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Republic of the Philippines
House of Representatives
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 191

HOUSE OF REPRESENTATIVES

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**Introduced by Hon. Anthony M. Bravo
and Hon. Sabiniano S. Canama
COOP-NATCCO PARTYLIST**

EXPLANATORY NOTE

With the perspective of a fully transparent, accountable and participatory budget process, this proposed bill revolutionizes what seems to be a discreet and exclusive function of the legislative department. The battle cry of democracy will be best exemplified when civil society organization (CSOs) will be entitled to actively participate in the whole budgetary process from national down to the local budget.

As enshrined in Article XIII of the 1987 Constitution, the State respects their right to pursue and protect "within the democratic framework, their collective interests and aspirations through peaceful and lawful means. Among the rights and entitlements of the CSOs are to receive notices and participate in meetings or deliberations relating to the annual budget, submit an alternative budget, gain access to copies of the bills and budget proposals and serve as resource persons during budget oversight.

Although their participation are not a panacea for all ills, they can however make valuable contributions to thinking through and responding to some of the most pressing challenges which is the budget allocation of the scarce resources.

The opening of the whole budgetary system in the arena of public deliberation will not only empower independent civil society organization (CSOs) but will also increase the public trust.

In view of the foregoing, the approval of this bill is earnestly sought.


HON. ANTHONY M. BRAVO


HON. SABINIANO S. CANAMA

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS
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HOUSE BILL NO. **191**

Introduced by Hon. Anthony M. Bravo
and Hon. Sabiniano S. Canama
COOP-NATCCO PARTYLIST

AN ACT
INSTITUTIONALIZING CITIZENS PARTICIPATION IN THE BUDGET
PROCESS

Be it 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 “**People’s Participation in Budget Deliberations Act.**”

SEC. 2. **Declaration of Policy.** – It is hereby declared the policy of the State to recognize the role of independent civil society organizations (CSOs) as effective participants in all levels of social, political, and economic decision-making. The State respects their right to pursue and protect “within the democratic framework, their legitimate and collective interests and aspirations through peaceful and lawful means,” as provided in Article XIII of the 1987 Constitution. For this purpose, the State shall guarantee the participation of CSOs in the formulation, monitoring and evaluation of the national and local budgets to ensure that the annual appropriations will be instruments of development and reflective of national and local objectives, strategies, and plans; and shall institutionalize the participatory budget process 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:*

a) *Accreditation* refers to the process by which the Senate or the House of Representatives, national government agencies (NGAs), and Local Sanggunians shall recognize, register, and allow the CSOs to participate in the budget deliberation. The accreditation of people organizations (POs) and non-government organizations (NGOs) shall not confer juridical personality on the organizations;

b) *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 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 Local Poverty Reduction Action Team (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;

c) *Civil Society Organization* (CSO) refers to any organized citizens' group including People's Organizations (POs) and Non-Government Organizations (NGOs) such as community groups, labor unions, indigenous groups, charitable organizations, faith-based organizations, professional associations, and foundations;

d) *Government entity* refers to any government agency or instrumentality, including local government units (LGUs), with which the POs and NGOs have legitimate concerns;

e) *Local Poverty Reduction Action Plan* (LPRAP) refers to the Local Government Unit's plan which contains programs and projects collectively drawn through a participatory process by the local government units with CSOs and other stakeholders, and which will directly address the needs of poor constituencies and the marginalized sectors in the city or municipality;

f) *Local Poverty Reduction Action Team* (LPRAT) refers to the group that will spearhead the formulation of the LPRAP. They shall also monitor the implementation of the said plan;

g) *Non-government organization* (NGO) refers to an independent private and non-profit organization formed primarily for social and economic development with none of its officers or members occupying elective government positions;

h) *Participation mechanism* refers to the means by which CSOs could participate effectively and meaningfully in the government process of deliberating an annual budget to ensure that it is responsive to the needs of different sectors in the community;

i) *People's organization* (PO) refers to a bona fide cooperative or association of citizens organized for purposes not contrary to law with demonstrated capacity to promote the public interest and with identifiable leadership, membership, and structure with none of its officers and members occupying elective government positions; and

j) *Regional Poverty Reduction Action Team* (RPRAT) refers to the group that will provide support and guidance to the LGUs throughout the participatory budget process. They will also review, validate and consolidate the LPRAPs before they are transmitted to the concerned national line agencies.

SEC. 4. Coverage. – All CSOs may be allowed to participate and play a significant role in the national as well as local annual budget deliberations: *Provided*, That they undergo the mandatory accreditation process and comply with the implementing rules and regulations issued by Congress, concerned NGAs, or Local Sanggunians, pursuant to Section 5 of this Act.

Both Houses of Congress shall, through the Senate President and the House Speaker, allow the active participation of accredited CSOs in the deliberation of the annual national budget by inviting their duly authorized representatives as resource persons, subject to such

1 internal rules and regulations as the Senate and the House of Representatives or its concerned
2 committee may provide.

3 All NGAs are required to conduct public consultations among their stakeholders,
4 including concerned CSOs, on their agency's proposed budgets before these are submitted to
5 the Department of Budget and Management (DBM).

6 The Local Chief Executives (LCEs) and/or the Local Finance Committees shall hold
7 consultations on the proposed budgets of the LGUs with their constituents prior to submission
8 to the Local Sanggunian. The CSOs are allowed to participate in the Local Development
9 Councils' formulation of the Annual Investment Plan (AIP); *Provided That* such participation is
10 subject to the limitations provided by law, ordinances, rules, and regulations.

11 The local Sanggunian shall also invite the active participation of the accredited CSOs
12 during public hearings for the annual budget and other appropriation ordinances.

13 **SEC. 5. Application for Accreditation.** – Within thirty (30) days upon the approval of
14 this Act, and after the election of a new Congress or a Local Sanggunian, the respective
15 Secretaries of the legislative bodies shall send notices to CSOs, informing them that they may
16 apply for accreditation to enable them to participate in the annual budget deliberations.

17 The application for accreditation shall be filed with the Office of the Secretary of the
18 Senate, the Secretary General of the House of Representatives, the Secretary of the NGA
19 concerned, and the Secretary to the Local Sanggunian in the form prescribed by such offices for
20 the purpose, with the following documents as attachments:

- 21 a) Articles of Incorporation and by-laws of the applicant CSOs;
- 22 b) Certificate of Registration with the Securities and Exchange Commission
- 23 (SEC) or other government accrediting agencies;
- 24 c) Affidavit describing the organization, its work, and operations showing:
 - 25 1. The character of the organization;
 - 26 2. The purpose for which it is organized;
 - 27 3. The list of activities or projects for the past two (2) years; and
 - 28 4. List of officers, directors, trustees, and members.
- 29 d) Certificate of Good Record from the proper authority or concerned office;
- 30 e) Duly audited financial statements for the past two (2) years showing the
- 31 assets and liabilities of the organization; and
- 32 f) Board Resolution or any other form of legal evidence to prove that the
- 33 respective organization has the desire and is mandated by its representation to
- 34 apply.

35 **SEC. 6. Action on Accreditation.** - All applications for accreditation shall be acted
36 within a period of ten (10) working days. Upon approval of the application by the Secretary of
37 the Senate, the Secretary General of the House of Representatives, the Secretary of Concerned
38 NGA, or the Secretary to the Local Sanggunian, a certificate of accreditation shall be issued to

1 the organization which shall be valid for three (3) years upon approval. In case of disapproval, a
2 notice shall be sent to the CSO concerned. The notice shall include the date of hearing to allow
3 the CSO to appeal the disapproval. The final decision shall be rendered within ten (10) days
4 after the issuance of the said notice.

5 **SEC. 7. Guidelines in Choosing the Representatives for Accredited CSOs. -**
6 Accredited CSOs shall submit the name of their representative in the budget exercise who shall
7 serve at the pleasure of the accredited organizations. Nominated representatives of accredited
8 CSOs should be bona fide members of the organizations they represent.

9 Nominated/elected representatives of accredited CSOs shall be allowed to participate
10 during budget deliberations in the national and the local levels of government and shall be
11 chosen based on their prior engagement in budget deliberation or other related experiences.

