

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Philippines

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 7990



INTRODUCED BY REP. MARCELINO "MARCY" R. TEODORO

EXPLANATORY NOTE

The 1987 Constitution declares that the Philippines is a democratic and republican State where sovereignty resides in the people and all government authority emanates from them (Article II, Sec. 1). It also recognizes the right of the people and their organizations to effective and reasonable participation at all levels of social, political, and economic decision-making (Article XIII). These constitutional guarantees are the foundation for legislation that makes budget processes more participatory, transparent, and accountable.

Over the last decade, the Philippines has piloted and scaled mechanisms for public participation in fiscal governance, including Budget Partnership Agreements, Grassroots or Bottom-Up Budgeting, the People's Budget publications, and—at the audit stage—the Citizen Participatory Audit (CPA) of the Commission on Audit (COA). Independent assessments acknowledge gains and lessons from these efforts, and reform momentum continues under the Philippine Open Government Partnership, now institutionalized through Executive Order No. 31, s. 2023. Yet, participation remains uneven and largely ad hoc without a standing legal framework across all four stages of the budget cycle (preparation, legislation, execution, and accountability).

The COA's CPA shows that citizen engagement can be institutionalized at the accountability stage; the COA has moved to mainstream CPA nationwide. This bill extends that logic to earlier stages—particularly to budget preparation and legislation—so that citizen priorities can shape allocations before funds are obligated and spent.

Internationally, participatory budgeting, pioneered in Porto Alegre, Brazil, demonstrated that structured, rules-based citizen deliberation can improve service delivery and equity when backed by clear procedures, reliable funding, and political commitment. This proposal adapts successful features—neighborhood or thematic assemblies, rules for prioritization, and binding integration with the Executive's budget proposal—to the Philippine unitary and devolved context.

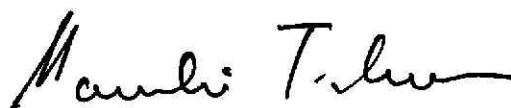
In Congress, reform vehicles such as the Budget Reform and Modernization proposals have focused on cash-based budgeting and the integration of Public Financial Management Systems. In 2025, the House adopted interim guidelines to involve CSOs in national budget deliberations. This bill codifies and scales such practices into a permanent, nationwide National Participatory

1 Budgeting System that operates from the barangay to the national level, aligns with the Full
2 Disclosure Policy for local government units, and leverages the Philippine Open Government
3 Partnership commitments to digital openness.
4

5 The measure will establish: (1) a digital platform for proposal submission, feedback, and
6 public dashboards; (2) sectoral and local assemblies with standardized rules; (3) participatory
7 budget councils at local, regional, and national levels; (4) clear agency obligations to receive,
8 evaluate, and respond to proposals; (5) integration requirements linking validated citizen priorities
9 to the National Expenditure Program and local annual budgets; and (6) oversight and audit linkages
10 (including CPA), with performance indicators published via the People's Budget series.
11

12 Given the Constitution's mandate and prior policy experience, the immediate passage of
13 this bill is earnestly sought.
14

15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46



MARCELINO "MARCY" R. TEODORO
Representative
1st District, Marikina City

(e) Citizen Participatory Audit (CPA) refers to the Commission on Audit (COA) technique incorporating citizens in audit teams pursuant to COA authority.

1 **SEC. 4. *Creation of the National Participatory Budgeting System (NPBS).***

2
3 (a) The NPBS is hereby created to standardize and mandate participatory budgeting
4 processes across national agencies and local government units (LGUs), without prejudice to
5 stronger local mechanisms.
6

7 (b) The NPBS shall be co-implemented by the DBM, the Department of the Interior
8 and Local Government (DILG), the Department of Economy, Planning and Development
9 (DEPDev), and the COA in coordination with Congress during budget legislation.
10

11 **SEC. 5. *Institutional Framework.***

12
13 (a) **Local Participatory Budget Councils (LPBCs).** Every province, city, and
14 municipality shall establish an LPBC composed of:

