

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

SIXTEENTH CONGRESS
First Regular Session

House Bill No. **3905**



Introduced by REP. MARIA LEONOR GERONA-ROBREDO

EXPLANATORY NOTE

One of the challenges our National Government has faced over the years is bringing inclusive growth to and eradicating poverty in each locality in the country.

Part of the problem stems from the budgetary process. Government has been repeatedly criticized for its approaches in determining key projects and programs for localities. Often, national funding for basic infrastructure projects such as hospitals, schools, and key roads or bridges connecting agricultural areas to business districts are not granted because of reasons such as politics, corruption, or plain terrible planning and coordination by both national and local agencies.

A number of systems and programs are being implemented to address this predicament. One such solution is to create a mechanism that will allow local government units and civil society to collaborate with line agencies to determine key programs and projects for their respective municipalities and cities.

This bill seeks to materialize this remedy. The bill will create an enhanced Local Development Council (LDC) through the inclusion of a vice chairperson and at least five (5) representatives, all from accredited Civil Society Organizations (CSO). The bill also provides for the creation of a Local Poverty Reduction Action Team (LPRAT), a group that will identify programs and projects necessary for the growth and development of their area of jurisdiction. They will, at the same time, ensure that the chosen projects and programs are in line with the National Government's goals and agenda for development.

Aside from the LPRAT, the bill also proposes to establish a Regional Poverty Reduction Action Team (RPRAT), whose mandate is to evaluate the projects and programs determined by the LPRAT and transmit the necessary projects and programs to the line agencies for inclusion in the national budget.

The LPRAT and RPRAT will be composed of local officials and more importantly members of organized and accredited civil society groups.

This is not the first time that a bottom-up approach to the budget process was considered. During the 15th Congress, Rep. Erin Tañanda filed House Bill No. 219, a related measure titled People's Participation in Budget Deliberation Act of 2010. At present, Senator Teofisto Guingona III and Representatives Cresente C. Paez and Anthony Bravo filed their own versions of the bill titled the Bottom-Up Budgeting Act of 2013 and People's Participation Deliberation Act of 2013, respectively.

Similarly, the Department of Budget and Management (DBM), Department of the Interior and Local Government (DILG), Department of Social Welfare and Development (DSWD), and National Anti-Poverty Commission (NAPC) have issued Joint Memorandum Circular No. 4 providing for policy guidelines and procedures in the implementation of the grassroots budgeting process for Fiscal Year 2015.

These measures emphasized the involvement of civil society in crafting the national budget.

In our efforts in achieving a progressive society, we should never discount one of its most essential elements: people participation.

Naga, a chartered city in Camarines Sur renowned for its mechanism in participative governance, has proven the significance of government and private-sector partnerships. Naga has adopted an *Empowerment Ordinance* that created a people's council composed of accredited CSOs within the City. Members of the people's council are enabled to participate in all of the City's activities be it in the budget process, policy making, or the determination and implementation of projects and programs.

This made Naga a first-class city despite its disadvantageous position in terms of sea-borne trade and vulnerability to natural calamities.

This is the strategy I seek to introduce to our National Government and LGUs. This has been a proven mechanism and I strongly believe our nation will greatly benefit from this participative style of governance.

It is on this note that I seek the immediate passage of this bill.


MARIA LEONOR GERONA-ROBREDO

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**AN ACT INSTITUTIONALIZING CITIZENS PARTICIPATION IN THE
BUDGET PROCESS AND FOR OTHER PURPOSES**

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

Section 1. Short Title. This Act shall be known as the “Participatory Budget
Process Act of 2014.”

Section 2. Declaration of Policy. It is a declared principle of the state, as enshrined in the Constitution, to encourage non-governmental, community-based, or sectoral organizations that promote the welfare of the nation. The Constitution further provides that the State shall respect the role of independent people’s organizations to enable the people to pursue and protect their legitimate and collective interests and aspirations through peaceful and lawful means. The state also recognizes the right of the people and their organizations to effective and reasonable participation at all levels of social, political, and economic decision-making aspects of governance. The State is thereby mandated to facilitate the establishment of adequate consultation mechanisms through legislation.

For this purpose, the State 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).

Section 3. Institutionalization of the Participatory Budget Process. The active participation of Civil Society Organizations (CSOs) in the identification and planning of programs and projects that will be funded by the GAA shall be

guaranteed by the State through the institutionalization of the Participatory Budget Process. CSO participation shall be made a component in the planning, identification, and monitoring of projects and programs that shall be funded by the annual National Budget. The CSO shall work in collaboration with the government for this purpose.

Section 4. Definition of Terms.

- a. **Civil Society Assembly** refers to an inclusive meeting of all CSOs, POs, and community/grassroots organizations, facilitated by the Regional Poverty Reduction Action Team, 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 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.
- b. **Civil Society Organizations (CSOs)** refers to non-government organizations (NGOs), People's Organizations (POs), basic sector organizations, cooperatives, trade unions, professional associations, faith-based organizations, media groups, indigenous peoples movements, foundations, and other citizen's groups which are non-profit and are formed primarily for social and economic development to plan and monitor government programs and projects, engage in policy discussions, and actively participate in collaborative activities with the government.
- c. **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 Civil Society Organizations and other stakeholders, and which will directly address the needs of the poor constituencies and the marginalized sectors in the city or municipality.
- d. **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 LPRAP.
- e. **People's organization (PO)** refers to a self-help group belonging to the basic sectors and/or disadvantaged groups composed of members having a common bond of interest who voluntarily join together to achieve a lawful common social or economic end;
- f. **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.

