



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**TWENTIETH CONGRESS**  
First Regular Session

House Bill No. 4153



---

Introduced by CIBAC Party-List Representative  
**EDUARDO “BRO. EDDIE” C. VILLANUEVA**

---

### **EXPLANATORY NOTE**

Based on the 2021 Open Budget Survey, an independent and comparative survey conducted by the International Budget Partnership (IBP), while the Philippines scored 35 points over 100, it is still higher than the global average of 14 points in terms of “public participation” or “formal opportunities offered to the public for meaningful participation in the different stage of the budget process.”<sup>1</sup>

Findings of the survey reveal that while the Philippines scored high in the audit phase of the budget (78 points out of 100), there are minimal opportunities for participatory budgeting during the formulation (33 points out of 100), approval (22 points out of 100), and implementation (17 points out of 100).<sup>2</sup>

Overall, the Philippines ranked 8<sup>th</sup> in the world in terms of Public Participation<sup>3</sup> but there is always room for growth and improvement. Strengthening the government’s efforts to promote participatory budgeting and inclusion of stakeholders in the process of allocating state resources will ensure transparency and accountability. A people-oriented process of allocating resources will also ensure that it will be more responsive to the needs of the citizens and will lead to a more effective delivery of services.

Thus, this bill contains the following features for the promotion of participatory budgeting:

- a) Establishes mechanisms for CSO participation in the preparation and authorization of the annual General Appropriations Act, such as participating as resource persons during hearings and other similar events, observing during budget deliberations, among others;

---

<sup>1</sup> Open Budget Survey 2021, accessible at <https://internationalbudget.org/sites/default/files/country-surveys-pdfs/2021/open-budget-survey-philippines-2021-en.pdf> (last accessed: August 2, 2022)

<sup>2</sup> *Id.*

<sup>3</sup> Open Budget Survey 2021 Rankings, accessible at [https://internationalbudget.org/wp-content/uploads/2021\\_OBS\\_rankings.pdf](https://internationalbudget.org/wp-content/uploads/2021_OBS_rankings.pdf) (last accessed: August 2, 2022).

- b) Ensures access to budget-related documents, such as budget proposals, issuances, and committee reports;
- c) Provides opportunities to present proposed budget proposals and positions on budgetary items, including during the budget deliberations; and
- d) Enumerates the benefits and privileges of accredited CSOs participating in the budgetary process, but guarantees that non-accredited CSOs shall still participate in the budgetary process through the submission of position papers and observance of public meetings, hearings, conferences, or other similar dialogues in the preparation of the budget.

In view of the foregoing, the immediate passage of this bill is earnestly sought.

  
**EDUARDO "BRO. EDDIE" C. VILLANUEVA**



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**TWENTIETH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 4153**

---

Introduced by CIBAC Party-List Representative  
**EDUARDO “BRO. EDDIE” C. VILLANUEVA**

---

**AN ACT**  
**INSTITUTIONALIZING THE PARTICIPATION OF CIVIL SOCIETY**  
**ORGANIZATIONS (CSOs) IN THE PREPARATION AND AUTHORIZATION**  
**PROCESS OF THE ANNUAL NATIONAL BUDGET, PROVIDING EFFECTIVE**  
**MECHANISMS THEREFOR, AND FOR OTHER PURPOSES**

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

1       **SECTION 1. Short Title** - This Act shall be known as the “**People’s**  
2 **Participation in the National Budget Process Act.**”  
3

4       **SEC. 2. Declaration of Policy.** – It is hereby declared the policy of the State  
5 to facilitate the establishment of adequate consultation and feedback mechanisms to  
6 promote meaningful and effective participation of Civil Society Organizations (CSOs)  
7 in the preparation and authorization of the annual national budget in order to ensure  
8 that the annual appropriations will be an instrument of development that is reflective  
9 of the national objectives, strategies and plans beneficial to the people..  
10

11       **SEC. 3. Definition of Terms.** – For purposes of this Act, the following terms  
12 are defined as follows:  
13

- 14       (a) **Accreditation** refers to the registration process of CSOs with the National  
15 Government Agencies (NGAs) and Government Owned and Controlled  
16 Corporations (GOCCs), in order to allow them to participate in the  
17 preparation and authorization of the annual national budget;  
18  
19       (b) **Accredited CSO** refers to CSOs that have fulfilled the requirements in  
20 Section 5 of this Act;  
21  
22       (c) **Budget Call** refers to the budget document issued by the Department of  
23 Budget and Management (DBM) and sent to all NGAs and GOCCs, which  
24 contains the policy guidelines and procedures in the preparation of the

1 annual budget, including the budget preparation calendar for any given  
2 year. The issuance of a budget call signals the beginning of the budget  
3 preparation phase;  
4

