

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. **3056**



Introduced by Representatives EMMI A. DE JESUS, LUZVIMINDA C. ILAGAN,
FERNANDO L. HICAP, NERI J. COLMENARES, CARLOS ISAGANI T. ZARATE,
JAMES MARK TERRY L. RIDON, and ANTONIO L. TINIO

EXPLANATORY NOTE

The people's clamour for the abolition of the pork barrel system has exposed the fact that besides the PDAF, the government through the Congress also allocates standby fund known as the "unprogrammed funds" flowing through the Executive and Legislative branches of government through the Office of the President and is beyond the oversight, control or auditing of Congress and independent Commissions.

The Department of Budget and Management has justified the practice of setting aside unprogrammed funds in the General Appropriations Act as a necessary appropriation because the budget may not be able to cover unforeseen needs programs and/or projects that needs to be implemented in urgent or crisis situations.

Unprogrammed funds are now demonstrably shown to be a patronage fund and a huge source of personal enrichment of government officials who can tap into the intricate cash flows. The outlay of unprogrammed funds is concealed from the public's knowledge especially when officials invoke executive privileges insulating disbursements from generally accepted methods of accounting. The public, upon learning that unprogrammed funds can reach up to half of each year's legislated budget including billions of pesos in other revenues beyond the purview of Congress, such as the Malampaya revenues, rose in indignation, marching in protest against all forms of discretionary funds under the pork barrel system.

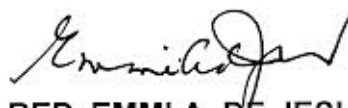
Unprogrammed funds by its sheer amount when compared to programmed aspects of funding can sap the national patrimony, reinforce foreign-indebtedness, corrupt the political fiber, inflict hardships upon the citizens constrained to pay up more taxes, fees, mark-ups and penalties in order to increase and augment a burgeoning budget deficit. Unprogrammed funds circumvent the fundamental principle that Congress holds the power of the purse.

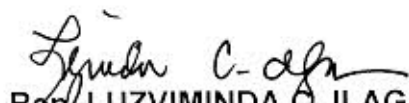
The government must practice what it preaches to the general public with entreaties for belt tightening. As it beseeches its citizens "Live within your means," the

government should also ensure a disciplined, efficient, and effective budgeting and management system in its deployment of resources that belongs to the people. Congress must regain its mandate of allowing justified taxation through pro-active representation, by swearing to never again hand over a blank cheque or an unlimited credit card to the executive that can spend however it pleases.

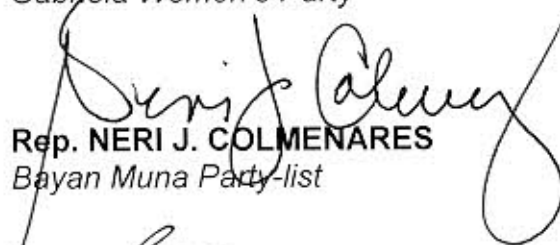
The setting aside and allocation of unprogrammed funds in the government's annual budget must therefore be stopped.

In view of the foregoing, the immediate enactment of this measure is earnestly sought.


REP. EMMI A. DE JESUS
Gabriela Women's Party


Rep. LUZVIMINDA O. ILAGAN
Gabriela Women's Party


Rep. ANTONIO L. TINIO
ACT Teachers Party-list


Rep. NERI J. COLMENARES
Bayan Muna Party-list


Rep. FERNANDO L. HICAP
Anakpawis Party-list


Rep. JAMES MARK TERRY L. RIDON
Kabataan Party-list


Rep. CARLOS ISAGANI T. ZARATE
Bayan Muna Party-list

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. **3056**

Introduced by Representatives EMMI A. DE JESUS, LUZVIMINDA C. ILAGAN,
FERNANDO L. HICAP, NERI J. COLMENARES, CARLOS ISAGANI T. ZARATE,
JAMES MARK TERRY L. RIDON, and ANTONIO L. TINIO

AN ACT
DEFINING "UNPROGRAMMED FUNDS" AND PROHIBITING LEGISLATORS
FROM APPROPRIATING FUNDS THEREFORE, AND FOR OTHER PURPOSES.

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

SECTION 1. Short Title. – This Act shall be known as the "Unprogrammed Funds Prohibition Act of 2013".

SECTION 2. Declaration of Policy. – It is hereby declared the policy of the State to formulate and implement a national budget that is within the framework of accountability, transparency, stability, performance and participation and is an instrument of national development, reflective of national objectives, strategies and plans.

SECTION 3. Definition of Unprogrammed Funds. – For purposes of this Act, "Unprogrammed Funds" shall refer to standby appropriations in the General Appropriations Act that are not supported by a specific source of financing at the time of the approval of the General Appropriations Act.

SECTION 4. Prohibition. – The Executive Department, through the Department of Budget and Management, and any member of the Legislature shall be prohibited from appropriating for "Unprogrammed Funds". Any amount realized from higher-than-expected revenue collection and additional foreign project loan proceeds during the fiscal year shall only be spent upon submission of a supplemental budget to Congress.

SECTION 5. Separability. – If, for any reason, any section or provision of this Act is held unconstitutional or invalid, no other section or provision shall be affected.

SECTION 6. Repealing Clause. – All laws, decrees, executive orders, rules and

regulations, issuances or any part thereof inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SECTION 7. Effectivity. – This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved