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HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 3429

HOUSE OF REPRESENTATIVES

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Introduced by Representative RAMON VICENTE "RAV" ROCAMORA

**AN ACT INSTITUTIONALIZING GRASSROOTS PARTICIPATORY BUDGETING
IN THE PLANNING AND IDENTIFICATION OF PROGRAMS AND PROJECTS
TO BE FUNDED BY THE ANNUAL GENERAL APPROPRIATIONS ACT**

EXPLANATORY NOTE

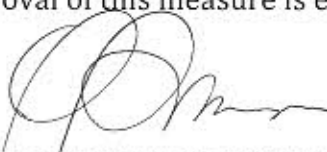
This bill has been percolating for more than a decade. The initial practice on participatory budgeting actually happened when in a resolution, authored by then Representatives Lorenzo R. Tañada III and TG Guingona was adopted during the 14th Congress which, under the leadership of then Committee on Appropriations Chair Edcel Lagman, allowed civil society organizations like Social Watch, Freedom from Debt Coalition and other organizations to participate in budget processes in Congress.

Further, inspired by the positive outcomes of local participatory mechanisms and practice done by the Naga People's Council initiated by then Mayor Jess Robredo, the National Anti-Poverty Commission, DBM, DSWD and DILG hatched sometime in 2012, what was then called as Bottom-up Budgeting or Grassroots Participatory Budgeting.

While the right of citizens to participate in governance is stipulated in Article XIII, Sections 15 and 16 of the 1987 Philippine Constitution as well as the Local Government Code of 1991, participatory governance needs to be institutionalized and not just be at the option and whims of national government agency heads or local governments.

True empowerment of citizens, particularly basic sectors and grassroots organizations, is the main intent of this bill. It is hoped that by enacting this bill into law, festering problems of underdevelopment, inequity, poverty and marginalization which continue to prevail in the country will also be addressed.

In view of the aforementioned, the approval of this measure is earnestly requested.


RAMON VICENTE "RAV" ROCAMORA
Representative
Lone District of Siquijor

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*Be enacted by the Senate and House of Representatives of the Philippines in Congress
assembled:*

SECTION 1. Short Title. - This Act shall be known as the "*Grassroots Participatory Budgeting Act of 2016*."

SEC. 2. Declaration of Policy. - In pursuit of inclusive growth and poverty reduction, it is hereby declared the policy of the State to institutionalize transparency, accountability and citizens' participation in governance.

To ensure that the annual appropriations of National Government Agencies (NGAs) will be an instrument of development and reflective of local objectives, strategies and plans, the State shall ensure the involvement of Civil Society Organizations (CSOs) by institutionalizing Grassroots Participatory Budgeting in the identification and planning of programs and projects that will be funded by the General Appropriations Act (GAA).

SEC. 3. Definition of Terms. For purposes of this Act, the following terms shall have the following definition:

3.1. *Grassroots Participatory Budgeting (GPB)* - an approach to preparing the budget proposal of agencies, taking into consideration the development needs of municipalities and cities as identified in their respective local development plan and/or local anti-poverty action plan that shall be formulated with strong participation of basic sector organizations and other CSOs.

3.2. *Civil Society Organizations (CSOs)* - Include non-government organizations (NGOs), people's organizations, cooperatives, trade unions, professional associations, faith-based organizations, youth and media groups, indigenous peoples movements, foundations, and other citizen groups formed primarily for social and economic development, to monitor government programs and projects, engaged in policy discussions, and actively participate in collaborative activities with the Government.

3.3. *Civil Society Assembly* - refers to an inclusive meeting of all CSOs, POs, and community/grassroots organizations, facilitated by the Regional Poverty Reduction Action Team (RPRAT) to allow Civil Society Organizations to choose among themselves their

representatives to the Local Poverty Reduction Action Team (LPRAT). The Civil Society Assembly shall also gather, analyze and share results of poverty situation and other local poverty data in their locality, identify strategies to address poverty and present them to the LPRAT. The assembly shall also include an orientation on the effects of the implementation of the participatory budget process and the role of the CSOs;

3.4. *Citizen Participation* - A democratic process involving people empowerment, whereby concerned citizens organized as CSOs, pursue their legitimate and collective interests by, among others, monitoring the effectiveness of Programs and Projects (PAPs) and in so doing become partners of the Government in governance.

3.5. *Local Poverty Reduction Action Plan (LPRAP)/ Local Development Action Plan (LDAP)* - the Local Government Unit (LGU) plan which contains programs and projects collectively drawn through a participatory process by the LGUs with CSOs and other stakeholders, and which will directly address the needs of the poor constituencies and the marginalized sectors in the city or municipality.