- 15
- 16 • Local Chief Executive (as Chairperson, non-voting for prioritization), local
17 Budget Officer, Planning and Development Coordinator;
18
 - 19 • CSO representatives (at least 60% of council seats) selected through an open
20 assembly of accredited and non-accredited CSOs;
21
 - 22 • Sectoral representatives (women, youth, seniors, persons with disabilities,
23 Indigenous Peoples, urban poor, farmers or fisherfolk, and Micro, Small and
24 Medium Enterprises);
25
 - 26 • LPBCs shall convene public Thematic and Geographic Assemblies, consolidate
27 citizen proposals, and prioritize using scored criteria such as the need, impact,
28 feasibility, and equity.
29

30 (b) **Regional Participatory Budget Councils (RPBCs).** The RPBC shall be
31 established one per region, to be chaired by the DEPDev–Regional Development Council and
32 co-chaired by the DBM regional director, with DILG representative and majority CSO
33 membership. It shall aggregate LPBC outputs, address cross-LGU and sectoral proposals, and
34 endorse them to national agencies.
35

36 (c) **National Participatory Budget Council (NPBC).** The NPBC shall be chaired by
37 DBM, with the Department of Finance, DEPDev line agencies, House Committee on
38 Appropriations and Senate Finance Committee (as observers), COA (as observer), and equal
39 CSO representation. The NPBC shall review nationwide citizen priorities vis-à-vis macro-
40 fiscal ceilings and shall issue an Annual Citizens' Priorities Memorandum to be annexed to the
41 National Expenditure Program (NEP) and transmitted to Congress.
42

43 **SEC. 6. *Digital Infrastructure for Participation.***

44
45 (a) The DBM, in coordination with the Department of Information and
46 Communications Technology, shall establish the Open Budget Participation Portal (OBPP) as
47 a one-stop platform for:
48

- 49 • Proposal submission (with geotagging), community up-voting, and evidence
50 uploads;

- Publication of evaluation criteria, agency actions (accept, modify, defer, or reject), and reasons;
- Public dashboards linking to People’s Budget and agency in-year reports;
- Data Application Programming Interface for civic technology reuse. The OBPP will integrate with ongoing public financial management (PFM) digital reforms and the roadmap for the integrated financial management information system.

(b) Accessibility features, offline intake via LGU helpdesks, and multilingual support shall be mandatory.

SEC. 7. Process and Timelines.

Call for Proposals: DBM shall issue the participation call alongside or shortly after the Annual National Budget Call; LPBC, RPBC, and NPBC calendars shall be posted on the OBPP.

1. Local and Regional Deliberations: LPBC assemblies shall use standardized scoring rubrics; RPBCs shall consolidate and resolve inter-LGU issues.
2. Agency Technical Vetting: Agencies shall review citizen proposals against mandates, cost, and performance indicators. Preliminary accept-or-reject decisions, with reasons, shall be posted on OBPP.
3. National Consolidation: NPBC shall deliberate and issue the Annual Citizens’ Priorities Memorandum, mapping citizens’ priorities to agency Tier 2 proposals and ceilings.
4. Integration to NEP: DBM shall append (a) a matrix of citizen proposals with disposition and justifications, and (b) participation performance scorecards per agency, to the NEP transmitted to Congress.
5. Legislative Stage: Congress shall maintain open participation guidelines on public observation, access to materials, written submissions within set deadlines, and sectoral presentations, consistent with Senate and House Rules. Both Chambers of Congress shall adopt similar procedures.
6. Execution and Mid-Year Feedback: Agencies shall publish the OBPP progress updates and respond to citizen queries on implementation variances.
7. Accountability Stage: COA shall designate selected NEP citizen-identified items as CPA focus; citizen partners may be invited to validate implementation of audit recommendations.

1 **SEC. 8. *Minimum Participation Standards.***

2
3 (a) **Quorum and Diversity:** Assemblies shall meet quorum thresholds, as well as
4 gender and sectoral balance.

5
6 (b) **Open Materials:** All briefers, including budgets and plans, shall be posted at least
7 seven (7) days prior: *Provided*, That LGUs shall comply with the Full Disclosure Policy
8 posting and upload links to OBPP.

