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ADB approves 26.5 mln USD loan to help Philippines boost revenue collection

The Asian Development Bank (ADB) on Monday said it has approved a 26.5-million-U.S. dollar loan to help local government units (LGUs) across the Philippines boost revenue by adopting new digital tools for local real property tax valuation and collection.

In a statement, the Manila-based bank said the Local Governance Reform Project will help LGUs improve real property tax collection by strengthening property valuation mechanisms, introducing new digital tools for transparent and accurate reporting, and updating tax maps and property valuation assessments.

The project will help LGUs build a cadre of competent, professional local assessors through capacity development and knowledge partnerships, the ADB added.

"Local governments play a critical role in poverty reduction. Mobilizing local revenue in an efficient, equitable, and transparent manner is vital to local governments' goal of delivering accessible, quality public services," ADB Senior Public Management Specialist for Southeast Asia Robert Boothe said.

"This new project will provide the digital tools, systems, and local staff training needed to help local governments raise revenue," he added.

According to the ADB, the revenue reforms supported by the project are part of the government's Comprehensive National Tax Reform Program.

Prior to these reforms, it said technical and institutional challenges had resulted in significant losses in real property tax collection by local governments. Some estimates put forgone property tax collection as high as 30 billion pesos (roughly 600 million U.S. dollars) from 2004 to 2016, it added.