

SIXTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)



Senate
Office of the Secretary

13 AUG 15 A8 36

SENATE

Senate Bill No. 1285

RECEIVED BY: *Jei*

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE

More than ever, the public is well informed and critical of our nation's governance and our leaders' performance because various instruments such as the media and the cyber world, including social networking sites, provide avenues to share information and opinion from different sectors of the society. One of the most controversial and widely-debated sphere of governance is the process of preparing and enacting the national budget.

The public in general, and concerned organizations in particular, has the liberty to share their opinions and proposals regarding the national budget and to a certain extent, they can participate in the process of preparing and enacting it. However, there is a clamor for more accessibility to information and more transparency in the process.

In response to this call, this measure proposes the institutionalization of the participation of civil society organizations (CSOs) in the preparation and authorization process of the annual national budget. It provides for a system for accreditation and participation of CSOs to ensure that the budget is appropriate and responsive to the needs of our people. And as a protection to the interest of the public, it provides for a procedure in case the participating CSOs have a conflicting interest to the purpose of the law.

This measure was filed in the Fifteenth Congress by the Committees on Finance and Constitutional Amendments, Revision of Codes and Laws but was not enacted into law.

The immediate passage of this bill is earnestly sought.


JINGGOY EJERCITO ESTRADA
Senator



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Senate Bill No. 1285

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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 the 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 of 2013*”.

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

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

- 16
17 a) “Accreditation” refers to the registration process of CSOs with the National
18 Government Agencies (NGAs) and Government Owned and Controlled
19 Corporations (GOCCs), in order to allow them to participate in the
20 preparation and authorization of the annual budget;
- 21
22 b) “Accredited CSO” refers to CSOs that have fulfilled the requirements in
23 Section 5 of this Act;
- 24
25 c) “Budget Call” refers to the budget document issued by the Department of
26 Budget and Management (DBM) and sent to all NGAs and GOCCs, which
27 contains the policy guidelines and procedures in the preparation of the
28 annual budget, including the budget preparation calendar for any given
29 year. The issuance of a budget call signals the beginning of the budget
30 preparation phase;
- 31

- 1 d) "Civil Society Organizations (CSOs)" include non-government
2 organizations (NGOs), cause-oriented groups, people's organizations,
3 cooperatives, trade unions, professional associations, faith-based
4 organizations, media groups, indigenous peoples movements,
5 foundations, and other citizen groups formed primarily for social and
6 economic development, which monitor government projects, engage in
7 policy discussion, and actively participate in collaborative activities with
8 Government;
9
- 10 e) "Conflict of Interest" refers to a condition which occurs when a CSO or any
11 of its key officers are involved in multiple interests which prevents an
12 impartial or unbiased attitude towards their participation in the national
13 budget process;
14
- 15 f) "Constructive Engagement" refers to a partnership between Government
16 and counterpart CSOs marked by sustained dialogue towards problem
17 solving while respecting and retaining the focus on assertion for reforms;
18
- 19 g) "Government-Owned or Controlled Corporation (GOCC)" refers to any
20 agency organized as a stock or non-stock corporation, vested with
21 functions relating to public needs whether governmental or proprietary in
22 nature, and owned by the Government of the Republic of the Philippines
23 directly or through its instrumentalities either wholly, or, where applicable
24 as in the case of stock corporations, to the extent of at least a majority of
25 its outstanding capital stock;
26
- 27 h) "National Government Agency (NGA)" refers to a unit of the National
28 Government, including the Judiciary, both Houses of Congress, and
29 Constitutional Offices;
30
- 31 i) "Participatory Mechanisms" refers to the means by which CSOs can
32 participate meaningfully and effectively in the government process of
33 formulating and authorizing an annual national budget that is responsive
34 to the needs of the different sectors in our society.
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37 **SEC. 4. Coverage.** – This Act shall apply to NGAs and GOCCs whose budget is
38 included in the Annual General Appropriations Act.
39

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41 **SEC. 5. Accreditation.** – The application for accreditation for the Senate, the
42 House of Representatives, the Judiciary, and the Constitutional Offices shall be
43 filed at the Office of the Secretary, the Secretary-General, the Supreme Court
44 Clerk of Court, and the Office of the Chairman, respectively. The application for
45 accreditation for other NGAs and GOCCs may be filed at their respective
46 regional or central office. The application form shall be prescribed by each office
47 and the application for accreditation shall be accompanied by the following
48 documents:
49

- 50 a) Articles of Incorporation and By-Laws of the applicant CSO;
51
- 52 b) Certification of Registration and/or such other similar documents, issued
53 by an appropriate government agency tasked to register civil society
54 organizations, such as but not limited to, the Securities and Exchange
55 Commission, Bureau of Labor Relations, Housing and Land Use
56 Regulatory Board, Insurance Commission, and the Cooperative
57 Development Authority;

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2. o) The list of officers, directors, trustees and members;
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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 shall
14 issue the certificate of accreditation. This shall be valid for three (3) years
15 following its issuance except for the certification of accreditation issued by the
16 Senate and the House of Representatives, which shall be valid for the entire term
17 of the 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
22 application. Failure to act on the application shall be deemed an automatic
23 approval of the application for accreditation of the concerned CSO, and the
24 issuance of a certificate of accreditation shall necessarily ensue.
25
26

27 **SEC. 6. CSO Participation.** – In the interest of transparency, CSO participation
28 shall be a component in the preparation and authorization of the annual national
29 budget. All NGAs and GOCCs shall be required to formulate and adopt
30 guidelines outlining the mechanism for the accreditation and active participation
31 of the CSOs in the preparation and authorization of the annual national budget.
32

33 The DBM shall ensure that the NGA or GOCC has complied with the above
34 mentioned requirement.
35

36 *Accredited CSOs, through their duly authorized representatives, shall be allowed*
37 *to participate as resource persons in the budget hearings to be conducted by the*
38 *appropriate Committees of each House of Congress, provided that they comply*
39 *with the guidelines to be issued by both Houses of Congress.*
40

41 Notwithstanding their participation in the budget hearings to be conducted by the
42 appropriate Committees of each House of Congress as provided in the preceding
43 paragraph, the Committee on Appropriations of the House of Representatives
44 and the Committee on Finance of the Senate shall schedule one (1) hearing day
45 for the presentation of the positions of accredited CSOs on the budget.
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48 **SEC. 7. Privileges and Incentives.** – An accredited CSO shall enjoy the following
49 privileges and incentives:
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- 51 a) To receive notices and participate as resource person through its duly
52 authorized representatives in any regular and consultative public
53 meetings, hearings, conferences, and dialogues on matters related to the
54 preparation and authorization of the annual national budget;
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56 b) Access to copies of the budget proposals submitted by the NGAs or
57 GOCCs to the DBM;

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2 c) To provide position papers to the DBM on the budget proposal of NGAs or
3 GOCCs submitted pursuant to the budget call;
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5 d) To submit its own alternative or proposed budget or position paper;
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7 e) Access to issuances such as, but not limited to policy orders, circulars and
8 memoranda that are related to the budget;
9
10 f) Access to the documents prepared by the DBM for submission to
11 Congress by the President as a basis for the General Appropriations Bill
12 required under Article VII, Section 22 of the Constitution;
13
14 g) To present written proposals on projects and activities of the government
15 entities whose budget is under deliberation; and,
16
17 h) Access to committee reports released by both Houses.
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20 **SEC. 8. Notice to CSOs.** – Notice to CSOs may be sent through electronic mail,
21 facsimile machine, postal mail, and by posting at the website of the NGA or
22 GOCC concerned. Any of the said modes of sending notices shall be deemed
23 compliance to the requirements under Section 7 (a) of this Act.
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26 **SEC. 9. Conflict of Interest.** – It is the responsibility of the CSO to inform the
27 NGA or GOCC of a conflict of interest in their work with the concerned agency, if
28 and when such situation arises.
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30 However, if the NGA or GOCC deems that the CSO has a conflict of interest with
31 the work of such NGA or GOCC, the latter shall give the applicant-CSO an
32 opportunity to explain and prove that no conflict of interest exists.
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34 In case there is a conflict of interest, the NGA or GOCC shall automatically
35 suspend the privileges of the CSO and shall remain in effect until the conflict of
36 interest ceases to exist.
37

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39 **SEC. 10. Cancellation of Accreditation.** – Upon receipt of a verified complaint in
40 writing, which charges the holder of a certificate of accreditation of having
41 procured their certificate of accreditation by fraud or deceit, the head of the NGA
42 or GOCC shall notify and serve a copy of the complaint to the CSO concerned,
43 who shall be given an opportunity to be heard.
44

45 Inaction by the NGA or GOCC on the said complaint within twenty (20) working
46 days from the receipt of such complaint shall be deemed a dismissal of the
47 complaint against the CSO involved.
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50 **SEC. 11. Non-Accredited CSO.** – Non-accredited CSOs may still participate in
51 the budget process by submitting position papers for the NGA's or GOCC's
52 consideration and by attending and observing public consultations. They may be
53 invited to expound on their critique or proposal when said institutions deem it fit.
54 Nothing in this Act shall be construed to deprive non-accredited CSOs the rights,
55 privileges and incentives accorded to them by the Constitution, existing laws,
56 executive orders, rules and regulations and other issuances.
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SEC. 12. *Public and Timely Disclosure of Budget Documents and Other Related Data.* – In order for CSOs to participate in an informed manner, the NGA or GOCC shall post on their websites or other public posting areas, budget documents to which CSOs shall have access, as provided for under Section 7 of this Act.

SEC. 13. *Separability Clause.* – If, for any reason, any section or provision of this Act is held unconstitutional or invalid, no other section or provision shall be affected.

SEC. 14. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations, issuances or any part thereof inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SEC. 15. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,