3.6. *Local Poverty Reduction Action Team (LPRAT)/ Local Development Action Team (LDAT)* - the group to spearhead the formulation and monitoring of the LPRAP/LDAP composed of the following:

Chairperson: Local Chief Executive (LCE)

Co-Chairperson: A CSO Representative chosen from the Civil Society Assembly

Members:

Representatives from the LGU, to wit:

- (a) Sangguniang Panglungsod/Bayan Member who is the chairperson of the Committee on Appropriations;
- (b) All local government department heads such as the Planning Office, Budget Officer, Agriculture Officer, Social Welfare and Development Officer and Health Officer;
- (c) Representatives of National Government Agencies (NGAs) such as Department of Social Welfare and Development (DSWD) Municipal Links, PESO Manager and the Department of Interior and Local Government (DILG) City/Municipal Local Government Operations Officer, the School District Supervisor and Agrarian Reform Officer; and

Representatives from CSOs (who must be residents of the city or municipality), to wit:

- (a) A Pantawid Pamilya Parent-Leader;
- (b) A Leader from Department of Health (DoH) organized Community Health Teams;
- (c) A Leader of Parent- Teacher Associations;
- (d) A Leader of CSOs accredited or recognized by any NGA;
- (e) A leader of women's groups;
- (f) A leader of basic sector organizations;
- (g) A leader of other community or grassroots organizations; and
- (h) A representative from the business sector.

The LPRAT shall be composed of an equal number of government representatives and non- government representatives. It should also be composed of at least 30% women.

In the event that the sectors indicated are not organized, the LGU, in coordination with CSOs and concerned national government agencies, shall initiate and support the organization of the basic sectors identified. However, said basic sector and grassroots organizations shall not be required to submit the same set of requirements for accreditation as that of non-government organizations. All they have to show is their

organization's objectives, history and list of activities, program for the year, roster of members, set of leaders and an identified venue for their meetings.

3.6. LPRAT Powers and Functions:

- a. Identify priority poverty reduction projects through a consensus among its members. In the absence of a consensus, the decision will be made through a majority vote;
- b. Develop and formulate the Local Poverty Reduction Action Plan (LPRAP) based on the identified priority poverty reduction projects from a list issued by the DBM and following the process and guidelines in the Implementing Rules and Regulations;
- c. Conduct public consultations, when necessary, to ensure that the projects to be embodied in the LPRAP reflect an actual need in the community;
- d. Submit the LPRAP to the RPRAT for validation; and
- e. Participate in the budget deliberation process of the Local Development Council.

3.7. Regional Poverty Reduction Action Teams (RPRATs)/ Regional Development Action Teams (RDATs) - the group that shall provide support and guidance to LGUs through the GPB process and monitor the implementation of the GPB projects, composed of the following:

Chairperson: DILG Regional Director;

Vice Chairperson: Department of Budget and Management (DBM) Regional Director;

Members:

(a) Regional Directors of NGAs;

(b) Regional Director of the National Economic Development Authority (NEDA)

(c) Two (2) CSO representatives per province as identified by the National Anti- Poverty Commission (NAPC) .

SEC. 4. Role of LGUs and NGAs. All LGUs and NGAs shall be required to formulate and adopt guidelines outlining the mechanism for the accreditation and active participation of the CSOs.

To ensure that the LPRAP/LDAP is truly reflective of the needs of the community, LGUs must ensure that the CSOs are involved throughout the GPB process and shall coordinate with the concerned NGAs in preparing work and financial plans and other documents as required.

Departments/Agencies shall ensure complementation between national and LGU projects by closely coordinating with LPRATs/LDATs. In accordance to GPB guidelines issued previously by the DBM, the validated/ qualified LGU projects shall be integrated in the agency budget proposal. Disclosure shall be made on the proposed LGU counterpart funds, if any.

Agencies, through their regional and/ or provincial offices, shall inform concerned LGU regarding the acceptance and approval of the budget for the implementation of GPB identified projects and facilitate the compliance by LGUs with the requirements for the implementation.

SEC. 5. Role of CSOs - In the interest of community ownership and transparency, CSO participation shall be a component in the planning, identification and monitoring of projects and programs that shall be funded by the annual National Budget.

A locally accredited CSO may spearhead the implementation of identified projects at the barangay level, provided that they have prior experience in implementing projects through a Community Driven Development (CDD) approach, *Provided*, that none of the CSO's leaders are related up to the fourth degree of consanguinity to any incumbent locally elected official. These CSOs must have prior experience in undertaking community-led procurement and in community monitoring of project implementation using participatory processes of information disclosure.

SEC. 6. Public and Timely Disclosure of Budget Documents other Related Data - In order for CSOs to participate in an informed manner, the LGU/NGA/ GOCC shall post on their websites or other public posting areas, LPRAP and budget documents to which CSOs shall have access.

SEC. 7. Penalties - Any person who shall willfully restrain or prevent a CSO or a representative of a CSO from exercising rights guaranteed under this Act, or violate any of the provisions hereof, shall suffer a penalty of suspension of one (1) month to three (3) months if such person is a government officer or employee, whether elected or appointed, or a fine of not less than Thirty Thousand Pesos (P30,000.00) but not more than Fifty Thousand Pesos (P50, 000.00), or both at the discretion of the court.

SEC. 8. Implementing Rules and Regulations - Within one hundred twenty (120) days after the effectivity of this Act, the Department of Budget and Management and the National Anti-Poverty Commission, in consultation with agencies concerned shall promulgate the Implementing Rules and Regulations.

SEC. 7. Separability Clause - If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

SEC. 8. Repealing Clause - All laws, decrees, executive orders, rules and regulations, issuances or any part thereof inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SEC. 9. Effectivity - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,