5 (d) **Civil Society Organizations (CSOs)** include, but is not limited to, non-  
6 government organizations (NGOs), cause-oriented groups, people's  
7 organizations, cooperatives, trade unions, professional associations, faith-  
8 based organizations, media groups, indigenous peoples' movements,  
9 foundations, and other citizen groups formed primarily for social and  
10 economic development, which monitor government projects, engage in  
11 policy discussions, and actively participate in collaborative activities with  
12 Government;  
13

14 (e) **Conflict of Interest** refers to a situation where it may be reasonably  
15 deduced that a CSO or any of its key officers may not act in the public  
16 interest due to some private, pecuniary, or other personal considerations  
17 which prevent an impartial or unbiased attitude towards their participation  
18 in the national budget process;  
19

20 (f) **Government-Owned or Controlled Corporation** refers to any agency  
21 organized as a stock or non-stock corporation, vested with functions  
22 relating to public needs whether governmental or proprietary in nature, and  
23 owned by the Government of the Republic of the Philippines directly or  
24 through its instrumentalities either wholly, or where applicable, as in the  
25 case of stock corporations, to the extent of at least a majority of its  
26 outstanding capital stock; and  
27

28 (g) **National Government Agency (NGA)** refers to a unit of the National  
29 Government, including the Judiciary, both Houses of Congress, and  
30 Constitutional Offices.  
31

32 **SEC. 4. Coverage.** – This Act shall apply to all NGAs and GOCCs whose  
33 budget is included in the annual General Appropriations Act.  
34

35 **SEC. 5. Accreditation.** – The application for accreditation for the Senate, the  
36 House of Representatives, the Judiciary, and the Constitutional Offices shall be filed  
37 at the Office of the Secretary, the Secretary-General, the Supreme Court Clerk of  
38 Court, and the Office of the Chairman, respectively. The application for accreditation  
39 for other NGAs and GOCCs may be filed at their respective regional or central office.  
40 The application form shall be prescribed by each office and the application for  
41 accreditation shall be accompanied by the following documents:  
42

43 (a) Articles of Incorporation and By-Laws of the applicant CSO;  
44

45 (b) Certificate of Registration and/or other similar documents, issued by an  
46 appropriate government agency tasked to register civil society  
47 organizations, such as, but not limited to, the Securities and Exchange  
48 Commission, Bureau of Labor Relations, Housing and Land Use  
49 Regulatory Board, Insurance Commission, and the Cooperative  
50 Development Authority;

- 1
- 2 (c) The list of officer/s, director/s, trustees, beneficial owner/s, and members;
- 3
- 4 (d) Duly audited financial statements for the past three (3) years showing the
- 5 assets and liabilities of the organization;
- 6
- 7 (e) Full disclosure of the sources of funds; and
- 8
- 9 (f) Full disclosure of service contracts with other NGAs, CSO, private
- 10 corporations, other CSOs, and other engagements which may result in
- 11 conflict of interest
- 12

13 Upon approval of the application, the head of the concerned NGA or GOCC

14 shall issue the certificate of accreditation. This shall be valid for three (3) years

15 following its issuance, except for the certificate of accreditation issued by the Senate

16 and the House of Representatives, which shall be valid for the entire term of the

17 Congress under which such certificate of accreditation was issued.

18

19 No application for accreditation shall be disapproved, except upon due notice

20 and hearing. The decision of the head of the concerned NGA or GOCC shall be

21 rendered within twenty (20) working days from the time of the filing of the application.

22 Failure to act on the application shall be deemed an automatic approval of the

23 application for accreditation of the concerned CSO, and the issuance of a certificate

24 of accreditation shall necessarily ensue.

25

26 **SECTION 6. CSO Participation.** – In the interest of transparency, CSO

27 participation shall be a component in the preparation and authorization of the annual

28 national budget. All NGAs and GOCCs shall be required to formulate and adopt

29 guidelines outlining the mechanism for the accreditation and active participation of the

30 CSOs in the preparation and authorization of the annual national budget.

31

32 The DBM shall ensure that the NGA or GOCC has complied with the

33 abovementioned requirement. For this purpose, the DBM shall establish capacity-

34 building mechanisms for NGAs and GOCCs and other initiatives for the effective

35 implementation of participatory budgeting involving CSOs with a view to improving

36 fiscal transparency and accountability in the budget process.

37

38 Accredited CSOs, through their duly authorized representatives, shall, as far as

39 practicable, be allowed to participate as resource persons in the budget hearings to

40 be conducted by the appropriate Committees of the Senate and the House of

41 Representatives, subject to the guidelines to be issued by both Houses of Congress.

42

43 Notwithstanding their participation in the budget hearings to be conducted by

44 the appropriate Committees of the Senate and the House of Representatives as

45 provided in the preceding paragraph, the Committee on Appropriations of the House

46 of Representatives and the Committee on Finance of the Senate shall schedule one

47 (1) hearing day for the presentation of the positions of accredited CSOs on the budget.

