

Republic of the Philippines

House of Representatives
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 283



**Introduced by Honorable Cresente C. Paez and Honorable
Anthony M. Bravo**

EXPLANATORY NOTE

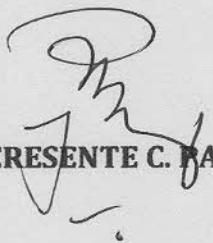
With the perspective of a fully transparent, accountable and participatory budget process, this proposed bill revolutionizes what seems to be a discreet and exclusive function of the legislative department. The battle cry of democracy will be best exemplified when civil society organization (CSOs) will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

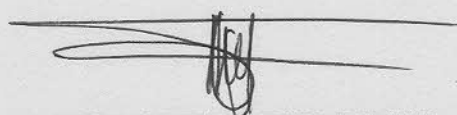
As enshrined in Article XIII of the 1987 Constitution, The State respects their right to pursue and protect "within the democratic framework, their collective interests and aspirations through peaceful and lawful means. Among the rights and entitlements of the CSOs are to receive notices and participate 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. CRESENTE C. PAEZ


HON. ANTHONY M. BRAVO

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**Introduced by Honorable Cresente C. Paez and Honorable
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**AN ACT INSTITUTIONALIZING THE PARTICIPATION OF BONA FIDE CIVIL
SOCIETY ORGANIZATION (CSOs) BUDGET HEARINGS AND DELIBERATIONS IN
CONGRESS, IN NATIONAL GOVERNMENT AGENCIES (NGAs), AND LOCAL
GOVERNMENT UNITS (LGUs)**

*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 Deliberation Act of 2013.”

SECTION 2. **Declaration of Policy** – It is hereby declared the policy of the State to
recognize the role of independent civil society organization (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 an instrument of development and reflective of national and local
objectives, strategies, and plans.

SECTION 3. **Definition of Terms** – For purposes of this Act:

- a.) **Accreditation** refers to the process by which the Senate or the House of
Representatives, NGAs, and Local Sanggunians shall recognize, register, and allow
the CSOs to participate in the budget deliberation. The accreditation of Pos and
NGOs shall not confer juridical personality on the organizations;
- b.) **Civil Society Organization** 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;
- c.) **Government entity** refers to any government agency or instrumentality, including

local government units (LGUs), with which the POs and NGOs have legitimate concerns;

- d.) **Non-government organization** refer 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;
- e.) **Participation mechanism** refers to the means by which POs and NGOs 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; and
- f.) **People's organization** 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.

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

Both Houses of Congress shall, through the Senate President and the Speaker, allow the active participation of accredited POs and NGOs in the deliberation of the annual national budget by inviting their duly authorized representatives as resource persons, subject to such internal rules and regulations as the Senate and the House of Representatives or its concerned committee may provide.

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

The Local Chief Executives (LCEs) and/or the Local Finance Committees shall hold consultations on the proposed budgets of the LGUs with their constituents prior to submission to the Local Sanggunian.

The Local Sanggunians shall also allow the active participation of the POs and NGOs during their annual budget deliberations. The CSOs are allowed to participate in the Local Development Councils' formulation of the Annual Investment Plan (AIP); Provided that such participation is subject to the limitations provided by law, ordinances, rules, and regulations.

SECTION 5. Application for Accreditation – Within thirty (30) days upon the ratification of this Act, and on future periods where a newly elected Congress and Local Sanggunians are established, the respective Secretaries of the legislative bodies shall send notices to CSOs,

informing them that they may apply for accreditation to enable them to participate in the annual budget deliberations.

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

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

SECTION 6. Action on Accreditation – All applications for accreditation shall be acted within a period of ten (10) working days. Upon approval of the application by the Secretary of the Senate, the Secretary General of the House of Representatives, the Secretary of Concerned NGA, or the Local Sanggunian, a certificate of accreditation shall be issued to the organization which shall be valid for three (3) years upon approval. In case of disapproval, a notice shall be sent to the CSO concerned. The notice shall include the date of hearing to allow the CSO to appeal the disapproval. The final decision shall be rendered within ten (10) days after the issuance of the said notice.

SECTION 7. Guidelines for Choosing the Representatives for Accredited POs and NGOs – Accredited POs and NGOs shall submit the name of their representative in the budget exercise who shall serve at the pleasure of the accredited organizations. Nominated representatives of accredited CSOs should be bona fide members of the organizations they represent.

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

SECTION 8. Cancellation of Accreditation – Upon verified complaint in writing charging the holder of a certificate of accreditation of having procured their certificate of accreditation by fraud or deceit or through error, the Secretary of the Senate, the Secretary General of the House of Representatives, the Secretary of concerned NGA, and the Local Sanggunian shall have the power to cancel the certificate of accreditation: Provided, That no accreditation shall be cancelled without due notice and hearing by the proper authority. Inaction on the verified complaint by the proper authority within fifteen (15) days shall be construed in favor of the POs and NGOs involved.

SECTION 9. Rights and Entitlements– An accredited CSO shall enjoy the following rights and entitlements:

- a.) Receive notices of the hearings and consultations and/or calls for written submissions from the Senate, The House of Representatives, concerned NGAs, and the Local Sanggunians to ensure their active participation in the budget deliberations.
- b.) Participate through its duly authorized representative in any regular and consultative public meetings, hearings, conferences, dialogues, debates, or deliberations relating to the government's annual budget, whether sponsored by either House of Congress, national agencies, or other LGUs.
Accredited organizations must inform the secretariat of the appropriations committee of the House of Representatives or the finance committee of the Senate of their intent to participate in the budget hearings of a specific agency.
- c.) Submit its own alternative or proposed budget and alternative sources of financing of the department or agency with which the sector or organization it represents is concerned;
- d.) Gain access to copies of the bills or budget proposals filed in both Houses or LGUs concerned and all information and submissions relative thereto;
- e.) Present position papers or written proposals on projects and programs of the government entities which budget is under deliberation;
- f.) Gain access to and make copies of the data coming from both Houses and concerned NGAs and LGUs; and
- g.) Serve as resource persons during budget oversight.

Nothing in this Act shall be construed to deprive POs and NGOs of their rights, privileges, and incentives being enjoyed by them as mandated by the Constitution, existing laws, executive orders, regulations, and other issuances.

SECTION 10. Suspension of Entitlements of POs and NGOs – POs and NGOs whose accreditation have been suspended shall not be allowed to engage or participate in the Congressional, national, and local annual budget deliberations in any manner, whether directly and indirectly.

SECTION 11. Non-Accredited POs and NGOs – POs and NGOs that are unable to get accreditation may still participate in the process by submitting position papers for Congress', NGAs', and Local Sanggunians' consideration, and by attending and observing public consultations. They may be invited to expound on their critique or proposals when the institutions deem it fit.

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

SECTION 13. Monitoring and Evaluation System – The offices of the Senate Secretary, House Secretary General, concerned Department Secretary, and the Secretary to the Local Sanggunian shall be tasked with the establishment of an effective monitoring and evaluation system for civil society accreditation and participation mechanisms.

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

SECTION 14. Penal Provision – Any person who shall willfully restrain or prevent a representative of a CSO from exercising rights granted under this Act, or violate any of the provisions hereof, shall suffer a penalty of suspension of one (1) month to three (3) months , or a fine of not less than Thirty Thousand Pesos (P 30,000) but not more than Fifty Thousand Pesos (P 50,000.00), or both at the discretion of the court.