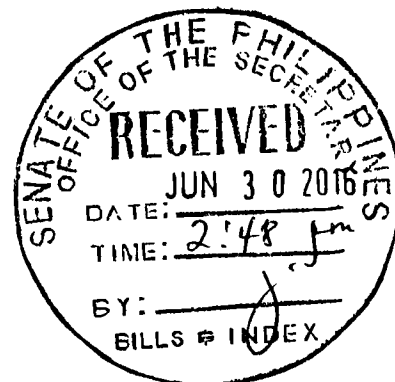


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE
S.B. No. 55

Introduced by Senator Francis N. Pangilinan

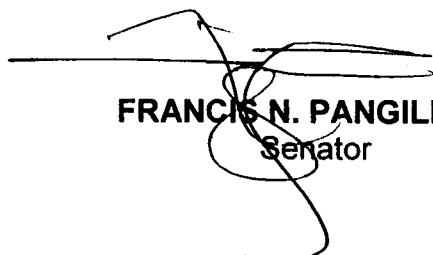
**AN ACT INSTITUTIONALIZING GRASSROOTS PARTICIPATORY BUDGETING
IN THE PLANNING AND IDENTIFICATION OF PROGRAMS AND PROJECTS
TO BE FUNDED BY THE ANNUAL GENERAL APPROPRIATIONS ACT**

EXPLANATORY NOTE

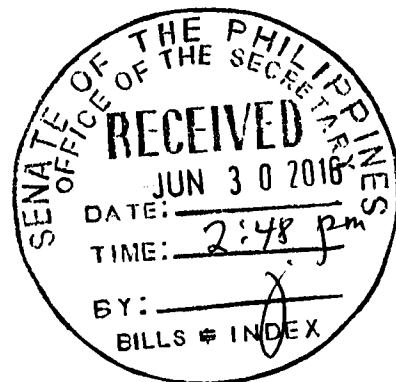
The right of citizens to participate in governance is stipulated in Article XIII, Sections 15 and 16 of the 1987 Philippine Constitution. Likewise, the Local Government Code of 1991 requires agencies and offices to conduct consultations with local government units and civic groups prior to the implementation of programs and projects. However, despite these mandates, true participatory governance has not been effectively realized.

The actualization of these mandates is critical in addressing inequity, poverty and marginalization which continue to prevail in the country. One such move towards participatory governance is the institutionalization of Grassroots Participatory Budgeting Process (GPBP), which allows citizens, local or civic society organizations (CSOs) and local government units to participate directly in deciding how the national budget is to be utilized each year. The GPBP is also a step towards attaining transparency in governance.

In view of the aforementioned, the approval of this measure is strongly recommended.


FRANCIS N. PANGILINAN
Senator

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



SENATE
S.B. No. 55

Introduced by Senator Francis N. Pangilinan

**AN ACT INSTITUTIONALIZING GRASSROOTS PARTICIPATORY BUDGETING
IN THE PLANNING AND IDENTIFICATION OF PROGRAMS AND PROJECTS
TO BE FUNDED BY THE ANNUAL GENERAL APPROPRIATIONS ACT**

*Be 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 "*Grassroots Participatory*
2 *Budgeting Act of 2016.*"

3 **SEC. 2. Declaration of Policy.** - In pursuit of inclusive growth and poverty
4 reduction, it is hereby declared the policy of the State to institutionalize transparency,
5 accountability and citizen's participation in governance.

6 To ensure that the annual appropriations of National Government Agencies (NGAs)
7 will be an instrument of development and reflective of local objectives, strategies and
8 plans, the State shall ensure the involvement of Civil Society Organizations (CSOs) by
9 institutionalizing Grassroots Participatory Budgeting in the identification and planning of
10 programs and projects that will be funded by the General Appropriations Act (GAA).

11 **SEC. 3. Definition of Terms.** For purposes of this Act, the following terms shall
12 have the following definition:

13 3.1. *Grassroots Participatory Budgeting (GPB)* - an approach to preparing the budget
14 proposal of agencies, taking into consideration the development needs of municipalities
15 and cities as identified in their respective local development plan and/or local anti-
16 poverty action plan that shall be formulated with strong participation of basic sector
17 organizations and other CSOs.

1 3.2. *Civil Society Organizations (CSOs)* - Include non-government organizations
2 (NGOs), people's organizations, cooperatives, trade unions, professional associations,
3 faith-based organizations, media groups, indigenous peoples movements, foundations,
4 and other citizen groups formed primarily for social and economic development, to
5 monitor government programs and projects, engaged in policy discussions, and actively
6 participate in collaborative activities with the Government.

7 3.3. *Citizen Participation* - A democratic process involving people empowerment,
8 whereby concerned citizens organized as CSOs, pursue their legitimate and collective
9 interests by, among others, monitoring the effectiveness of Programs and Projects
10 (PAPs) and in so doing become partners of the Government in governance.

11 3.4. *Local Poverty Reduction Action Plan (LPRAP)/ Local Development Action Plan*
12 *(LDAP)* – the Local Government Unit (LGU) plan which contains programs and projects
13 collectively drawn through a participatory process by the LGUs with CSOs and other
14 stakeholders, and which will directly address the needs of the poor constituencies and
15 the marginalized sectors in the city or municipality.

16 3.5. *Local Poverty Reduction Action Team (LPRAT)/ Local Development Action*
17 *Team (LDAT)* - the group to spearhead the formulation and monitoring of the
18 LPRAP/LDAP composed of the following:

19 Chairperson: Local Chief Executive (LCE)

20 Co-Chairperson: A CSO Representative

21 Members:

22 Representatives from the LGU, to wit:

23 (a) Sangguniang Panglungsod/Bayan Member who is the chairperson of
24 the Committee on Appropriations;

25 (b) All local government department heads such as the Planning Office,
26 Budget Officer, Agriculture Officer, Social Welfare and Development
27 Officer and Health Officer;

28 (c) Representatives of National Government Agencies (NGAs) such as
29 Department of Social Welfare and Development (DSWD) Municipal
30 Links, PESO Manager and the Department of Interior and Local
31 Government (DILG) City/Municipal Local Government Operations
32 Officer, the School District Supervisor and Agrarian Reform Officer;
33 and

1 Representatives from CSOs (who must be residents of the city or
2 municipality), to wit:

- 3 (a) A Pantawid Pamilya Parent-Leader;
- 4 (b) A Leader from Department of Health (DoH) organized Community
5 Health Teams;
- 6 (c) A Leader of Parent- Teacher Associations;
- 7 (d) A Leader of CSOs accredited or recognized by any NGA;
- 8 (e) A leader of women's groups;
- 9 (f) A leader of basic sector organizations;
- 10 (g) A leader of other community or grassroots organizations; and
- 11 (h) A representative from the business sector.

12 The LPRAT shall be composed of an equal number of government representatives
13 and non- government representatives. It should also be composed of at least 30%
14 women.

15 In the event that the sectors indicated are not organized, the LGU, in coordination
16 with CSOs and concerned national government agencies, shall initiate and support the
17 organization of the basic sectors identified. The sectors will be made to undergo the
18 same accreditation process, as the CSOs for inclusion in the LPRAT.

19 3.6. *LPRAT Powers and Functions:*

- 20 a. Identify priority poverty reduction projects through a consensus among its
21 members. In the absence of a consensus, the decision will be made through a
22 majority vote;
- 23 b. Develop and formulate the Local Poverty Reduction Action Plan (LPRAP)
24 based on the identified priority poverty reduction projects from a list issued by
25 the DBM and following the process and guidelines in the Implementing Rules
26 and Regulations;
- 27 c. Conduct public consultations, when necessary, to ensure that the projects to
28 be embodied in the LPRAP reflect an actual need in the community;
- 29 d. Submit the LPRAP to the RPRAT for validation; and

1 e. Participate in the budget deliberation process of the Local Development
2 Council.

3 3.7. *Regional Poverty Reduction Action Teams (RPRATs)/ Regional Development*
4 *Action Teams (RDATs)* - the group that shall provide support and guidance to LGUs
5 through the GPB process and monitor the implementation of the GPB projects,
6 composed of the following:

7 Chairperson: DILG Regional Director;

8 Vice Chairperson: Department of Budget and Management (DBM) Regional
9 Director;

10 Members:

11 (a) Regional Directors of NGAs;

12 (b) Regional Director of the National Economic Development Authority (NEDA)

13 (c) Two (2) CSO representatives per province as identified by the National Anti-
14 Poverty Commission (NAPC) .

15 **SEC. 4. Role of LGUs and NGAs.** All LGUs and NGAs shall be required. To
16 formulate and adopt guidelines outlining the mechanism for the accreditation and active
17 participation of the CSOs.

18 To ensure that the LPRAP/LDAP is truly reflective of the needs of the community,
19 LGUs must ensure that the CSOs are involved throughout the GPB process and shall
20 coordinate with the concerned NGAs in preparing work and financial plans and other
21 documents as required.

22 Departments/Agencies shall ensure complementation between national and LGU
23 projects by closely coordinating with LPRATs/LDATs. In accordance to GPB guidelines
24 issued previously by the DBM, the validated/ qualified LGU projects shall be integrated
25 in the agency budget proposal. Disclosure shall be made on the proposed LGU
26 counterpart funds, if any.

27 Agencies, through their regional and/ or provincial offices, shall inform concerned
28 LGU regarding the acceptance and approval of the budget for the implementation of
29 GPB identified projects and facilitate the compliance by LGUs with the requirements for
30 the implementation.

1 **SEC. 5. Role of CSOs** - In the interest of community ownership and transparency,
2 CSO participation shall be a component in the planning, identification and monitoring of
3 projects and programs that shall be funded by the annual National Budget.

4 A locally accredited CSO may spearhead the implementation of identified projects at
5 the barangay level, provided that they have prior experience in implementing projects
6 through a Community Driven Development (CDD) approach. Specifically, these CSOs
7 must have prior experience in undertaking community led procurement and in
8 community monitoring of project implementation using participatory processes of
9 information disclosure.

10 **SEC. 6. Public and Timely Disclosure of Budget Documents other Related**
11 **Data.** - In order for CSOs to participate in an informed manner, the LGU/NGA/ GOCC
12 shall post on their websites or other public posting areas, LPRAP and budget
13 documents to which CSOs shall have access.

14 **SEC. 7. Separability Clause.** - If any provision of this Act is declared
15 unconstitutional, the same shall not affect the validity and effectivity of the other
16 provisions hereof.

17 **SEC. 8. Repealing Clause.** - All laws, decrees, executive orders, rules and
18 regulations, issuances or any part thereof inconsistent with the provisions of this Act are
19 hereby repealed or amended accordingly.

20 **SEC. 9. Effectivity.** - This Act shall take effect fifteen (15) days after its publication
21 in the Official Gazette or in two (2) newspapers of general circulation.

Approved,