Section 5. Local Poverty Reduction Action Team. All LGUs are mandated to create a LPRAT within one (1) year after the effectivity of this Act. The LPRAT shall be composed of the following:

- a. City/municipal mayor as chairperson;
- b. A CSO representative as co-chairperson;
- c. Sangguniang panglungsod/bayan member, who is the chairperson of the Committee on Appropriations, as member;
- d. All local government department heads such as the planning office, budget officer, agriculture officer, social welfare and development officer, and health officer, as members;
- e. Representatives of national government agencies such as the Department of Social Welfare and Development (DSWD) City/Municipal Social Welfare Development Officer, PESO manager, Department of Interior and Local Government (DILG) City/Municipal Local Government Operations Officer, School District Supervisor, and Agrarian Reform Officer as members; and
- f. Representatives, who are residents of the city or municipality, from the following CSOs as members:
 - i. A leader from Department of Health (DOH) organized community health teams;
 - ii. A leader of parent-teacher associations (PTA);
 - iii. A leader of CSOs accredited or recognized by any national government agency;
 - iv. A leader of women's groups;
 - v. A leader of basic sector organizations;
 - vi. A leader of other community or grassroots organizations; and
 - vii. A representative from the business sector
- g. A representative from a local business group or association.

All representatives being referred to in Section 5(f) above must come from duly accredited CSOs. The accreditation requirements and processes shall be provide for in the Implementing Rules and Regulations.

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 be made to undergo the same accreditation process as the CSOs for inclusion in the LPRAT.

The co-chairperson from CSOs shall be elected from and by the members enumerated in Section 5(f).

The LPRAT shall always be composed of an equal number of government and non-government representatives.

Section 6. Powers and Functions of the Local Poverty Reduction Action Team. The LPRAT shall have 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 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, following the process and guidelines to be provided by in the Implementing Rules and Regulations, ensuring that the projects are in line with the declared national government priorities and are not one of those excluded;
- 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;
- e. Participate in the budget proceedings of the Enhanced Local Development Council's activities.

Section 7. Enhanced City/Municipal Development Council.

For budget-related purposes, the membership of the City/Municipal Development Council shall be expanded with the inclusion, in addition to those provided for in Section 107(b) of the Local Government Code, of the following as members:

- a. A CSO representative as Vice Chairperson
- b. At least five CSO representatives elected by CSOs during the CSO assembly as Members
- c. A representative from a local business group or association.

The other members of the LPRAT, such as the local government department heads and representatives of national government agencies, shall be invited to sit as observers and resource persons during the proceedings.

Section 8. Powers and Functions of the Enhanced City/Municipal Development Council

In addition to the functions provided in the Local Government Code, the Enhanced City/Municipal Development Council shall:

- a. Review and validate the LPRAP prepared by the LPRAT.
- b. Upon determination that the LPRAP is sound, based on guidelines to be provided, the ELDC shall prepare the letter of transmission to the RPRAT.

Section 9. Regional Poverty Reduction Action Team (RPRAT) - A Regional Poverty Reduction Action Team shall be established one (1) year after the effectivity of this Act. The RPRAT shall be composed of the following:

- a. Regional Director of the Department of Interior and Local Government as chairperson;
- b. Regional Director of the Department of Budget and Management as co-chairperson;
- c. Regional Director of the Department of Agriculture as member;
- d. Regional Director of the Department of Agrarian Reform as member;
- e. Regional Director of the Department of Environment and Natural Resources as member;
- f. Regional Director of the Department of Health as member;
- g. Regional Director of the Department of Education as member;
- h. Regional Director of the Department of Labor and Employment as member;
- i. Regional Director of the Department of Social Welfare and Development as member;
- j. Regional Director of the Department of Trade and Industry as member;
- k. Regional Director of the Department of Tourism as member;
- l. Regional Director of the National Economic and Development Authority as member;
- m. Regional Director of the Technical Education and Skills Development Authority as member;
- n. Representative from the Department of Energy as member;
- o. Representative from the National Electrification Administration as member; and
- p. Provincial CSO representative as member.

Section 10. Powers and Functions of the Regional Poverty Reduction Action Team. The RPRAT shall have the following powers and functions:

- a. Convene and conduct civil society general assemblies which shall include an orientation to all stakeholders regarding the rationale behind and the processes involved in participatory budgeting, and the role of CSOs in Local Development Councils and local special bodies;
- b. Provide support and facilitate the selection of CSO representatives to the LPRAT. The RPRAT should ensure that the process of selection remains the independent action of the CSO. They are prohibited from influencing and interfering, in any way, in the selection of the CSO representatives;
- c. Provide Technical Assistance to the LPRATs as the latter develops and formulates their LPRAPs;.

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

Section 11. Implementing Rules and Regulations - Implementing Rules and Regulations for this Act shall be issued ninety (90) days after its implementation

Section 12. Role of the Department of Budget and Management - The Department of Budget and Management shall issue a list of projects for the upcoming fiscal year during the first quarter of the year from which the LPRAT shall choose from.

Section 13. Separability Clause. – If, for any reason, any part or provision of this Act is declared invalid, such declaration shall not affect the other provisions of this Act.

Section 14. Repealing Clause. – All provisions of existing laws, orders, rules and regulations or parts thereof which are in conflict or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

Section 15. Effectivity. – This Act shall take effect immediately upon its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation in the Philippines.

Approved,