12 **SEC. 8. Cancellation of Accreditation. -** Upon verified complaint in writing charging
13 the holder of a certificate of accreditation of having procured the certificate of accreditation by
14 fraud or deceit or through error, the Secretary of the Senate, the Secretary General of the House
15 of Representatives, the Secretary of concerned NGA, and the Secretary to the Local
16 Sanggunian shall have the power to cancel the certificate of accreditation: *Provided*, That no
17 accreditation shall be cancelled without due notice and hearing by the proper authority. Inaction
18 on the verified complaint by the proper authority within fifteen (15) days shall be construed in
19 favor of the CSOs involved.

20 **SEC. 9. Rights and Entitlements. -** An accredited CSO shall enjoy the following rights
21 and entitlements:

22 a) Receive notices of the hearings and consultations and/or calls for written submissions
23 from the Senate, the House of Representatives, concerned NGAs, and the Local Sanggunian to
24 ensure their active participation in the budget deliberations.

25 b) Participate through its duly authorized representative in any regular and consultative
26 public meetings, hearings, conferences, dialogues or debates relating to the government's
27 annual budget, whether sponsored by either House of Congress, national agencies, or other
28 LGUs.

29 Accredited organizations must inform the secretariat of the Committee on Appropriations
30 of the House of Representatives or the Finance Committee of the Senate of their intent to
31 participate in the budget hearings of a specific agency.

32 c) Submit its own alternative or proposed budget and alternative sources of financing of
33 the department or agency with which the sector or organization it represents is concerned;

34 d) Gain access to copies of the bills or budget proposals filed in both Houses or LGUs
35 concerned and all information and submissions relative thereto;

36 e) Present position papers or written proposals on projects and programs of the
37 government entities whose budgets are under deliberation;

1 f) Gain access to and make copies of the data coming from both Houses and concerned
2 NGAs and LGUs; and

3 g) Serve as resource persons during budget oversight.
4

5 Nothing in this Act shall be construed to deprive CSOs of their rights, privileges, and
6 incentives as provided by law.

7 **SEC. 10. Suspension of Entitlements of CSOs.** – CSOs whose accreditation have been
8 suspended shall not be allowed to engage or participate in the national and local annual budget
9 deliberations in any manner, whether directly or indirectly.

10 **SEC. 11. Non-Accredited CSOs.** – CSOs that are unable to get accreditation may still
11 participate in the process by submitting position papers for the consideration of Congress,
12 NGAs, and the Local Sanggunian, and by attending and observing public consultations. They
13 may also be invited to expound on their proposals.

14 **SEC. 12. Public and Timely Disclosure of Budget Proposals.** – In order for citizens to
15 participate in an informed manner, Congress, concerned NGAs, and LGUs shall post on the
16 web, and/or other public posting areas, or otherwise make available proposed budget
17 documents as well as actual expenditures made in the past year. The Department of Budget
18 Management (DBM) and LGUs shall post all the developments in the budget process following
19 the budget calendar. In time with the budget calendar, the DBM shall immediately post the
20 Budget Call, Budget Message, National Expenditure Program, Budget of Expenditures and
21 Sources of Financing, Details of Programs and Projects, and Staffing Summary on the annual
22 budget of the national government in the first week of September of each year. Concerned
23 government agencies shall be required to post their budget presentations to Congress a week
24 before the start of the budget hearings at the Committee on Appropriations.

25 **SEC. 13. Enhancing Budget Planning Mechanism for the LGUs.** – For the purpose of
26 institutionalizing a mechanism that will allow LGUs and CSOs to collaborate with line
27 agencies to determine key programs and projects necessary for the growth and development of
28 their area of jurisdiction, the following Teams shall convene one (1) year after the effectivity
29 of this Act:

30 **A. A Local Poverty Reduction Action Team** which shall be composed of the following
31 as members:

- 32 a) City/ Municipal Mayor as ex-officio chairperson;
33 b) A CSO representative as co-chairperson;
34 c) The Sangguniang Panglunsod/Bayan member who is the chairperson of the
35 Committee on Appropriations, as ex-officio member ;
36 d) All department heads of LGUs such as the planning officer, budget officer,
37 agriculture officer, social welfare and development officer and health officer,
38 as members;

- e) Representatives of national government agencies such as DSWD's City/Municipal Social Welfare Development Officer, DOLE's Public Employment Service Officer (PESO) manager, DILG's City/ Municipal Local Government Operations Officer, School District Supervisor, and DAR's Agrarian Reform Officer as members;
- f) A Community leader , who is a resident of the city or municipality and a member of any of the following CSOs : DOH's organized community health teams; parent-teacher association (PTA); CSOs accredited by any national government agency; women's groups; basic sector organizations; other community or grassroots organizations; and
- g) Representative from the business sector

All representatives referred to in Section 13 (f) and (g) shall come from duly accredited CSOs. The accreditation requirements and processes shall be provided for in the Implementing Rules and Regulations (IRR).

