

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 10832



**INTRODUCED BY REPRESENTATIVES ALAN PETER “COMPAÑERO” S. CAYETANO,
MARIA LAARNI L. CAYETANO, LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR., RANEO E.
ABU, AND DAN S. FERNANDEZ**

**AN ACT
MANDATING ALL EXECUTIVE DEPARTMENTS, BUREAUS, OFFICES, AGENCIES, AND
INSTRUMENTALITIES, INCLUDING GOVERNMENT-OWNED OR CONTROLLED
CORPORATIONS (GOCCS), AND GOVERNMENT FINANCIAL INSTITUTIONS (GFIS) TO
IMPLEMENT STREAMLINING ACTIVITIES IN ORDER TO RAISE AT LEAST 5% IN
BUDGETARY SAVINGS TO BOLSTER RESPONSE EFFORTS AGAINST COVID-19**

EXPLANATORY NOTE

God made man in his own image. One who loves God, loves others as well. As a god-fearing people, Filipinos always keep families and communities in mind. Now, more than ever, our people need *bayanihan*. We were not meant to just survive since we all want to build fruitful lives in fulfillment of the Lord’s plans to prosper and not to harm us. During these challenging times of high prices in terms of fuel, food, goods, and other necessities, the government needs to step-in through a pro-people fiscal policy to help Filipinos carry on with their lives.

As we try to recover from the country’s economy in disarray – the worst economic contraction since World War II (Philippine GDP plunged by 9.5% in 2020), the highest recorded annual unemployment rate in fifteen years (17.7% in April 2020 or 7.3 million Filipinos), the fastest acceleration in the price of goods in two years (4.9% inflation rate in August 2021), and prospects of an uncertain and weak recovery, among others – a concerted effort from each of us, especially the government, is required.

Thus, we need to scale down unnecessary and redundant activities in order to augment programs, projects, and activities relative to the COVID-19 response and recovery efforts. This measure aims to address the deeply-rooted problems in the country, especially our failure to prioritize certain aspects in the delivery of public services, while spending on others which are unnecessary at this time of crisis and recovery. In this time of great need, it is possible to give the Philippine economy another round of stimulus, provided that we streamline and come up with an airtight government budget while getting rid of unneeded programs.

This bill proposes a 5% mandatory savings on all government departments, bureaus, offices, agencies, and instrumentalities, including GOCCs, and GFIs, as well as state universities and

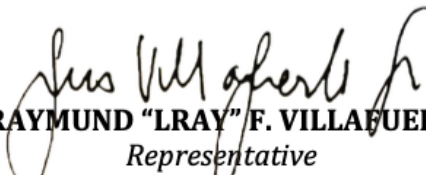
colleges in order to generate a projected amount of Two Hundred Fifty Billion Pesos to fund assistance to our countrymen who are in dire need to recover from the adverse effects of the present pandemic.

It is, thus, our responsibility as servants to our nation and of the Filipino People to provide the best assistance we can offer – *pang-ahon* rather than *pangtawid*.

Foregoing considered, the immediate passage of this bill is sought.


ALAN PETER "COMPAÑERO" S. CAYETANO
Representative
1st District of Taguig-Pateros


MARIA LAARNI L. CAYETANO
Representative
2nd District of Taguig


LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.
Representative
2nd District of Camarines Sur


RANEO E. ABU
Representative
2nd District of Batangas


DAN S. FERNANDEZ
Representative
1st District of Laguna

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

1 **SEC. 1. Short Title.** – This Act shall be known as the “*Mandatory Savings Act of 2022*”.

2
3 **SEC. 2. Declaration of Policy.** – The health crisis has struck the country, its citizens,
4 and economy. It is the declared policy of the State to promote the right of the people to health
5 and to free them from poverty so they may enjoy the right to life in this time of crisis. The
6 pandemic continues to impede the efforts to revive the economy. It disrupts the lives of our
7 countrymen while it leaves the vulnerable worse off than they already were before the
8 pandemic.
9

10 As Filipinos are in dire straits during these extraordinary times, there is a need for
11 extraordinary measures to bolster the financial position of every Filipino as they face the
12 economic effects of the pandemic amidst the rising prices of essential goods. To this end, it
13 is hereby the policy of the State to prevent more Filipinos from succumbing to poverty,
14 hunger, and sickness by providing much needed aid while vaccinations are ongoing. It is,
15 therefore, incumbent upon the government to effectively allocate its limited fiscal resources
16 to effectively help Filipinos and to bring economic recovery during this crisis.
17

18 **SEC. 3. Scaling Down and Phase-Out of Activities of Agencies within the**
19 **Executive Branch.** – The heads of departments, bureaus, offices and agencies are hereby
20 directed to identify their respective activities which are no longer essential in the delivery of
21 public services and which may be scaled down, phased-out or abolished, subject to civil
22 service rules and regulations. Said activities shall be reported to the Office of the President
23 through the Department of Budget and Management and to the Chairperson of the
24 Committee on Appropriations of the House of Representatives and the Chairperson of the
25 Committee of Finance of the Senate.

1 Savings generated by departments, bureaus, offices and agencies on the abolition,
2 phase-out or scaling down of unnecessary activities may be used by the President to augment
3 the respective programs, projects and activities relative to the COVID-19 response and
4 related assistance programs.

5 **SEC. 4. Coverage.** – This act shall cover all executive departments, bureaus, offices,
6 agencies, and instrumentalities, including government-owned and controlled corporations
7 (GOCCs), and government financial institutions (GFIs), as well as state universities and
8 colleges (SUCs).

9 **SEC 5. Assessment and Streamlining of Operations and Organization.** – All heads
10 of departments, bureaus, offices, agencies, and instrumentalities, including GOCCs, and GFIs,
11 as well as state universities and colleges are directed to conduct a comprehensive
12 assessment of their respective operations and organizations with a view to achieve the
13 following:

- 14 a) Elimination of unnecessary department, bureau, office, agency, and/or
15 instrumentality functions, programs, projects, and/or activities;
- 16 b) Abolition of redundant, irrelevant, and outdated functions, programs, projects,
17 and/or activities;
- 18 c) Provision of stronger organizational, financial, and manpower support to key
19 functions and priority program, projects and activities, through the appropriate
20 focusing and re-allocation of agency resources; and
- 21 d) Generation of five percent (5%) budgetary savings.

22
23 **SEC. 6. Streamlining Criteria.** – In the assessment and streamlining department,
24 bureau, office, agency, and/or instrumentality operations and/or organization, the following
25 may serve as criteria for phasing out or abolition of functions, programs, projects, and/or
26 activities:

- 27 a) Those which are not producing desired effects or are not effective in accomplishing
28 intended purpose;
- 29 b) Those which are no longer relevant to the mandate of the department, bureau,
30 office, agency and/or instrumentality;
- 31 c) Those which are not cost efficient;
- 32 d) Those which duplicate or overlap with other programs, projects, and or/ activities
33 within
34 the same department, bureau, office, agency, and/or instrumentality; and
- 35 e) Those which are outdated.

36
37 Programs, projects, and/or activities which are not presently considered as high priority
38 may be scaled down.

39
40 **SEC. 7. Purpose of Budgetary Savings.** – The mandated generation of 5% budgetary
41 savings from all executive departments, bureaus, offices, agencies, and instrumentalities,
42 including GOCCs, and GFIs as well as state universities and colleges shall be intended for
43 COVID-19 response, such as, but not limited to, cash aid, testing, and vaccination.

44
45 **SEC. 8. Implementation of streamlining** – Actual scaling down, phase-out or
46 abolition of the activities shall be effected pursuant to circulars or orders issued for the
47 purpose by the Office of the President.

48
49 **SEC. 9. Reportorial Requirement.** Sixty (60) days after issuance of the
50 Implementing Rules and Regulations, all heads, through the Department of Budget and
51 Management (DBM), shall submit a Streamlining Report to the House of Representatives
52 containing the actions taken to fulfill the provisions of this Act.

1 **SEC. 10. Separability Clause.** – If any part or provision of this Act is declared invalid
2 or unconstitutional, the other parts hereof not affected thereby shall remain valid.

3
4 **SEC. 11. Repealing Clause.** – All laws, acts, presidential decrees, executive orders,
5 administrative orders, rules and regulations inconsistent with or contrary to the provisions
6 of this Act are deemed amended, modified or repealed accordingly.

7
8 **SEC. 12. Effectivity.** – This Act shall take effect fifteen (15) days after its publication
9 in the Official Gazette or in a newspaper of general circulation.

Approved,