



HOUSE OF REPRESENTATIVES

House Bill No. 1215

INTRODUCED BY **HON. CYNTHIA A. VILLAR**

EXPLANATORY NOTE

This bill seeks to implement the State policy enunciated in Section 23, Article II of the Constitution to wit:

SECTION 23. The State shall encourage non-governmental, community-based or sectoral organizations that promote the welfare of the nation.

This bill defines non-governmental organizations (NGOs) and establishes mechanisms by which the Philippine government may assist NGOs to expand their operations to cover more areas in the country. As it is, the NGO is distinct from the people's organizations (POs) covered in Section 15, Article XIII of the Constitution. The constitutional proceedings characterized NGOs as independent private organizations involved in promoting the welfare of the majority of the population. Such organization have been in existence in the Philippines for several decades, devoting their energies to noble purposes, such as community or sectoral development, environmental conservation, humanitarian work and human rights promotions.

Government attempts at forming people's organization have generally been ineffective. It is recognized that the initiative to organize must come from the people themselves. NGOs have been far more successful in this endeavor.

NGO activities are therefore all important factors in accelerating rural development by the people themselves. The government should tap NGOs to reach more people in the rural areas. It should provide assistance to NGOs so that they may supplement and complement the role of the government in the development of the countryside.

This bill provides the mechanisms for the government units to provide such assistance to NGOs.

Early passage of this bill is recommended.


CYNTHIA A. VILLAR



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INTRODUCED BY **HON. CYNTHIA A. VILLAR**

**AN ACT TO ENCOURAGE THE PARTICIPATION OF PEOPLE'S AND NON-
GOVERNMENTAL ORGANIZATIONS (NGOs) AND STRENGTHEN THEIR
ROLE IN NATIONAL DEVELOPMENT 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 "PO-NGO
Empowerment Act of 2004"

SEC. 2. *Declaration of Policy.* The State recognizes the indispensable
role of people's organizations and non-governmental organizations in
carrying out activities that promote the welfare of the majority of the
population, particularly the disadvantaged sectors and hereby adopt a
policy of encouragement and support for people's and non-governmental
organizations as hereinafter defined. To this end, the Government shall
take measures to provide people's organizations and non-governmental
organizations the opportunities to participate in and assist in government
programs for national development.

SEC. 3. *Scope and Coverage.* All POs or NGOs organized for legitimate
purposes and operating within the democratic framework shall be allowed to
participate in government programs and be eligible for assistance from the
government.

SECTION 4. *Definition of terms.* As used in this Act, the following terms shall be construed as follows:

- a) People's Organizations, hereinafter referred to as POs, are *bonafide* associations of citizens with demonstrated capacity to promote the public interest and with identifiable leadership, membership and structure.
- b) "Non-governmental Organizations", hereinafter referred to as NGOs, also known as Private Voluntary Organizations, or Voluntary Agencies, are private, non-profit or non-stock organizations or corporations, registered with the Securities and Exchange Commission (SEC), and engaged in medium or long-term activities, however financed or organized, such as but not limited to: community organizing, community education, sectoral development, humanitarian or charity work, disaster relief, family planning, physical and social rehabilitation, and social amelioration.
- c) "Umbrella Non-governmental Organization" refers to an NGO registered with the SEC which maintains a membership consisting of POs or NGOs, whether or not registered with SEC, for the purpose of promoting, financing, coordinating or consolidating PO/NGO activities and projects as enumerated in the immediately preceding paragraph.
- d) "Implementing Agency" refers to any government subdivision, agency or instrumentality, whether national or local, including government-owned or controlled corporations, which assists, facilitates and supports POs' and NGOs' activities and project or deliver goods and services to the public with the assistance of or in cooperation with POs and NGOs, for which purpose, funds have

been accordingly appropriated or are available therefor from the Official Development Assistance (ODA) or any other source.

- e) "Participation" refers to any activity, service, project or program component of any of the implementing agencies under which any legitimate PO/NGO may be eligible for assistance and thereafter be allowed to enter into a contract or memorandum of agreement with the concerned implementing agency.

SECTION 5. *Assistance and Support to POs/NGOs.* A PO or NGO has duly applied for assistance with the concerned implementing agency shall be eligible for financial and other assistance to carry out projects and activities which the implementing agency deems proper for the execution and implementation by a PO or NGO: *Provided*, That such implementing agency shall utilize its own programs. The assistance may consist of:

- a) Project Grants;
- b) Matching Grants;
- c) Concessional Loans;
- d) Technical, Training and Organizational Development Support; and
- e) Such other assistance or support as may be mutually determined to be appropriate and proper by the Secretary or Head of the Department, Commission or Agency, and by the representatives of POs/NGOs accredited by the implementing agency.

The arrangements for assistance to POs/NGOs shall be made in writing either in contract form or through a memorandum of agreement stating therein the terms and conditions for the grant of financial support by the implementing agency. The following stipulations shall be included in such contract form or memorandum of agreement:

- 1) Duration of the agreement or contract;
- 2) Amount involved for the project;
- 3) Terms and conditions of disbursement;
- 4) Reports to be submitted periodically by the POs/NGOs
- 5) Verification of reports and provision for performance inspection;
and
- 6) Audit of funds released to the POs/NGOs

SECTION 6. *Application and Eligibility for Assistance.* A PO or NGO seeking to avail of government support or assistance as provided in Section 5 hereof shall submit a project proposal to the implementing agency concerned. The implementing agency concerned shall determine the requirements and conditions to be complied with by the applicant PO/NGO for the availment of assistance, with due regard for the expeditious and efficient processing of the application by the NGO.

A PO or NGO may apply for government assistance through the sponsorship of an umbrella NGO in which the applicant NGO is a member. In such event, the umbrella NGO shall be made a party signatory to the contract to be entered into between the concerned implementing agency and the applicant PO/NGO, for and in behalf of the latter mentioned applicant PO/NGO.

Any application of a PO/NGO for government assistance and support shall be free from all fees and charges, such as but not limited to, filing fees, processing fees, and service fees.

The implementing agency shall be guided by the following criteria in evaluating any applications for government assistance filed by a PO or NGO:

- a) Record of performance or accomplishments of the PO or NGO;

- b) Suitability of the organizational structure and competence of the volunteer or manpower complement of the PO or NGO to perform the service activity or project being contracted: and
- c) When appropriate, financial management capability of the PO or NGO.

SECTION 7. *Implementing Agencies Rules and Regulations.*

Government assistance and support to POs/NGOs shall be primarily carried out by implementing agencies as defined in Section 4 (d) of this Act.

Within six (6) months after the enactment of this Act, the necessary core rules and regulations to effectively carry out the purposes of this Act, including guidelines on the manner of auditing funds disbursed to POs/NGOs shall be promulgated jointly by the Secretary of Finance and the Secretary of Budget and Management to be supplemented by the operational regulations which will be issued thereafter by the head of the implementing agency extending assistance to qualified POs/NGOs: *Provided, That* such auditing guidelines shall, in accordance with existing audit rules, provided for the safeguarding, monitoring and reporting of released funds and promote procedures which will not unduly hamper the ability, efficiency, flexibility and independence of POs/NGOs to implement or execute government-financed projects and activities: *Provided, further,* that the implementing agencies shall assist POs/NGOs in keeping and maintaining their books of account and financial records consistent with existing government auditing rules: *Provided, finally,* That representatives of concerned committees in the House and the Senate, as well as at least five representatives each of POs/NGOs selected by the Department of Finance, Department of Budget and Management, Commission on Audit and the Office of the President shall be involved in drafting the said rules and regulations.

All concerned implementing agencies shall inform the public on the availability of government assistance including information on the availability of ODA funds and other foreign sources using all possible forms of mass communication. It shall be the responsibility of the implementing agencies to publish and disseminate the rules and regulations therefor. Furthermore, such implementing agencies shall maintain facilities and services for POs/NGOs at their regional offices and provincial offices, if any, to make it more convenient for Pos/NGOs to avail of government assistance as provided in this Act.

SECTION 8. *Separability Clause.* If, for any reason, any section or provision of this Act shall be declared to be unconstitutional or invalid, the other sections or provisions not affected thereby shall remain in full force and effect..

SECTION 9. *Repealing Clause.* All laws, decrees, orders, letters of instructions, letters of implementation, rules and regulations or part or parts thereof inconsistent with the provisions or any provisions of this Act, are hereby amended, modified, repealed or superseded insofar as they are inconsistent with the provisions of any of this Act.

SECTION 10. *Effectivity.* This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved.