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REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )

Office of the Secretary

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**SENATE**

**S. No. 1082**

RECEIVED BY:



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**Introduced by Senator Jinggoy Ejercito Estrada**

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**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**

More than ever, the public is well informed and critical of our nation's governance and our leaders' performance because various instruments such as the media and the cyber world, including social networking sites, provide avenues to share information and opinion from different sectors of the society. One of the most controversial and widely-debated sphere of governance is the process of preparing and enacting the national budget.


The public in general, and concerned organizations in particular, has the liberty to share their opinions and proposals regarding the national budget and to a certain extent, they can participate in the process of preparing and enacting it. There is a clamor for more accessibility to information and more transparency in the process.

In response to this call, this measure proposes the institutionalization of the participation of civil society organizations (CSOs) in the preparation and authorization process of the annual national budget. It provides for a system for accreditation and participation of CSOs to ensure that the budget is appropriate and

responsive to the needs of our people. And as a protection to the interest of the public, it provides for a procedure in case the participating CSOs have a conflicting interest to the purpose of the law.

This measure was already approved on Third and Final Reading by the House of Representatives during the Eighteenth Congress.

The immediate passage of this bill is earnestly sought.



**JINGGOY EJERCITO ESTRADA**

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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.*"

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 inclusive development that is  
8 reflective 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 preparation  
14 and authorization of the annual budget;

15 b) *Accredited CSO* – refers to CSOs that have fulfilled the requirements in  
16 Section 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 annual  
4 budget, including the budget preparation calendar for any given year. The  
5 issuance of a budget call signals the beginning of the budget preparation  
6 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 formed  
11 primarily for social and economic development, which monitor government  
12 projects, engage in policy discussion, and actively participate in collaborative  
13 activities with 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 by  
24 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) *Participatory 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  
4 budgets are 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 Senate Secretary, the Secretary-General, the Supreme Court  
8 Clerk of Court, and the Office of the Chairperson, respectively. The application for  
9 accreditation for other NGAs and GOCCs may be filed at their respective regional or  
10 central office. The application form shall be prescribed by each office and the  
11 application for accreditation shall be accompanied by the following documents:

- 12 a) Articles of Incorporation and By-Laws of the applicant CSO;
- 13 b) Certification of Registration and/or such other similar documents, issued  
14 by 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  
18 Authority;
- 19 c) The list of officers, directors, trustees and members;
- 20 d) Duly audited financial statements for the past three (3) years showing the  
21 assets and liabilities of the organization;
- 22 e) Full disclosure of the sources of funds; and,
- 23 f) Full disclosure of service contracts with other NGAs, CSO, private  
24 corporations, other CSOs, and other engagements which may result in  
25 conflict of interest.

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

31 No application for accreditation shall be disapproved, except upon due notice  
32 and hearing. The decision of the head of the concerned NGA or GOCC shall be

1 rendered within twenty (20) working days from the time of the filing of the  
2 application. Failure to act on the application shall be deemed an automatic approval  
3 of the application for accreditation of the concerned CSO, and the issuance of a  
4 certificate of accreditation shall necessarily ensue.

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

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

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

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

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

- 23       a) To receive notices and participate as resource person through its duly  
24       authorized representatives in any regular and consultative public  
25       meetings, hearings, conferences, and dialogues on matters related to the  
26       preparation and authorization of the annual national budget;
- 27       b) Access to copies of the budget proposals submitted by the NGAs or  
28       GOCCs to the DBM;
- 29       c) To provide position papers to the DBM on the budget proposal of NGAs or  
30       GOCCs submitted pursuant to the budget call;
- 31       d) To submit its own alternative or proposed budget or position paper;

- 1 e) Access to issuances such as, but not limited to policy orders, circulars and  
2 memoranda that are related to the budget;
- 3 f) Access to the documents prepared by the DBM for submission to  
4 Congress by the President as a basis for the General Appropriations Bill  
5 required under Article VII, Section 22 of the Constitution;
- 6 g) To present written proposals on projects and activities of the government  
7 entities whose budget is under deliberation; and,
- 8 h) Access to committee reports released by both Houses.

9 Sec. 8. *Notice to CSOs.* – Notice to CSOs may be sent through electronic mail,  
10 facsimile machine, postal mail, and by posting at the website of the NGA or GOCC  
11 concerned. Any of the said modes of sending notices shall be deemed compliance to  
12 the requirements under Section 7 (a) of this Act.

13 Sec. 9. *Conflict of Interest.* – It is the responsibility of the CSO to inform the  
14 NGA or GOCC of a conflict of interest in their work with the concerned agency, if and  
15 when such situation arises.

16 However, if the NGA or GOCC deems that the CSO has a conflict of interest  
17 with the work of such NGA or GOCC, the latter shall give the applicant-CSO an  
18 opportunity to explain and prove that no conflict of interest exists.

19 In case there is a conflict of interest, the NGA or GOCC shall automatically  
20 suspend the privileges of the CSO and shall remain in effect until the conflict of  
21 interest ceases to exist.

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

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

30 Sec. 11. *Non-Accredited CSO.* – Non-accredited CSOs may still participate in  
31 the budget process by submitting position papers for the NGA's or GOCC's  
32 consideration and by attending and observing public consultations. They may be



1 invited to expound on their critique or proposal when said institutions deem it fit.  
2 Nothing in this Act shall be construed to deprive non-accredited CSOs the rights,  
3 privileges and incentives accorded to them by the Constitution, existing laws,  
4 executive orders, rules and regulations and other issuances.

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

9       Sec. 13. *Separability Clause.* – If any section or provision of this Act is held  
10 unconstitutional or invalid, the remaining part or provisions not otherwise affected  
11 shall remain in force.

12       Sec. 14. *Repealing Clause.* – All laws, decrees, executive orders, rules and  
13 regulations, issuances or any part thereof inconsistent with the provisions of this Act  
14 are hereby repealed or amended accordingly.

15       Sec. 15. *Effectivity.* – This Act shall take effect fifteen (15) days after its  
16 publication in the *Official Gazette* or in at least two (2) newspapers of general  
17 circulation.

*Approved,*