9
10 (c) **Conflict-of-Interest Rules:** CSO delegates shall disclose direct or indirect interests;
11 rules disallow proposal steering for private gain.

12
13 (d) **Safeguards:** Anti-capture measures, such as but not limited to rotation of delegates,
14 term limits, and random audits, shall be modeled on comparative participatory budgeting
15 practice.

16
17 **SEC. 9. *Agency and LGU Obligations.***

18
19 (a) Agencies and LGUs shall evaluate and respond to submitted proposals using
20 published criteria within fifteen (15) working days after the deliberation window.

21
22 (b) Agencies and LGUs shall budget-tag accepted citizen proposals in their submissions
23 and report outputs and outcomes in the People's Budget and OBPP dashboards.

24
25 (c) Non-compliance, such as failure to post, evaluate, or report, shall be considered in
26 the DBM release conditions consistent with PFM reform practices under prior budget reform
27 measures.

28
29 **SEC. 10. *Role of Congress.***

30
31 (a) The House and the Senate shall keep budget hearings open to public observation,
32 livestream proceedings, receive position papers within forty-eight (48) hours after agency
33 hearings, and schedule consolidated sectoral presentations, building on existing Senate and
34 House guidelines.

35
36 (b) The Congressional Policy and Budget Research Department and the Senate
37 Economic Planning Office shall both publish an Annual Citizens' Budget Participation Report
38 summarizing how proposals were reflected in the General Appropriations Bill and the General
39 Appropriations Act.

40
41 **SEC. 11. *Monitoring, Evaluation, and Audit Linkages.***

42
43 (a) The DBM and DEPDev shall develop Participation Key Performance Indicators
44 such as geographic or sector reach, proposal acceptance rates, implementation timeliness,
45 equity impacts, and publish annual NPBS Scorecards.

46
47 (b) The COA shall integrate the CPA into the NPBS by prioritizing audits of citizen-
48 identified projects and involving trained citizen partners in validation.

49
50

1
2
3 **SEC. 12. *Capacity Building and Support.***
4

5 The DBM, DILG, and COA shall offer capacity-building for LGUs and CSOs,
6 including versions of the DBM-CSO participation handbook, and provide small facilitation
7 grants to under-resourced LGUs or CSO networks to ensure inclusion.
8

9 **SEC. 13. *Data Governance and Privacy.***
10

11 All personal data collected through the OBPP shall be processed in compliance with
12 the Data Privacy Act and related laws; aggregate, non-personal data shall be open by default
13 to promote transparency and civic innovation.
14

15 **SEC. 14. *Appropriations.***
16

17 The amount necessary for the initial implementation of this Act, including the
18 development of the OBPP and capacity-building programs, shall be charged against the current
19 year's appropriations of the DBM, DILG, DEPDev, and COA provided for this purpose.
20 Thereafter, the amount necessary for the implementation of this Act shall be included in the
21 annual General Appropriations Act.
22

23 **SEC. 15. *Implementing Rules and Regulations (IRR).***
24

25 Within ninety (90) days from the effectivity of this Act, the DBM shall, in consultation
26 with the DILG, DEPDev, DICT, and COA, and representatives designated by the Philippine
27 Open Government Partnership Steering Committee, promulgate the IRR to carry out the
28 provisions of this Act, after public consultations in Luzon, Visayas, and Mindanao, and pilot
29 trials in at least one region per island group.
30

31 **SEC. 16. *Separability Clause.***
32

33 If any provision or part of this Act is declared invalid or unconstitutional, the remaining
34 provisions not affected thereby shall remain valid and subsisting.
35
36

37 **SEC. 17. *Repealing Clause.***
38

39 Any law, presidential decree or issuance, executive order, letter of instruction,
40 administrative order, rule, or regulation contrary or inconsistent with the provisions of this Act
41 is hereby repealed, modified, or amended accordingly.
42

43 **SEC. 18. *Effectivity.***
44

45 This Act shall take effect fifteen (15) days after publication in the *Official Gazette* or
46 in a newspaper of general circulation.
47

48 Approved.
49