

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



'22 JUL 18 A10:14

SENATE
S. No. 695

RECEIVED BY: _____

Introduced by **SENATOR RAMON BONG REVILLA, JR.**

**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**

EXPLANATORY NOTE

Article II Section 23 of the 1987 Constitution provides that, "The State shall encourage non-governmental, community-based or sectoral organizations that promote the welfare of the nation." Further, Article XIII Section 16 ensures that, "The right of the people and their organizations to effective and reasonable participation at all levels of social, political, and economic decision-making shall not be abridged. The State shall, by law, facilitate the establishment of adequate consultation mechanisms."

In recognition of the role and contribution of civil society organizations (CSOs) in nation-building, this bill seeks to institutionalize their participation in one of the most important aspects of governance – the budget process. The "*People's Participation in the National Budget Process Act of 2022*" provides for mechanisms for the accreditation and participation of the CSOs in the preparation and authorization of the annual national budget. It also seeks to grant privileges and incentives to accredited CSOs to encourage wider participation in the process.

This measure was filed by Senator Panfilo M. Lacson in the 18th Congress.

In view of the foregoing, the immediate passage of this bill is highly recommended.


RAMON BONG REVILLA, JR.

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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 Participation*
2 *in the National Budget Process Act of 2022*".

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

9 Sec. 3. *Definition of Terms.* - For purposes of this Act, the following terms are
10 defined as follows:

11 (a) *Accreditation* refers to the registration process of CSOs with the National
12 Government Agencies (NGAs) and Government Owned and Controlled
13 Corporations (GOCCs), in order to allow them to participate in the
14 preparation and authorization of the annual national budget.

15 (b) *Accredited CSO* refers to CSOs that have fulfilled the requirements in Section
16 5 of this Act.

- 1 (c) *Budget Call* refers to the budget document issued by the Department of
2 Budget and Management (DBM) and sent to all NGAs and GOCCs, which
3 contains the policy guidelines and procedures in the preparation of the
4 annual budget, including the budget preparation calendar for any given
5 year. The issuance of a budget call signals the beginning of the budget
6 preparation phase.
- 7 (d) *Civil Society Organizations (CSOs)* include non-government organizations
8 (NGOs), cause-oriented groups, people's organizations, cooperatives, trade
9 unions, professional associations, faith-based organizations, media groups,
10 indigenous peoples movements, foundations, and other citizen groups
11 formed primarily for social and economic development, which monitor
12 government projects, engage in policy discussions, and actively participate
13 in collaborative activities with the Government.
- 14 (e) *Conflict of Interest* refers to a condition which occurs when a CSO or any of
15 its key officers are involved in multiple interests which prevents an impartial
16 or unbiased attitude towards their participation in the national budget
17 process.
- 18 (f) *Constructive Engagement* refers to a partnership between Government and
19 counterpart CSOs marked by sustained dialogue towards problem solving
20 while respecting and retaining the focus on assertion for reforms.
- 21 (g) *Government-Owned or Controlled Corporation (GOCC)* refers to any agency
22 organized as a stock or non-stock corporation, vested with functions relating
23 to public needs whether governmental or proprietary in nature, and owned
24 by the Government of the Republic of the Philippines directly or through its
25 instrumentalities either wholly, or, where applicable as in the case of stock
26 corporations, to the extent of at least a majority of its outstanding capital
27 stock.
- 28 (h) *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 (i) *Participation Mechanisms* refer to the means by which CSOs can participate
32 meaningfully and effectively in the government process of formulating and

1 authorizing an annual national budget that is responsive to the needs of the
2 different sectors in our society.

3 Sec. 4. *Coverage.* – This Act shall apply to all NGAs and GOCCs whose budget
4 is included in the Annual General Appropriations Act.

5 Sec. 5. *Accreditation.* – The application for accreditation for the Senate, the
6 House of Representatives, the Judiciary, and the Constitutional Offices shall be filed
7 at the Office of the Secretary, the Secretary-General, the Supreme Court Clerk of
8 Court, and the Office of the Chairman, respectively. The application for accreditation
9 for other NGAs and GOCCs may be filed at their respective regional or central offices.
10 The application form shall be prescribed by each office and the application for
11 accreditation shall be accompanied by the following documents:

- 12 (a) Articles of Incorporation and By-Laws of the applicant CSO;
13 (b) Certificate of Registration and/or other such similar documents, issued by
14 an appropriate government agency tasked to register civil society
15 organizations, such as but not limited to, the Securities and Exchange
16 Commission, Bureau of Labor Relations, Housing and Land Use Regulatory
17 Board, Insurance Commission, and the Cooperative Development Authority;
18 (c) The list of officers, directors, trustees and members;
19 (d) Duly audited financial statements for the past three (3) years showing the
20 assets and liabilities of the organization;
21 (e) Full disclosure of the sources of funds; and,
22 (f) Full disclosure of service contracts with other NGAs, CSOs, private
23 corporations, other CSOs, and other engagements which may result in
24 conflict of interest.

25 Upon approval of the application, the head of the concerned NGA or GOCC shall
26 issue the certification of accreditation. This shall be valid for three (3) years following
27 its issuance except for the certificate of accreditation issued by the Senate and the
28 House of Representatives, which shall be valid for the entire term of the Congress
29 under which such certificate of accreditation was issued.