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. The sectors will undergo the same accreditation process as the CSOs for the inclusion in the LPRAT. The co-chairperson shall be elected from and by the members enumerated under Section 13 (f) and (g).

The LPRAT shall be composed of an equal number of representatives from both government and non-government organizations.

The LPRAT shall exercise the following powers and functions:

- a) Identify priority poverty reduction projects through a consensus among its members. In the absence of a consensus, the decision shall be made through a majority vote;
- b) Develop and formulate the LPRAP based on the identified priority poverty reduction projects from a list issued by the DBM and following the process and guidelines to be provided in the IRR ;
- 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.

B. A Regional Poverty Reduction Action Team which shall be composed of the following as members:

- a) Department of the Interior and Local Government (DILG) Regional Director as chairperson;
- b) DBM Regional Director as co-chairperson ;

1 c) Regional Directors of the following department and agencies as members:

2 Agriculture,

3 Agrarian Reform, Environment and Natural Resources, Health, Education, Labor and
4 Employment, Social Welfare and Development, Trade and Industry, Tourism, National
5 Economic and Development Authority, and Technical Education and Skills
6 Development Authority;

7 d) A representative from the Department of Energy and the National Electrification
8 Administration as members; and

9 e) Representatives of Provincial CSOs as members.

10 The RPRAT shall exercise the following powers and functions:

11 a) Convene and conduct civil society general assemblies which shall include an
12 orientation to all stakeholders regarding the rationale behind and the processes involved in
13 participatory budgeting, and the role of CSOs in Local Development Councils and local special
14 bodies;

15 b) Provide support and facilitate the selection of CSO representatives to the LPRAT. The
16 RPRAT should ensure that the process of selection remains an independent action of the CSO.
17 It is prohibited from influencing and interfering, in any way, in the selection of the CSO
18 representatives;

19 c) Provide technical assistance to the LPRAT as the latter develops and formulates their
20 LPRAPs;

21 d) Transmit and endorse the validated LPRAPs to the concerned national agencies for
22 review and inclusion in their respective budgets.

23 **SEC. 14. Monitoring and Evaluation System.** – The offices of the Senate Secretary,
24 House Secretary General, concerned Department Secretary, and the Secretary to the Local
25 Sanggunian shall be tasked with the establishment of an effective monitoring and evaluation
26 system for civil society accreditation and participation mechanisms.

27 An assessment tool mechanism for civil society participation shall be constituted and
28 afforded for the adequate, timely, and relevant feedback mechanism on the progress and status
29 of budget implementation.

30 **SEC. 15. Penalties .** - Any person who shall willfully restrain or prevent a
31 representative of a CSO from exercising rights granted under this Act, or violate any of the
32 provisions hereof, shall suffer a penalty of suspension of one (1) month to three (3) months, or
33 a fine of not less than Thirty Thousand Pesos (P30,000.00) but not more than Fifty Thousand
34 Pesos (P50, 000.00), or both at the discretion of the court.

35 **SEC. 16. Implementing Rules and Regulations.** – The DBM, in consultation with the
36 Senate, the House of Representatives, the DILG, CSOs, and other concerned agencies, shall
37 issue the Implementing Rules and Regulations (IRR) within ninety (90) days after the approval
38 of this Act.

1 SEC. 17. **Separability Clause.** – If any provision of this Act is declared unconstitutional,
2 the same shall not affect the validity and effectivity of the other provisions hereof.

3 SEC. 18. **Repealing Clause.** – All laws, decrees, orders and issuances or portion thereof,
4 which are inconsistent with the provisions of this Act are hereby repealed or modified
5 accordingly.

6 SEC. 19. **Effectivity.** – This Act shall take effect fifteen (15) days after its publication in
7 the Official Gazette or in any national newspaper of general circulation.

8 Approved,