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SENATE

Senate Bill No. 1194

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INTRODUCED BY HON. MANNY VILLAR

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EXPLANATORY NOTE

This bill seeks to implement the State policy enunciated in Section 23, Article II of the Constitution to wit:

SECTION 23. The State shall encourage non-governmental, community-based or sectoral organizations that promote the welfare of the nation.

This bill defines non-governmental organizations (NGOs) and establishes mechanisms by which the Philippine government may assist NGOs to expand their operations to cover more areas in the country. As it is, the NGO is distinct from the people's organizations (POs) covered in Section 15, Article XIII of the Constitution. The constitutional proceedings characterized NGOs as independent private organizations involved in promoting the welfare of the majority of the population. Such organization have been in existence in the Philippines for several decades, devoting their energies to community or sectoral development, environmental conservation, humanitarian work and human rights promotions, among many other countries.

Government attempts at forming people's organization have generally been ineffective. The initiative to organize must come from the people themselves. NGOs have been far more successful in this area.

NGO activities are therefore all important factors in accelerating rural development by the people themselves. The government should tap NGOs to reach more people in the rural areas. It should provide assistance to NGOs so that they may supplement and complement the role of the government in the development of the countryside.

This bill provides the mechanisms for the government units to provide such assistance to NGOs.

Early passage of this bill is recommended.

  
MANNY VILLAR

FIFTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
First Regular Session

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**AN ACT TO ENCOURAGE THE PARTICIPATION OF NON-GOVERNMENTAL ORGANIZATIONS (NGOs) AND STRENGTHEN THEIR ROLE IN NATIONAL DEVELOPMENT AND FOR OTHER PURPOSES**

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

SECTION 1. Declaration of Policy. The State shall hereby recognizes the indispensable role of non-governmental organizations in carrying out activities that promotes the welfare of the majority of the population, particularly the disadvantages sectors, and adopt a policy of encouragement and support for non-governmental organizations as hereinafter defined. To this end, the Government shall take measures to provide NGOs the opportunities to participate in and assist in government programs for national development.

SECTION 2. Definition of terms. As used in this Act, the following terms shall be construed as follows:

- a) "Non-governmental Organizations" hereinafter referred to as NGOs, also known as Private Voluntary Organizations, or Voluntary Agencies, are private, non-profit or non-stock organizations or corporations, registered with the Securities and Exchange Commission (SEC), and engaged in medium or long-term activities, however financed or organized, such as but not limited to: community organizing, community education, sectoral development, humanitarian or charity work, disaster relief, family planing, physical and social rehabilitation, and social amelioration.
- b) "Umbrella Non-governmental Organization" is a non-governmental organization registered with the Securities and Exchange Commission which maintains a membership consisting of other non-governmental organization, whether or not registered with the Securities and Exchange Commission, for the purpose of promoting, financing, coordinating or consolidating NGO activities and projects as enumerated in the immediately preceding paragraph.
- c) "Implementing Agency" shall refer to any government subdivision, agency or instrumentality, whether national or local, including government-owned or controlled corporations, which shall assist, facilitate and support non-governmental organization activities and project or deliver goods and services to the public with the assistance of or in corporation with non-governmental organizations, for which purpose, funds have been accordingly

appropriated or are available therefor from Official Development Assistance (ODA) or any other source.

SECTION 3. Assistance and Support to NGOs. A non-governmental organization which has duly applied for assistance with the concerned implementing agency shall be eligible for financial and other assistance to carry out projects and activities which the implementing agency deems proper for the execution and implementation by a non-governmental organization: Provided, that such implementing agency shall utilize the implementing agency's own programs. The assistance may consist of:

- a) Project Grants
- b) Matching Grants
- c) Concessional Loans
- d) Technical, Training and Organizational Development Support
- e) Such other assistance or support as may be determined to be appropriate and proper by the Secretary or Head of the Department, Commission or Agency.

The arrangements for assistance to NGOs shall be out into writing in a contract form or memorandum of agreement stating therein the terms and conditions for the grant of financial support by the implementing agency. The following stipulations shall be included in such contract form or memorandum of agreement:

- 1) Duration of the agreement or contract;
- 2) Amount involved for the project;
- 3) Terms and conditions of disbursement;
- 4) Reports to be submitted periodically by the NGO
- 5) Verification of reports and provision for performance inspection; and
- 6) Audit of funds released to the NGO

SECTION 4. Application and Eligibility for Assistance. A non-governmental organization seeking to avail of government support or assistance as provided in section 3 hereof shall submit a project proposal to the implementing agency concerned. The implementing agency concerned shall determine the requirements and conditions to be complied with by the applicant NGO for the availment of assistance, with due regard for the expeditious and efficient processing of the application by the NGO.

A non-governmental organization may apply for government assistance through the sponsorship of an umbrella NGO in which the applicant NGO is a member. In such event, the umbrella NGO shall be made a party signatory to the contract to be entered into between the concerned implementing agency and the applicant NGO, for and in behalf of the latter mentioned applicant NGO.

Any application of an NGO for government assistance and support shall be free from all fees and charges, such as but not limited to filing fees, processing fees, and service fees.

The implementing agency shall be guided by the following criteria in evaluating any application for government assistance filed by a non-government organization:

- a) Record of performance or accomplishments of the NGO;
- b) Suitability of the organizational structure and competence of the volunteer or manpower complement of the NGO to perform the service activity or project being contracted: and
- c) When appropriate, financial management capability of the NGO.

SECTION 5. Implementing Agencies Rules and Regulations. Government assistance and support to NGOs shall be primarily carried out by implementing agencies as defined in Section 2 (c) of this Act.

The necessary core rules and regulations to effectively carry out the purposes of this Act, including guidelines on the manner of auditing funds disbursed to NGOs shall be promulgated jointly by the Secretary of Finance and the Secretary of Budget to be supplemented by the operational regulations to issue thereafter by the head of the implementing agency extending assistance to qualified NGOs: Provided, that such auditing guidelines shall, in accordance with existing audit rules, provided for the safeguarding, monitoring and reporting of released funds and promote procedures which will not unduly hamper the ability, efficiency, flexibility and independence of NGOs to implement or execute government-financed projects and activities: Provided finally, that the implementing agencies shall assist NGOs in keeping and maintaining their books of account and financial records consistent with existing government auditing rules.

It shall be the responsibility of the concerned implementing agencies to publish and disseminate information on the availability of government assistance and the implementation of rules and regulations therefor. Furthermore, such implementing agencies shall maintain facilities and services for NGOs at their regional offices and provincial offices for NGOs at their regional offices and provincial offices, if any, to make it more convenient for NGOs to avail of government assistance as provided in this Act.

SECTION 6. Repealing Clause. All laws, decrees, orders, letters of instructions, letters of implementation, rules and regulations or part or parts thereof inconsistent with the provisions or any provisions of this Act, are hereby amended, modified, repealed or superseded insofar as they are inconsistent with the provisions of any of this Act.

SECTION 7. Separability Clause. If any provisions of this Act or the application of such provision to any person or circumstance is held invalid for any reason, the remainder of this Act or the application of such provision to other persons or circumstances shall not be affected thereby.

SECTION 8. Effectivity. This Act shall take effect immediately upon its approval.

Approved,