30 No application for accreditation shall be disapproved, except upon due notice
31 and hearing. The decision of the head of the concerned NGA or GOCC shall be
32 rendered within twenty (20) working days from the time of the filing of the application.

1 Failure to act on the application shall be deemed an automatic approval of the
2 application for accreditation of the concerned CSO, and the issuance of a certificate of
3 accreditation shall necessarily ensue.

4 *Sec. 6. CSO Participation.* – In the interest of transparency, CSO participation
5 shall be a component in the preparation and authorization of the annual national
6 budget. All NGAs and GOCCs shall be required to formulate and adopt guidelines
7 outlining the mechanism for the accreditation and active participation of the CSOs in
8 the preparation and authorization of the annual national budget.

9 The DBM shall ensure that the NGA or GOCC has complied with the above
10 mentioned requirement.

11 Accredited CSOs, through their duly authorized representatives, shall be
12 allowed to participate as resource persons in the budget hearings to be conducted by
13 the appropriate Committees of each House of Congress, provided that they comply
14 with the guidelines to be issued by both Houses of Congress.

15 Notwithstanding their participation in the budget hearings to be conducted by
16 the appropriate Committees of each House of Congress as provided in the preceding
17 paragraph, the Committee on Appropriations of the House of Representatives and the
18 Committee on Finance of the Senate shall schedule one (1) hearing day for the
19 presentation of the positions of accredited CSOs on the budget.

20 *Sec. 7. Privileges and Incentives.* – An accredited CSO shall enjoy the following
21 privileges and incentives:

22 (a) To have similar participation rights accorded to NGOs in the Local
23 Development Councils pursuant to the provisions of Republic Act No. 7160
24 otherwise known as the “Local Government Code of 1991” in setting the
25 direction of economic, social and other coordinating development efforts in
26 the national level;

27 (b) To receive notices and participate as resource persons through its duly
28 authorized representatives in any regular and consultative public meetings,
29 hearings, conferences, and dialogues on matters related to the preparation
30 and authorization of the annual national budget;

31 (c) To be allowed to observe at the budget deliberations and at the bicameral
32 conference;

- 1 (d) Access to copies of the budget proposal submitted by the NGAs or GOCCs
2 to the DBM;
- 3 (e) To provide position papers to the DBM on the budget proposal of NGAs or
4 GOCCs submitted pursuant to the budget call;
- 5 (f) To submit its own alternative or proposed budget or position paper;
- 6 (g) Access to issuances such as, but not limited to policy orders, circulars and
7 memoranda that are related to the budget;
- 8 (h) Access to the documents prepared by the DBM for submission to Congress
9 by the President as a basis for the General Appropriations Bill required under
10 Article VII, Section 22 of the Constitution;
- 11 (i) To present written proposals on projects and activities of the government
12 entities whose budget is under deliberation; and,
- 13 (j) Immediate access to stenographic notes and committee reports released by
14 both Houses including the bicameral conference committee report. The
15 bicameral conference committee meetings and all other meetings related or
16 associate thereto shall be recorded and made accessible immediately to
17 promote transparency and to allow members of both Houses to easily
18 determine how conflicting provisions in the proposed national budget were
19 reconciled or resolved prior to the submission thereof for ratification by both
20 Houses of Congress.

21 Sec. 8. *Notice to CSOs.* – Notice to CSOs may be sent through electronic mail,
22 facsimile machine, postal mail, posting at the website of the NGA or GOCC concerned,
23 or any available official means of transmitting the same. Any of the said modes of
24 sending notices shall be deemed compliance to the requirements under Section 7(a)
25 of this Act.

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 and
28 when such a situation arises.

29 However, if the NGA or GOCC deems that the CSO has a conflict of interest
30 with the work of such NGA or GOCC, the latter shall give the applicant-CSO an
31 opportunity to explain and prove that the conflict of interest does not exist.

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

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

9 Sec. 11. *Non-Accredited CSO.* – Non-accredited CSOs may still participate in
10 the budget process by submitting position papers for the consideration of the NGA or
11 GOCC and by attending and observing public consultations. They may be invited to
12 expound on their critique or proposals when said institutions deem it fit. Nothing in
13 this Act shall be construed to deprive non-accredited CSOs the rights, privileges, and
14 incentives accorded to them by the Constitution, existing laws, executive orders, rules
15 and regulations and other issuances.

16 Sec. 12. *Public and Timely Disclosure of Budget Documents and Other Related*
17 *Data.* – In order for CSOs to participate in an informed manner, the NGA or GOCC
18 shall post in their official websites or other public posting areas, budget documents to
19 which CSOs shall have access, as provided for under Section 7 of this Act.

20 Sec. 13. *Separability Clause.* – If any provision or part hereof is held invalid or
21 unconstitutional, the remainder of the law or the provision or part not otherwise
22 affected shall remain valid and subsisting.

23 Sec. 14. *Repealing Clause.* – Any law, presidential decree or issuance,
24 executive order, letter of instruction, administrative order, rule, or regulation contrary
25 to or inconsistent with the provisions of this Act are hereby repealed, modified, or
26 amended accordingly.

 Sec. 15. *Effectivity.* – This Act shall take effect fifteen (15) days after its
publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,