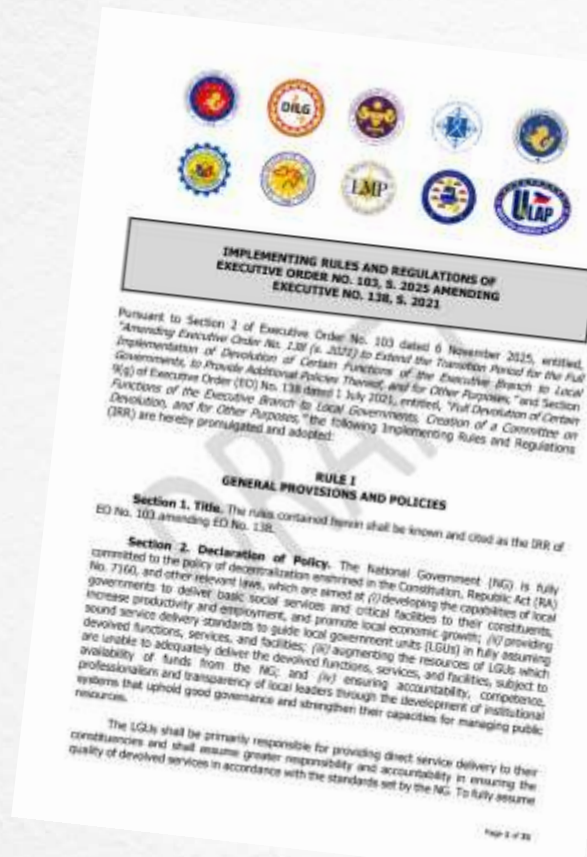


# Updates on the Implementing Rules and Regulations (IRR) of EO No. 103

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# Draft IRR of EO No. 103, s. 2025



- The draft IRR of EO No. 103 is currently being prepared by the ComDev, led by the DBM, and is targeted to be finalized and issued within the second quarter of 2026.
- In anticipation of the eventual finalization and issuance of the IRR, the DBM and the DILG shall likewise commence the preparation of the draft Joint Memorandum Circulars providing the guidelines on the preparation and/or updating of the NGA and LGU DTPs.



# Other Updates

1. DepEd-DBM-DILG DOF Joint Circular – Omnibus Guidelines on the Use of the Special Education Fund
2. Local Budget Circular No. 171 – Guidelines on the Computation of PS Limitation on LGU Budgets and determination of Waived Items
3. Implementation of Salary Increases under Executive Order No. 64
4. Ongoing Review of the Formula of the Computation of the NTA Shares of LGUs
5. Ongoing Amendment of the Guidelines on the Use of the 20% Development Fund
6. Roll-out Activities on the Internal Audit Manual for LGUs



# Thank you!

For questions and/or concerns, you may contact the  
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