48

49 **SEC. 7. Privileges and Incentives.** – An accredited CSO shall enjoy the

50 following privileges and incentives:

- 1  
2 (a) To have the same participation rights accorded to NGOs in the Local  
3 Development Councils pursuant to the provisions of Republic Act No. 7160,  
4 otherwise known as the "Local Government Code of 1991" in setting the  
5 direction of economic, social and other coordinating development efforts in  
6 the national level;  
7  
8 (b) To receive notices and participate as resource persons, through its duly  
9 authorized representatives, in any regular and consultative public  
10 meetings, hearings, conferences, and dialogues on matters related to the  
11 preparation and authorization of the annual national budget, subject to the  
12 guidelines as may be issued by each House of Congress;  
13  
14 (c) To be allowed to attend and observe the budget deliberations;  
15  
16 (d) To have access to copies of the budget proposals submitted by the NGAs  
17 or GOCCs to the DBM, subject to applicable guidelines on privilege  
18 information and/or freedom of information;  
19  
20 (e) To provide position papers to the DBM on the budget proposal of NGAs or  
21 GOCCs submitted pursuant to the budget call;  
22  
23 (f) To present and submit its own alternative or proposed budget or position  
24 paper;  
25  
26 (g) To have access to issuances such as, but not limited to, policy orders,  
27 circulars and memoranda that are related to the budget;  
28  
29 (h) To have access to the documents prepared by the DBM for submission to  
30 Congress as a basis for the General Appropriations Bill required under  
31 Article VII, Section 22 of the Constitution;  
32  
33 (i) To present written proposals on projects and activities of the government  
34 entities whose budget is under deliberation; and  
35  
36 (j) To have immediate access to stenographic notes and committee reports  
37 released by both Houses, including the bicameral conference committee  
38 report, subject to such guidelines as may be set by each House of  
39 Congress.  
40

41 **SEC. 8. Notice to CSOs.** – Notice to accredited CSOs under Sections 7(a) and  
42 (b) of this Act may be sent through electronic mail, facsimile transmission, postal mail,  
43 and by posting at the website of the NGA or GOCC concerned.  
44

45 **SEC. 9. Conflict of Interest.** – It is the responsibility of the CSO to inform the  
46 NGA or GOCC of a conflict of interest in their work with the concerned agency, if and  
47 when such situation arises.  
48

49 However, if the NGA or GOCC deems that the CSO has a conflict of interest  
50 with the work of such NGA or GOCC, the latter shall give the applicant-CSO an

1 opportunity to explain and prove that the conflict of interest does not exist, in  
2 compliance with Section 5 of this Act.

3  
4 **SEC. 10. Cancellation of Accreditation.** – Upon receipt of a verified complaint  
5 in writing, which charges the holder of a certificate of accreditation of having procured  
6 their certificate of accreditation by fraud or deceit, or in view of undisclosed conflict of  
7 interest, the head of the NGA or GOCC shall notify and serve a copy of the complaint  
8 to the CSO concerned, who shall be given an opportunity to be heard.

9  
10 Inaction by the NGA or GOCC on the said complaint within twenty (20) working  
11 days from the receipt of such complaint shall be deemed a dismissal of the complaint  
12 against the CSO involved.

13  
14 **SEC. 11. Non-Accredited CSOs.** – Non-accredited CSOs shall still have the  
15 option to participate in the budget process by submitting position papers for the  
16 consideration of the NGA or GOCC, and by attending and observing in any regular  
17 and consultative public meetings, hearings, conferences, and dialogues on matters  
18 related to the preparation and authorization of the annual national budget. If  
19 necessary, non-accredited CSOs may be invited to expound on their critique or  
20 proposals.

21  
22 Nothing in this Act shall be construed to deprive non-accredited CSOs the  
23 rights, privileges and incentives accorded to them by the Constitution, existing laws,  
24 executive orders, rules and regulations and other issuances.

25  
26 **SEC. 12. Public and Timely Disclosure of Budget Documents and Other**  
27 **Related Data.** – In order for CSOs to participate in an informed manner, the NGA or  
28 GOCC shall post on their websites or other public posting areas, budget documents  
29 to which CSOs shall have access pursuant to Section 7 of this Act.

30  
31 **SEC. 13. Separability Clause.** – If any provision or part hereof is held invalid  
32 or unconstitutional, the remainder of the law or the provision not otherwise affected  
33 shall remain valid and subsisting.

34  
35 **SEC. 14. Repealing Clause.** – Any law, presidential decree or issuance,  
36 executive order, letter of instruction, administrative order, rule or regulation contrary to  
37 or inconsistent with the provisions of this Act is hereby repealed, modified or amended  
38 accordingly.

39  
40 **SEC. 15. Effectivity Clause.** – This Act shall take effect fifteen (15) days after  
41 its publication in the Official Gazette or in at least two (2) newspapers of general  
42 circulation.

43  
44 *Approved,*