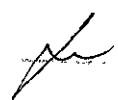


FOURTEENTH CONGRESS OF THE REPUBLIC)  
OF THE PHILIPPINES )  
Second Regular Session )

9 JAN 27 P4:07

SENATE  
Senate Bill No. 3020 RECEIVED BY 

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Introduced by **SENATOR LACSON**

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## EXPLANATORY NOTE

The national budget is the primary economic and political tool of the government. The budget encompasses all aspects of governance – policies, political and social preferences, administrative reforms, delivery of services, etc. It reflects the government's sincerity and political will to achieve social and economic change.

The budget process is without a doubt a very long and tedious process. But the vital role it plays in the operations of our government, and ultimately on the life of every Filipino, demands that there should be mechanisms in place that will enable citizens to participate in the budget process, whether in the national or local levels, so as to correct spending priorities and to ensure transparency in the appropriation of valuable taxpayer's money.

The budget process is the arena where a person can exercise his/her citizenship through the power to directly influence the social and economic priorities for his/her community. It is high time that we encourage non-governmental organizations (NGOs) and people's organizations (POs) to focus their efforts into analyzing and scrutinizing the budget in order to steer the government into creating *real development that is felt* by the marginalized sectors. Philippine societies can learn from countries such as Brazil, South Africa and India, where mechanisms of citizens' participation in the budget process has become both law and tradition because it has improved the delivery of basic social services and improved many lives.

In our own country, many civic society groups have already moved forward and gotten themselves involved in the budget process through their submission of proposed alternative budgets highlighting much needed appropriation for social services. In fact the efforts of these groups have made such a remarkable difference in the 2007 General Appropriations Act, wherein there was an increase of P22.7 billion in additional proposals for Millennium Development Goal (MDG) related activities, and an approval of the P5.5 billion for social services, according to NEDA's MDG Report in 2007.

This bill, known as "The People's Participation in Budget Deliberations Act," adheres to the principles of genuine democracy by enshrining the right of the people to directly participate in the budget process, thereby preserving the people's power in influencing priorities underlying the budget for social development. Specifically, this bill aims to institutionalize people's participation in the budget deliberations in various levels of government – national, provincial, municipal down to the barangay level. Without underestimating and undermining the capacities of elected representatives in crafting a budget that is needed by a particular locality, this bill gives full play to the people's right to participate in all levels of social, political and economic decision-making. Further, it

institutionalizes people's access to information with regard to how taxpayers' money is being spent. In a way, this is likewise an anti-corruption measure.


Now is the time for Congress to recognize the importance of the direct participation by POs and NGOs in the budget deliberation. We should now institutionalize the practice of legislature-civil society collaboration in order to achieve a people-oriented budget as well as establish transparency and accountability in the budget process.

In view of the foregoing, the immediate enactment of this bill is earnestly sought.

  
**PANFILO M. LACSON**  
*Senator*

FOURTEENTH CONGRESS OF THE REPUBLIC)  
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**“AN ACT INSTITUTIONALIZING THE ACTIVE PARTICIPATION OF BONA FIDE  
PEOPLE’S ORGANIZATIONS and NON-GOVERNMENT ORGANIZATIONS  
IN THE ANNUAL NATIONAL BUDGET HEARINGS IN CONGRESS  
AND BUDGET DELIBERATIONS IN LOCAL GOVERNMENT UNITS,  
AND PROVIDING EFFECTIVE MECHANISMS THEREFORE”**

*Be it enacted by the Senate and the House of Representatives of the Philippines in  
Congress assembled:*

**Section 1. Short Title.** – This act shall be known as the *“People’s Participation in  
Budget Deliberations Act”*.

**Section 2. Declaration of Policy.** – It is hereby declared the policy of the state to  
promote and respect the rights of non-governmental and people’s organizations to  
become effective partners in all aspects of social, political and economic decision-  
making so that they may protect and pursue their legitimate interests and aspirations as  
a people; and so that the country may realize genuine democracy and equitable  
development.

For this purpose, the State shall guarantee the participation of people’s organizations  
and non-government organizations in the government budget process to ensure that the  
annual appropriations will be an instrument of development and reflective of national  
objectives, strategies and plans.

**Section 3. Definition of Terms.** – For the purposes of this Act:

- a) **Accreditation** – refers to the process by which the Senate, House of  
Representatives and the local legislative bodies recognize the people’s  
organizations and non-government organizations in order to register and allow  
them to participate in budget deliberations: Provided, that registration of said  
applicant shall not confer juridical personality on the organization;
- b) **Non-government organization** – refers to independent private, non-stock and  
non-profit organizations formed primarily for social and economic development,  
are not engaged in partisan politics, and whose officers are not holding  
government positions;
- c) **People’s organization** – Section 15 of the 1987 Constitution defines people’s  
organizations as “bona fide organizations of citizens with demonstrated capacity

to promote public interest and with identifiable leadership, membership and structure”.

- d) **People’s Participation** – refers to the active involvement of people’s organizations and non-government organizations in the government budget process from the formulation up to the monitoring of the annual budget to ensure that it is responsive to the needs of the people, especially the vulnerable sectors, including but not limited to providing inputs during budget deliberations and during oversight hearings on the budget.

