

Sixteenth Congress of the  
Republic of the Philippines  
First Regular Session



'13 SEP -4 P2 :37

SENATE

S.B. No. 1524

RECORDED BY: *Jia*

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Introduced by SENATOR TEOFISTO "TG" GUINGONA III

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**EXPLANATORY NOTE**

The Priority Development Assistance Funds (PDAF) was established to allow legislators to identify projects and programs that are needed by communities which are not prioritized and funded by either the Local Government Units (LGUs) or National Government Agencies (NGAs).

While its purpose is laudable, through the years the PDAF has been mired with reports of misuse and corruption, the latest of which being the Commission on Audit (COA) Special Audit Report on the 2007-2009 PDAF.

Different proposals to ensure that the public coffers will be spent with only the people's welfare in mind have been put forward recently, following the public outrage at how government funds were used not for the benefit of the citizenry, but of a few individuals.


While reforms to limit discretion in the use of public funds have been pursued by the government in recent years, much is left to be done. Measures have to be put in place against those who choose to abuse the system. We start with the abolition of the PDAF or the pork barrel—and allocate the amount intended for it to the different NGAs.

We take the reforms a step further by institutionalizing Bottom Up Budgeting, an approach in planning government expenditures by involving Civil Society Organizations (CSOs) in the identification and planning of programs and projects that will be funded by the annual General Appropriations Act (GAA). By allowing their active participation of CSOs in planning and budgeting, it can be ensured that the annual appropriations of NGAs will be an instrument of development and reflective of local and national objectives, strategies and plans.

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The abolition of the PDAF and the institutionalization of Bottom Up Budgeting are two big steps that we can take to operationalize the Aquino administration's slogan: *Kung walang corrupt, walang mahirap* as it addresses the challenges of improving service delivery, increasing government integrity and more effectively managing public resources.

The immediate enactment of this measure is sought.



SENATOR TEOFISTO "TG" GUINGONA III

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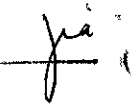


Senate  
Office of the Secretary

13 SEP -4 P2:37

SENATE

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RECEIVED BY: 

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Introduced by SENATOR TEOFISTO "TG" GUINGONA III

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AN ACT ABOLISHING THE PRIORITY DEVELOPMENT ASSISTANCE FUND (PDAF)  
AND INSTITUTIONALIZING BOTTOM UP BUDGETING  
IN THE PLANNING AND IDENTIFICATION OF PROGRAMS AND PROJECTS  
TO BE FUNDED BY THE ANNUAL GENERAL APPROPRIATIONS ACT

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

SECTION 1. Short Title. – This Act shall be known as the "Bottom Up Budgeting Act of 2013."

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

For this purpose, the State shall abolish the Priority Development Assistance Fund (PDAF)—a lump sum appropriation in the annual General Appropriations Act (GAA) that has been mired with reports of misuse and corruption—and allocate the amount intended for PDAF to the different National Government Agencies (NGAs).

To ensure that the annual appropriations of NGAs will be an instrument of development and reflective of local and national objectives, strategies and plans, the State shall ensure the involvement of Civil Society Organizations (CSOs) by institutionalizing Bottom Up Budgeting in the identification and planning of programs and projects that will be funded by the GAA.

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

3.1. Bottom-Up Budgeting (BuB) - an approach in formulating the budget proposal of agencies, taking into consideration the development needs of municipalities and cities as identified in

their respective local development plan and/or local anti-poverty action plan formulated with the meaningful participation of CSOs.

3.2. Priority Development Assistance Fund (PDAF) – is a lump-sum appropriation in the annual General Appropriations Act to fund priority development programs and projects of government identified by members of Congress.

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

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

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

3.6. Local Poverty Reduction Action Team (LPRAT)/ Local Development Action Team (LDAT) – the group to spearhead the formulation and monitoring of the LPRAP/LDAP composed of the following:

Chairperson: Local Chief Executive (LCE)

Co-Chairperson: A CSO Representative

Members:

Representatives from the LGU, to wit:

- Sangguniang Panglungsod/Bayan Member who is the chairperson of the Committee on Appropriation;
- All local government department heads such as the Planning Office, Budget Officer, Agriculture Officer, Social Welfare and Development Officer and Health Officer;
- Representatives of National Government Agencies (NGAs) such as Department of Social Welfare and Development (DSWD) Municipal Links, PESO Manager and the Department of Interior and Local Government (DILG) City/Municipal Local Government Operations Officer, the School District Supervisor and Agrarian Reform Officer; and

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

- A Pantawid Pamilya Parent-Leader;
- A Leader from Department of Health (DoH) organized Community Health Teams;
- A Leader of Parent- Teacher Associations;
- A Leader of CSOs accredited or recognized by any NGA;
- A leader of women's groups;
- A leader of basic sector organizations;
- A leader of other community or grassroots organizations; and

A representative from the business sector.

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

3.7. Regional Poverty Reduction Action Teams (RPRATs)/ Regional Development Action Teams (RDATs) – the group that shall provide support and guidance to LGUs through the BuB process and monitor the implementation of the BuB projects, composed of the following:

Chairperson: DILG Regional Director

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

Members:

- Regional Directors of NGAs
- Regional Director of the National Economic Development Authority (NEDA)
- Two CSO representatives per province as identified by National Anti Poverty Commission (NAPC)

SECTION 4. Abolition of the Priority Development Assistance Fund (PDAF). To limit discretion of legislators in the use of public funds, this Act abolishes the PDAF and any of its subsequent forms in the annual General Appropriations Act (GAA) and allocates the amount intended for it to the different NGAs.

SECTION 5. Institutionalization of Bottom Up Budgeting. Active participation of CSOs in the identification and planning of programs and projects that will be funded by the GAA shall be guaranteed by the State through the institutionalization of Bottom Up Budgeting in the budget process.

SECTION 6. Role of LGUs and NGAs.

All LGUs and NGAs shall be required to formulate and adopt guidelines outlining the mechanism for the accreditation and active participation of the CSOs.

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

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

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

**SECTION 7. Role of CSOs** - In the interest of community ownership and transparency, CSO participation shall be a component in the planning, identification and monitoring of projects and programs that shall be funded by the annual National Budget.

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

**SECTION 8. Public and Timely Disclosure of Budget Documents other Related Data.** - In order for CSOs to participate in an informed manner, the LGU/NGA/ GOCC shall post on their web sites or other public posting areas, LPRAP and budget documents to which CSOs shall have access.

**SECTION 9. Separability Clause.** - If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof

**SECTION 10. 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.

**SECTION 11. Effectivity.** - This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved