



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Twentieth Congress
First Regular Session

HOUSE BILL NO. 3155



Introduced by Honorable Roger G. Mercado

EXPLANATORY NOTE

Our Constitution mandates that the State shall ensure the autonomy of local governments and promote the participation of citizens in governance to foster transparency, accountability, and inclusive development.

Despite this, the budgeting process of the national government remains opaque, with limited opportunities for meaningful citizen involvement. This often results in budgets that fail to address the priority needs of communities, leading to inefficiencies and diminished public trust in governance.

This bill seeks to address these concerns. Therefore, passage of this bill is hereby being earnestly sought.

ROGER G. MERCADO



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AN ACT
INSTITUTIONALIZING PEOPLE'S PARTICIPATION IN THE
NATIONAL BUDGETING PROCESS, PROVIDING MECHANISMS
FOR PUBLIC CONSULTATION AND OVERSIGHT, AND FOR OTHER
PURPOSES

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

1 **SECTION 1. *Declaration of Policy.*** It is the policy of the State to promote transparency,
2 accountability, and participatory governance in the national budgeting process, as
3 mandated by Section 7, Article III of the 1987 Constitution, which guarantees the right
4 of the people to information on matters of public concern, and Section 28, Article II,
5 which mandates the State to encourage the participation of non-governmental,
6 community-based, or sectoral organizations in public affairs. The State recognizes that
7 public participation in the budgeting process enhances fiscal responsibility, ensures that
8 public funds address the needs of the people, and strengthens democratic governance.

9 **SECTION 2. *Definition of Terms***

10 **For purposes of this Act the following terms shall be defined as follows:**

- 1 • **People's Participation** refers to the active involvement of citizens, civil society
2 organizations (CSOs), and sectoral groups in the preparation, authorization,
3 execution, and accountability phases of the national budgeting process.
- 4 • **Civil Society Organizations (CSOs)** refer to non-governmental organizations,
5 people's organizations, or sectoral groups registered with the Securities and
6 Exchange Commission (SEC), Cooperative Development Authority (CDA), or
7 other relevant government agencies.
- 8 • **Budget Consultation** refers to structured dialogues, public hearings, or online
9 platforms organized to gather inputs from citizens and CSOs on budget priorities,
10 programs, and projects.

11 **SECTION 3. *People's Participation in the Budgeting Process.*** The national budgeting
12 process shall incorporate mechanisms for people's participation in the following phases:

13 **1. Budget Preparation:**

14 **1.1** The Department of Budget and Management (DBM) shall conduct
15 public consultations with CSOs, local government units (LGUs), and
16 citizens to identify priority programs and projects for inclusion in the
17 National Expenditure Program (NEP).

18 **1.2** Consultations shall be held at least sixty (60) days before the submission
19 of the NEP to Congress, in at least one (1) city or municipality per
20 region.

21 **2 Budget Authorization:**

22 **2.1** The House of Representatives and the Senate shall hold public hearings
23 during the deliberation of the General Appropriations Bill (GAB),
24 allowing CSOs and citizens to present position papers or
25 recommendations.

1 **2.2 A summary of public inputs shall be included in the committee reports**
2 **of the House Committee on Appropriations and the Senate Committee**
3 **on Finance.**

4 **3 Budget Execution:**

5 **3.1 The DBM shall publish quarterly reports on budget utilization,**
6 **including disbursements and project implementation status, on its**
7 **official website in a user-friendly format.**

8 **3.2 CSOs and citizens may participate in monitoring budget execution**
9 **through the Citizen Participatory Audit (CPA) program of the**
10 **Commission on Audit (COA).**

11 **4 Budget Accountability:**

12 **4.1 The DBM and COA shall conduct annual public forums to present**
13 **budget performance reports, allowing citizens and CSOs to provide**
14 **feedback and raise concerns.**

15 **4.2 Feedback from these forums shall be considered in the preparation of**
16 **the subsequent year's budget.**

17 **SECTION 4. *Mechanisms for Public Participation***

18 **1. National Budget Portal:**

19 **1.1 The DBM shall maintain an online National Budget Portal to provide**
20 **access to budget documents, including the NEP, GAB, and budget**
21 **utilization reports, in a downloadable and machine-readable format.**

22 **2.2 The portal shall include a feedback mechanism for citizens to submit**
23 **comments, suggestions, or inquiries on the budget.**

24 **2. Regional Budget Consultations:**

1 **2.1 The DBM, in coordination with LGUs and the National Economic and**
2 **Development Authority (NEDA), shall organize regional budget**
3 **consultations to ensure representation from urban and rural**
4 **communities.**

5 **2.2 Consultations shall include but not limited to representatives from**
6 **marginalized sectors, including women, youth, indigenous peoples, and**
7 **persons with disabilities.**

8 **3 Capacity Building:**

9 **3.1 The DBM and COA shall conduct training programs for CSOs and**
10 **citizens on budget literacy, monitoring, and evaluation to enhance their**
11 **capacity to engage in the budgeting process.**

12 **SECTION 5. *Role of Congress***

13 **1. The House Committee on Appropriations and the Senate Committee on Finance**
14 **shall ensure that public inputs gathered during consultations are considered**
15 **during budget deliberations.**

16 **2. Congress shall allocate funds in the General Appropriations Act to support the**
17 **implementation of this Act, including the maintenance of the National Budget**
18 **Portal and the conduct of regional consultations.**

19 **SECTION 6. *Penalties.* Any government official or employee who willfully prevents or**
20 **restricts CSOs or citizens from participating in the budgeting process, as provided in this**
21 **Act, shall be subject to administrative sanctions, including suspension from one (1) to six**
22 **(6) months, and/or a fine of ₱300,000 to ₱1,000,000, without prejudice to other penalties**
23 **under existing laws.**

24 **SECTION 7. *Appropriations.* The amount necessary for the implementation of this Act**
25 **shall be included in the annual General Appropriations Act under the budget of the DBM.**

1 **SECTION 8. *Implementing Rules and Regulations.*** Within ninety (90) days from the
2 **effectivity of this Act, the DBM, in consultation with the COA, NEDA, and accredited**
3 **CSOs, shall promulgate the necessary implementing rules and regulations.**

4

5 **SECTION 9. *Separability Clause.*** If any provision of this Act is declared unconstitutional
6 **or invalid, the remaining provisions not affected thereby shall remain in full force and**
7 **effect.**

8 **SECTION 10. *Repealing Clause.*** All laws, decrees, orders, rules, and regulations
9 **inconsistent with the provisions of this Act are hereby repealed or modified accordingly.**

10 **SECTION 11. *Effectivity.*** This Act shall take effect fifteen (15) days after its publication
11 **in the Official Gazette or in a newspaper of general circulation.**

Approved,