**Section 4. Coverage.** – All people’s organizations and non-government organizations with a reputable track record in participating and contributing to government’s processes and activities, may be allowed to participate and play a significant role in the congressional and local annual budget deliberations as well as in budget monitoring hearings, provided they undergo the mandatory accreditation process and comply with the implementing rules and regulations issued by both Houses of Congress, pursuant to Section 10 of this Act.

Both Houses of Congress shall, through the Senate President and the Speaker, allow the active participation of accredited POs and NGOs in the deliberation of the annual national budget by inviting their duly authorized representatives as resource persons, subject to such internal rules and regulations as the Senate and the House of Representatives or its concerned committee may provide.

The Local Development Councils, headed by their Governors, Mayors or Barangay Captains shall also allow the active participation of the POs and NGOs in their annual budget deliberations, subject to the limitations provided by law, their respective ordinances, rules and regulations.

**Section 5. Application for Accreditation.** – The application for accreditation shall be filed with the Office of the Secretary of the Senate, the Secretary General of the House of Representatives, or the Secretary of the Local Government Units, in the form prescribed by such offices for the purpose, with the following documents:

- a) Articles of Incorporation and By-laws of the applicant POs and NGOs;
- b) Certificate of Registration with the Securities and Exchange Commission (SEC) and concerned authority/agency;
- c) Affidavit of Modus Operandi showing:
  - i. The character of the organization
  - ii. The purpose for which it was organized
  - iii. The list of activities or projects for the past three (3) years, and
  - iv. List of officers, directors, trustees and members.
- d) Certificate of Good Track Record and Standing from the proper authority or concerned office; and
- e) Duly audited financial statements for the past three (3) years showing assets and liabilities of the organization.

Upon approval of the application by the Secretary of the Senate, the Secretary General of the House of Representatives or the Secretary of the Local Government Units, a certificate of accreditation shall be issued which shall be valid for three (3) years after its approval.

Unless an applicant is given proper hearing and notice, no application for accreditation shall be disapproved. The decision of the Secretaries of the Senate or the House or the proper authority so designated by the concerned local government unit shall thus be rendered within ten (10) working days from the filing of the application.

**Section 6. Qualifications and Responsibilities of the Representatives for Accredited People's Organizations, NGOs, or Private / Civic Sector**

- a. Qualifications – Nominated representatives of accredited people's organizations, non-government organizations, or private/civic sector groups should be members of the organization he/she is representing. The nominees may be members of sectoral or multi-sectoral groups. Said nominated representatives shall serve at the pleasure of the their accredited organization.
- b. Rights, roles and responsibilities of representatives – Nominated/elected representatives of accredited people's organizations, non-government organizations, or private/civil sector groups shall be allowed to participate during budget deliberations in the national down to municipal levels of government. They shall have access to documents pertinent to the budget discussions, the right to submit position papers, suggestions and/or recommendations, and observe the voting of the elected local and national representatives.

**Section 7. Privileges and Incentives** – An accredited NGO or PO shall be entitled to the following privileges and incentives:

- a) Participate through its duly authorized representatives in any regular and consultative public meetings, hearings, conference, dialogues, debates or deliberations sponsored by the Senate and the House of Representatives including District and other local consultations in relation to the State's annual budget;
- b) Submit its own alternative or proposed budget, or position paper with regard to the sector or organization it represents;
- c) Access to the copies of the bills, budget proposals, and other pertinent documents filed with or coming from both Houses of Congress and local government unit concerned, free of charge; and
- d) Present written proposals on the projects and activities of the government agency whose budget is under consideration.

Nothing in this Act shall be construed to deprive NGOs or POs whether accredited or not, of their rights guaranteed by the Constitution, existing laws, executive orders, rules and regulations and other issuances.

**Section 8. Cancellation of Certificate of Accreditation and Suspension of Privileges of POs and NGOs** – Upon a verified complaint in writing, charging the holder of a certificate of accreditation of having been guilty of unprofessional conduct, or having procured their certificate of accreditation by fraud or deceit, or for violating any provisions of this Act or its IRR, the Secretary of the Senate or the Secretary General of the House, or the LGU Secretary shall have the power to cancel the certificate of accreditation or suspend the privileges of the particular POs or NGOs, depending on the gravity of the offense committed.

POs and NGOs whose accreditation have been suspended for any valid reason shall not be allowed to engage or participate in the Congressional and local annual budget deliberations in any

No certificate shall be cancelled or suspended unless there has been proper notice and hearing by the proper authority. Inaction by the proper authority within fifteen (15) days shall be considered as a decision favorable to the NGOs or POs involved.

**Section 9. Implementing Rules and Regulations.** — The Senate and the House of Representatives, in consultation with the Department of Interior and Local Government (DILG), the Department of Budget and Management (DBM), POs, NGOs, and other agencies deemed necessary to consult, shall issue the Implementing Rules and Regulations (IRR) within ninety (90) days after the approval of this act.

**Section 10. Separability Clause.** – If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions thereof.

**Section 11. Repealing Clause.** – All laws, decrees, orders and issuances or portion thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

**Section 12. Effectivity.** – This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,