



## UNION OF LOCAL AUTHORITIES OF THE PHILIPPINES INC.

28F Unit 2803 Summit One Tower 530 Shaw Boulevard, Mandaluyong City

Telephone: (+632) 8534-6787 Telefax: (+632) 8534-6789 E-Mail: [ulapnatsec@gmail.com](mailto:ulapnatsec@gmail.com), [secretariat@ulap.net.ph](mailto:secretariat@ulap.net.ph)

Website: [www.ulap.net.ph](http://www.ulap.net.ph) Facebook: [www.facebook.com/ulap.net.ph](http://www.facebook.com/ulap.net.ph)

PRESS RELEASE

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### **Gov. Dax Cua Commends NEDA Devolution Study as Key Step Forward for Devolution and Tailored Local Governance**

Speaking at the 62nd Annual Meeting of the Philippine Economic Society, Governor Dax Cua, President of the Union of Local Authorities of the Philippines (ULAP), highlighted the importance of NEDA's Devolution Study as a crucial framework to guide the country's local government units (LGUs) through the complex process of devolution brought on by the Mandanas-Garcia ruling. He called for a flexible approach to devolution that respects each LGU's unique priorities, needs, and fiscal realities.

Gov. Cua praised NEDA's study, noting it equips LGUs with the tools to assess their readiness for expanded responsibilities, while advocating for a more effective distribution of national functions. "LGUs are best positioned to identify and address their community's most pressing needs, and that should be reflected in how they allocate resources," he stated.

He noted that while the Mandanas-Garcia ruling has increased National Tax Allotments (NTA), many LGUs are using these funds to address critical budget gaps and should therefore be considered as catch up funds, rather than as surplus. With over half of LGUs operating on limited fund balances, Gov. Cua emphasized the importance of the NEDA's study as well as local discretion in setting spending priorities, particularly for essential services like disaster resilience, public health, and economic support.

Having welcomed the President's decision to pause Executive Order 138, Gov. Cua stressed the need for a realistic, simpler, and context-driven approach to devolution, ensuring that each LGU's fiscal capacity is taken into account. "This pause allows us to ensure devolution aligns with LGU-specific capacities and needs," he said.

Gov. Cua urged national agencies to develop programs that respect LGUs' fiscal constraints, fostering cooperation for more impactful service delivery. "This framework would create a collaborative mechanism for LGUs and the national government to work together, especially in areas where resources will be found to be best shared to achieve common goals," he concluded.



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**Website:** [www.ulap.net.ph](http://www.ulap.net.ph) **Facebook:** [www.facebook.com/ulap.net.ph](https://www.facebook.com/ulap.net.ph)

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Ref:

Joshua F. Gonzales

ULAP Information and Communication Technology Officer

Email: [ulapnatsec@gmail.com](mailto:ulapnatsec@gmail.com)

Mobile: (+63)966 069 5076

Office Tel. No.: (02) 8534-6787

ULAP is the umbrella organization of all leagues of local government units and local government officials in country, serving as the focal representative and mouthpiece of the subnational government in all policy and program platforms to amplify our unified advocacy towards the strengthening of LGUs into able partners in nation-building.

Learn more at [www.ulap.net.ph](http://www.ulap.net.ph).