

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



Twentieth Congress
First Regular Session

HOUSE RESOLUTION NO. **705**

*Introduced by Representatives Jose Manuel F. Alba, Anna Victoria Veloso-Tuazon,
Gerald Cloyd Alexis V. Galang and Iris Marie Demesa Montes*

A RESOLUTION

URGING THE SUBCOMMITTEE ON SUSTAINABLE DEVELOPMENT GOALS (SCSDG) TO ADOPT A CONTINUOUS PROCESS IN THE EVALUATION, APPROVAL AND ENDORSEMENT OF PCB-SDG FUNDS FOR PRE-APPROVED PROGRAMS, ACTIVITIES, AND PROJECTS (PAPs) SUBMITTED WITHIN THE FISCAL YEAR

WHEREAS, Section 9 of Republic Act No. 11467 provides that twenty percent (20%) of the revenues from excise taxes on alcohol, heated tobacco products (HTPs), and vapor products shall be allocated for the attainment of the Sustainable Development Goals (SDGs), with specific targets determined by the Department of Economy, Planning and Development (DEPDev);

WHEREAS, the said legislation facilitates the adoption of the Program Convergence Budgeting for Sustainable Development Goals (PCB-SDG), which serves as a transformative mechanism to align domestic resource flows with the implementation of the 17 SDGs;

WHEREAS, the Subcommittee on Sustainable Development Goals (SCSDG), co-chaired by DEPDev and the Department of Budget and Management (DBM), formulated the PCB Framework and Guidelines to serve as guide in the evaluation and prioritization of Programs, Activities, and Projects (PAPs), including the administrative processes involved in determining key PAPs supportive of achieving the SDGs, thereby ensuring a holistic and strategic approach to resource allocation amid limited fiscal space;

WHEREAS, based on the Department of Finance (DOF) Certifications, the actual excise tax removals from alcohol, HTPs, and vapor products amounted to ₱108.64 billion in 2023, translating to ₱21.73 billion (20% share) for SDG-related funding; for Calendar Year 2024, DOF certified excise tax removals totaled ₱121.20 billion, resulting in an estimated 20% SDG allocation of ₱24.84 billion for FY 2026;

WHEREAS, for the two aforementioned fiscal years, the actual approval rate was a mere ₱86.48 million and ₱917.3 million for FY 2025 and 2026, respectively. The low utilization rate of 0.4% for FY 2025 and 3.79% for FY 2026 was attributed by the SCSDG to procedural and documentary issues, such as late submissions, failure to upload files in the DBM portal, inconsistencies in forms and amounts,

and incomplete supporting documents, among others; moreover, several projects approved by the SCSDG and endorsed for funding were subsequently disapproved by the DBM;

WHEREAS, the very low utilization of earmarked SDG funds undermines the intent of the law to provide resources that will support the country's efforts to accelerate progress toward the 2030 Agenda;

WHEREAS, PAPs approved by the SCSDG but disapproved by the DBM due to minor technicalities may only be resubmitted in the next fiscal year, resulting in significant lost opportunities;

WHEREAS, it is imperative that the evaluation and processing of SCSDG-approved PAPs be conducted as a continuous process, rather than a once-a-year cycle;

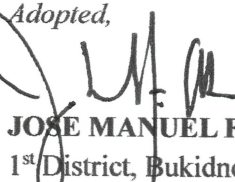
WHEREAS, the DBM should allocate funds under the current fiscal year for SCSDG-approved PAPs pending the complete submission of all documentary requirements;

NOW, THEREFORE, BE IT RESOLVED, that the House of Representatives urge the SCSDG to adopt a continuous process in the evaluation, approval and endorsement of PCB-SDG funds for pre-approved programs, activities, and projects (PAPs) submitted within the fiscal year;

RESOLVED, FURTHER, that the House of Representatives urge the SCSDG to strengthen the implementation of the PCB-SDG by:

1. Institutionalizing a continuous process for the review, evaluation, and endorsement of PAPs, ensuring that PAPs endorsed by DEPDev but not approved by the DBM within the fiscal year remain automatically eligible for consideration in the succeeding cycle of submissions;
2. Reserving or earmarking the total amount corresponding to endorsed PAPs each fiscal year to provide national government agencies sufficient time to comply with documentary requirements and to prevent the loss of funding opportunities due to procedural delays; and
3. Enhancing coordination mechanisms among DBM, DEPDev, and implementing agencies to strengthen compliance, improve the quality of proposed projects, and increase the effective utilization of SDG-aligned funds in support of the accelerated attainment of the 2030 Agenda.

RESOLVED, FINALLY, that copies of this Resolution be furnished to DEPDev, DBM, the Department of the Interior and Local Government, and other concerned agencies and stakeholders, for their information and appropriate action.

Adopted,

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