

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1280



Introduced by Hon. Christopher V.P. de Venecia

AN ACT INSTITUTIONALIZING THE PARTICIPATION OF CIVIL SOCIETY ORGANIZATIONS IN THE PREPARATION AND AUTHORIZATION PROCESS OF THE ANNUAL NATIONAL BUDGET, PROVIDING EFFECTIVE MECHANISMS THEREFORE, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The National budget is the lifeblood of our society, and plays a vital role in the day-to-day operations of our government. It is a reflection of the priorities and plans of the current administration, and would have a direct effect on the lives of all the Filipinos. The national budget also plays a vital role in the delivery of services of the government, and therefore, every Filipino has a vested interest in making sure that their taxes would be allocated to the right projects.

Thus, there must be a stronger participation mechanism for the Filipinos, through Civil Society Organizations (CSOs) in the preparation and authorization of the national budget. For Congress, the passage of this bill would recognize the importance of civil society in our decision making processes, and is an acknowledgement of direct participation and people's governance. For the CSOs, this bill is their opportunity and civic responsibility to participate in all levels of political and socio economic decision making.

With this collaborative mechanism, we can achieve a transparent, accountable, people's oriented budget, which would be key in the development of our country.

Therefore, immediate enactment of this bill is respectfully sought.

A handwritten signature in black ink, appearing to read 'Christopher V.P. de Venecia'.

HON. CHRISTOPHER V.P. DE VENECIA
Fourth District, Pangasinan

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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 the National Budget Act”

SEC. 2. *Declaration of Policy.* The State recognizes the valuable role of participatory governance in ensuring a whole-of-government approach in solving the ills of the country. The State further recognizes the valuable role of Civil Society Organizations (CSOs) in their selfless contributions to help improve the country and the whole of society.

It is, thus, declared the policy of the State to provide an adequate consultation and feedback mechanism to allow the effective participation of CSOs in the preparation and authorization of the annual national budget, in order to ensure that the annual appropriations will reflect the true, immediate needs of its beneficiaries, the Filipino people.

SEC. 3. *Definition of Terms.* For purposes of this Act, the following terms are defined as follows:

- a) “Accreditation” - refers to the registration process of CSOs with the National Government Agencies (NGAs) and Government Owned and Controlled Corporations (GOCCs), as the case may be, in order to allow them to participate in the preparation and authorization of the annual national budget.
- b) “Accredited CSO” - refers to CSOs who have successfully fulfilled the requirements of the accreditation process provided in Section 5 of this Act.

- c) “Budget Call” - refers to the budget document issued by the Department of Budget and Management (DBM) and sent to all NGAs and GOCCs which contain the policy guidelines and procedures in the preparation of the annual budget, including the budget preparation calendar for any given year. The issuance of a budget call is the beginning of the budget preparation phase.
- d) “Civil Society Organizations (CSOs)” - shall include non-government organizations (NGOs), cause-oriented groups, people’s organizations, cooperatives, trade unions, professional associations, faith-based organizations, media groups, indigenous peoples movements, foundations, and other citizen groups legally formed primarily for social and economic development, which monitor government projects, engage in policy discussions, and actively participate in collaborative activities with the Government.
- e) “Conflict of Interest” - refers to a situation which occurs when a CSO or any of its key officers are involved in multiple interests which would prevent an impartial or unbiased attitude towards their participation in the national budget process.
- f) “Constructive Engagement” - refers to a partnership between the Government and counterpart CSOs marked by sustained dialogue towards problem solving while respecting and retaining the focus on assertion for reforms.
- g) “Government-Owned or Controlled Corporation (GOCC)” - refers to any agency organized as a stock or non-stock corporation, vested with function relating to public needs whether governmental or proprietary in nature, and owned by the Government of the Republic of the Philippines directly or through its instrumentalities, either wholly, or where applicable as in the case of stock corporations, to the extent of at least a majority of its outstanding capital stock.
- h) “National Government Agency (NGA)” - refers to a unit of the National Government, including the Judiciary, both Houses of Congress, and the Constitutional Commissions and Offices.
- i) “Participatory Mechanism” - refers to the means by which CSOs may participate meaningfully and effectively in the government process of formulating and authorizing an annual national budget that is responsive to the needs of the different sectors in our society.

SEC. 4. Coverage. This Act shall apply to all NGAs and GOCCs whose budget is included in the Annual General Appropriations Act.

SEC. 5. Accreditation. In order to participate in the budget preparations, CSOs must be accredited before the NGA or GOCC concerned.

The application for accreditation for the Senate, the House of Representatives, the Judiciary, and the Constitutional Commissions and Offices shall be filed at the Office of the Secretary, the Secretary-General, the Supreme Court Clerk of Court, and the Office of the Chairman, respectively.

The application for accreditation for other NGAs and GOCCs may be filed at their respective regional or central offices. The application form shall be prescribed by each office, and shall be accompanied by the following documents:

- a) Letter of Intent
- b) Articles of Incorporation and By-laws of the CSO;
- c) Certificate of Registration and/or other such similar documents, issued by the appropriate NGA tasked to register CSOs, such as, but not limited to, the Securities and Exchange Commission, Bureau of Labor Relations, Insurance Commission, and the Cooperative Development Authority;
- d) List of officers, directors, trustees, and members;
- e) Duly audited financial statements for the past three (3) years showing the assets and liabilities of the organization;
- f) Full disclosure of the sources of funds, as well as full disclosure of service contracts with other NGAs, CSOs, private corporations, and other engagements which may result in a conflict of interest.

Upon approval of the application, the head of the concerned NGA or GOCC shall issue the certificate of accreditation. Said certificate shall be valid for three (3) years from the date of issuance. *Provided*, the certificate of accreditation issued by the Senate and the House of Representatives, shall only be valid for the entire term of Congress under which such certificate was issued.

No application shall be disapproved, except upon due notice and hearing. The decision of the head of the concerned NGA or GOCC shall be rendered within thirty (30) calendar days from the time of receipt of the application. Failure to act on the application shall be deemed an automatic approval of the application for accreditation of the concerned CSO and the issuance of a certificate of accreditation shall necessarily ensue.

SEC. 6. CSO Participation. In the interest of transparency, CSO participation shall be a component in the preparation and authorization of the annual national budget. All NGAs and GOCCs shall be required to formulate and adopt guidelines in outlining the mechanism for the

accreditation and active participation of the COS in the preparation and authorization of the annual national budget. The DBM shall ensure that the NGA or GOCC has complied with the abovementioned requirement.

Accredited CSOs, through their duly authorized representatives, shall be allowed to participate as resource persons in the budget hearings to be conducted by the appropriate Committees of each House of Congress, pursuant to the guidelines that shall be issued by both Houses of Congress. Notwithstanding their participation in the budget hearings to be conducted by the appropriate Committees of each House of Congress as provided in the preceding paragraph, the Committee on Appropriations of the House of Representatives and the Committee on Finance of the Senate shall schedule at least one hearing day for the presentation of the positions of accredited CSOs on the budget.

SEC. 7. *Privileges and Incentives.* An accredited CSO shall enjoy the following privileges and incentives:

- a) To have similar participation rights accorded to NGOs in the Local Development Councils pursuant to the provisions of Republic Act No. 7160, otherwise known as the “Local Government Code of 1991” in setting the direction of economic, social, and other coordinating efforts in the national level;
- b) To receive notices and participate as a resource person, through its duly authorized representatives, in any regular and consultative public meetings, hearings, conferences, and dialogues on matters related to the preparation and authorization of the annual national budget;
- c) To have access to copies of the budget proposals submitted by the NGAs or by the GOCCs to the DBM;
- d) To provide position papers, or its alternative or proposed budget, to the DBM on the budget proposal of the NGAs or of the GOCCs, submitted pursuant to the budget call;
- e) To have access to issuances such as, but not limited to policy orders, circulars, and memoranda that are related to the budget;
- f) To have access to the documents prepared by the DBM submitted to Congress by the President as a basis for the General Appropriations Bill, as required under Sec. 22, Article VII of the Constitution;

- g) To present written proposals on projects and activities of the government entities whose budget is under deliberation; and
- h) To have immediate access to stenographic notes, minutes, and committee reports released by both Houses, including the bicameral conference committee report.

SEC. 8. *Bicameral Conference Committee Deliberations.* - The bicameral conference committee meetings and all other meetings related or associated to the budget deliberations shall be recorded, or live streamed, and be made accessible to the public to promote transparency, and to allow members of both Houses to easily determine how conflicting provisions in the proposed national budget were reconciled or resolved prior to the submission thereof for ratification by Houses of Congress.

SEC. 9. *Notice to CSOs.* - Notice to CSOs may be sent through their declared email, or through facsimile machine, postal mail, and by posting physically at the office of the NGA or GOCC concerned or at their official website. *Provided*, in the case of public consultative meetings, hearings, conferences, and dialogues notice shall be given at least fifteen (15) calendar days prior to said meeting, except in emergency cases where strict compliance would cause undue delay to the holding of the meeting.

Any of the said modes of sending notices shall be deemed compliance to the requirements under Section 7(a) of this Act.

SEC. 10. *Conflict of Interest.* - It is the responsibility of the CSO to inform the NGA or GOCC of any potential conflict of interest in their work with the concerned agency, if and when such a situation arises. However, if the NGA or GOCC deems that the CSO has a conflict of interest with the work of such NGA or GOCC, the latter shall give the applicant-CSO an opportunity to explain and prove that such alleged conflict of interest does not exist.

SEC. 11. *Cancellation of Accreditation.* - Upon receipt of a verified complaint in writing, which charges the holder of a certificate of accreditation of having procured their certificate of accreditation by fraud or deceit, the Head of the NGA or GOCC shall notify and serve a copy of the complaint to the CSO concerned, who shall be given an opportunity to be heard. Inaction by the NGA or GOCC on the said complaint within thirty (30) working days from the receipt of such complaint shall be deemed a dismissal of the complaint against the CSO involved. Any decision shall be final and unappealable.

Any pending matter on the accreditation of a CSO shall not prevent any public consultation from being held for as long as the requirement for CSO participation in the budget consultations is met.

SEC. 12. *Non-Accredited CSOs.* - Non-accredited CSOs may still participate in the budget process by submitting position papers for the consideration of the NGA or GOCC, and by attending and observing public consultations. They may, nevertheless, be invited to expound on their critique or proposals when the NGA or GOCC deems it fit. Nothing in this Act shall be construed to deprive non-accredited CSOs the rights, privileges, and incentives accorded to them by the Constitution, existing laws, and issuances.

SEC. 13. *Public and Timely Disclosure of Budget Documents and Related Data.* - In order for CSOs to participate in an informed manner, the NGA or GOCC shall make public either on their official websites, or other public posting areas, budget documents to which CSOs shall have access, as provided for under Section 7 of this Act.

SEC. 14. *Separability Clause.* - If any provision of this Act shall be declared invalid or unconstitutional, the remaining part or provisions not otherwise affected shall remain in force.

SEC. 15. *Repealing Clause.* - Any law, decree, ordinance, administrative circular, or other issuance not consistent with any provision of this Act is hereby amended, repealed, or modified accordingly.

SEC. 16. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,