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Sixteenth Congress of the
Republic of the Philippines
Second Regular Session

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SENATE

S.B. No. **2388**

Introduced by SENATOR TEOFISTO "TG" GUINGONA III

**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

Different proposals to ensure that public funds 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.

We take the reforms a step further by institutionalizing Grassroots Participatory Budgeting (GPB), 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 the active participation of CSOs in planning and budgeting, it can be ensured that the annual appropriations of National Government Agencies (NGAs) will be responsive to local objectives, strategies and plans and be truly an instrument of development.

The institutionalization of Grassroots Participatory Budgeting is a big step 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 managing public resources more effectively.

The immediate enactment of this measure is sought.


SENATOR TEOFISTO "TG" GUINGONA III



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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 “Grassroots Participatory Budgeting Act
2 of 2014.

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5 **SECTION 2. Declaration of Policy.** – In pursuit of inclusive growth and poverty reduction, it is
6 hereby declared the policy of the State to institutionalize transparency, accountability and
7 citizen’s participation in governance.

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

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16 **SECTION 3. Definition of Terms.** For purposes of this Act, the following terms shall have the
17 following definition:

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19 3.1. Grassroots Participatory Budgeting (GPB) - an approach to preparing the budget proposals
20 of agencies, taking into consideration the development needs of municipalities and cities as
21 identified in their respective local development plan and/or local anti-poverty action plan that
22 shall be formulated with strong participation of basic sector organizations and other CSOs.

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

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

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

18
19 3.5. Local Poverty Reduction Action Team (LPRAT)/ Local Development Action Team (LDAT) –
20 the group to spearhead the formulation and monitoring of the LPRAP/LDAP composed of the
21 following:

22
23 Chairperson: Local Chief Executive (LCE)

24 Co-Chairperson: A CSO Representative

25 Members:

26 Representatives from the LGU, to wit:

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

37
38 Representatives from CSOs (who must be residents of the city or municipality),
39 to wit:

- 40 • A Pantawid Pamilya Parent-Leader;
- 41 • A Leader from Department of Health (DoH) organized Community Health
- 42 Teams;
- 43 • 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.

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

3.7. LPRAT Powers and Functions:

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

3.8. Regional Poverty Reduction Action Teams (RPRATs)/ Regional Development Action Teams (RDATs) – the group that shall provide support and guidance to LGUs through the GPB process and monitor the implementation of the GPB 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. *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.

To ensure that the LPRAP/LDAP is truly reflective of needs of the community, LGUs must ensure that CSOs are involved throughout the GPB 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 GPB 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 GPB identified projects and facilitate the compliance by LGUs with the requirements for the implementation.

SECTION 5. *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 6. *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 7. *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.

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

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6 **SECTION 9. *Effectivity.*** - This Act shall take effect fifteen (15) days after its publication in at
7 least two (2) national newspapers of general circulation.

Approved