

*Guidebook for
Civil Society Organizations
in Local Special Bodies and
Local Budget Process*



Prepared by:

Saint Louis College of San Fernando, La Union

For the:

Department of the Interior and Local Government

Bureau of Local Government Supervision

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Guidebook for Civil Society Organizations in Local Special Bodies and Local Budget Process

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PREFACE

The role of civil society organizations in nation-building cannot be over-emphasized; in fact, it is enshrined in no less than the fundamental law of the land. Section 23, Article II of the 1987 Constitution states that the State shall encourage non-governmental, community-based, or sectoral organizations that promote the welfare of the nation. In furtherance of this Constitutional mandate, Article 62, Rule XIII of the Implementing Rules and Regulations of the Local Government Code (R.A. 7160) requires local government units to promote the establishment and operation on non-governmental organizations, peoples' organizations, and the private sector to make them active partners in the pursuit of local autonomy, and to directly involve them in the planning and implementation of programs and projects in the LGUs.

The participation of civil society organizations in governmental processes is an essential and much-desired component in empowering citizens by giving them opportunities to articulate their needs and to take part in the decision-making processes of their respective LGUs. An active CSO participation is vital in the pursuit of a more participatory and responsive governance (DILG MC No. 2021-054).

DILG has issued several policies that provide for CSOs to engage in the implementation of government programs in the national and local governance processes. These include guidelines on the engagements with CSOs; and on accreditation of CSOs and selection of representatives to local special bodies.

A study entitled **Lived Experiences of Civil Society Organizations in Local Special Bodies in the Municipality of Bauang, La Union**, revealed, among others, the need for CSOs to be capacitated further on their role in local governance along the various engagements they are invited and accredited to participate. It is for this purpose of enhancing the awareness and capability of CSOs that this Guidebook was initially contemplated and eventually crafted.

This **Guidebook for Civil Society Organizations in Local Special Bodies and Local Budget Process** is designed to bring together in one handy and easy to use resource material relevant guidelines issued by DILG pertinent to the accreditation of CSOs, selection of their representatives in LSBs, functions of LSBs; as well their participation in the local budget process; the latter is sourced from the Handbook on the Participation of Civil Society Organizations in the Local Budget Process, a joint project of DBM and DILG.

- The Project Team
February 2022

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ROLE OF CIVIL SOCIETY ORGANIZATIONS IN LOCAL GOVERNANCE: RATIONALE AND LEGAL BASES

The 1987 Philippine Constitution envisions that territorial and political subdivisions of the State ought to enjoy genuine and meaningful local autonomy to enable them to attain their fullest development as self-reliant communities. Towards this end, local government units are mandated to promote the establishment and operation of people's and non-governmental organizations, otherwise referred to as Civil Society Organizations (CSOs), to serve as active partners of the latter in the pursuit of local autonomy and its benefits.

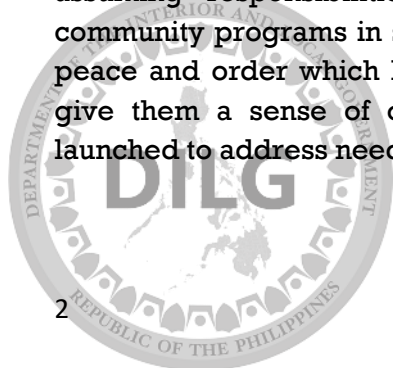
Moreover, the Constitution adopts a state policy that encourages non-governmental, community-based, or sector-wide organizations that promote the welfare of the nation. This is consonance with Sec. 23 Art. II of the Constitution which provides that "the State shall respect the role of the independent people's organizations to enable the people to pursue and protect, within the democratic framework, their legitimate and collective interest and aspirations through peaceful and lawful means." In addition, Sec. 15, Art. XIII articulates that people's organizations can be instrumental in enabling the people to meaningfully participate and effectively intervene in the formulation and implementation of decisions that directly affect their lives.

In the pursuit of the Constitution, the state enacted in 1991 Republic Act 7160, otherwise known as the Local Government Code of the Philippines, which among others, requires that the territorial and political subdivisions of the State shall enjoy genuine and meaningful local autonomy to enable them to attain their fullest development as self-reliant communities and make them more effective partners in the attainment of national goals. It is likewise the policy of the State

to require all national agencies and offices to conduct periodic consultations with appropriate local government units, non-governmental and people's organizations, and other concerned sectors of the community before any project or program is implemented in their respective jurisdictions. (SECTION 2. Declaration of Policy, RA 7160)

In the furtherance of this Constitutional mandate, the Philippines adopted in 1999 the Decentralized Governance Program of the United Nations Development Program the main goal of which is the strengthening of the capacity for people-centered development (www.ciesin.org/decentralization/). Its main objective is to contribute to the learning process of the government on how the capacities for good governance of the various actors; namely public, private, and civic, at the appropriate levels, i.e., national, provincial, district, municipal, or community, can be strengthened in the areas of policy formulation, resource management, and service deliver/access in order to achieve poverty eradication and other sustainable human development.

Another principle of the Decentralized Governance Program as pointed out by Brillantes et al. (2011) is building a community-owned government where citizens take active part in solving community problems instead of simply depending on government. Citizens are involved and mobilized into assuming responsibilities and involvement in managing community programs in such services as public housing and peace and order which basically would empower them and give them a sense of ownership of community programs launched to address needs, problems and concerns.



As provided for in Article 62, Rule XIII of the Implementing Rules and Regulations of RA 7160, Local Government Units (LGUs) are mandated to:

“promote the establishment and operation of non-government organization, people’s organizations, and the private sector to make them active partners in the pursuit of local autonomy and to directly involve them in the planning and implementation of programs and projects in the LGUs. (Paragraph 1.1, DILG CM No. 2021-54) “

In addition, as emphasized in the same Memorandum Circular, the state recognizes the important role of Civil Society Organizations in government processes as:

“a vehicle of empowering citizens by giving them opportunities to articulate their needs and to take part in the decision-making processes of their respective LGUs. An active CSO participation is vital in the pursuit of a more participatory and responsive governance.” (Paragraph 1.2)

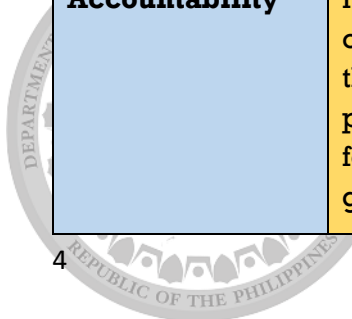
The active partnership between the local government unit and the CSOs and other organizations may come in various forms and through various platforms. These include membership and participation of the latter in plans, programs, projects, or activities of the former; such as, but not limited to, local special bodies, delivery of basic services and facilities, joint ventures and cooperative programs or undertakings, and financial and other forms of assistance (Local Government Code of 1991, Rule XIII, Art 62). In addition, the local special bodies, where CSOs are part of, consist of Local Development Councils, Local Health Boards, Local School Boards, Local Peace and Order Councils (LGC Rule XIII, Art 63).

Membership of CSOs in any of the afore-mentioned local special bodies is prescribed in Art 63, supra; while, the procedures and guidelines for the selection of representatives of CSOs thereto are provided for in Art 64. In addition, Art 64 provides the criteria for accreditation of CSOs which serves as prerequisite to membership in the local special bodies.

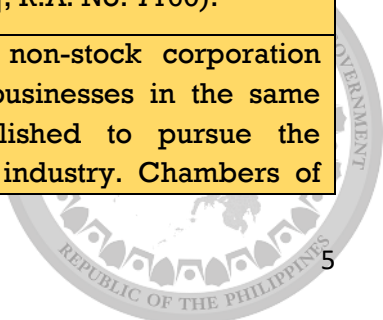
Definition of Terms

For purposes of this Quick Guidebook, the following terms shall be defined as:

Accreditation	It refers to the process of granting authorization, within 60 days from the organization of the newly elected Sanggunian, to an organization for purposes of representation to a local special body, an organization may still be accredited after the prescribed 60-day period for other purposes, such as participation in local government programs. (DILG MC. 2019-72) It refers to the instrument by which DILG determines the intent, judicial personality, and the basic information of the organization and its officers and members. (DILG MC 2018-89)
Accountability	It means holding local government officials answerable to the public where their authority is derived, for use of public resources, to face consequences for their actions inside and outside of government.



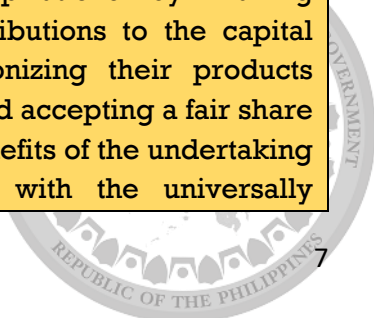
<p>Activity</p>	<p>It refers to a work process designed to contribute to the accomplishment of specific objectives and the implementation of a program, subprogram, or project (Budget Operations Manual [BOM] for LGUs, 2016 Edition).</p>
<p>Annual Budget</p>	<p>It refers to the financial plan embodying the estimates of income and expenditures for one (1) fiscal year (Section 306 [a], R.A. No. 7160).</p>
<p>Annual Investment Program (AIP)</p>	<p>It refers to the annual slice of the Local Development Investment Program (LDIP) which constitutes the total resource requirements for all Programs/ Projects/ Activities (PPAs), consisting of the annual capital expenditure and regular operating requirements of the LGU (BOM for LGUs).</p>
<p>Appropriations</p>	<p>It refers to an authorization made by the ordinance, directing the payment of goods and services from local government funds under the specified conditions or for specific purposes (Section 306 [b], R.A. No. 7160).</p>
<p>Business Group</p>	<p>It refers to a non-stock corporation composed of businesses in the same industry established to pursue the interest of the industry. Chambers of</p>



	commerce and industry associations fall in this category. (DILG MC. 2019-72)
Citizens' Participation	It is a democratic process involving people empowerment, where concerned citizens organized as CSOs to pursue their legitimate and collective interests by monitoring effectiveness of PPAs and become partners of the LGU in the formulation and monitoring of the local budget.
Civic Organization	It refers to any local service club, fraternal society or association, volunteer group, or local civic league or association not organized for profit but operated exclusively for educational or charitable purposes, including the promotion of community welfare, and the net earnings of which are devoted exclusively to charitable, educational, recreational or social welfare purposes. (DILG MC 2018-89)
Civil Society Organization (CSO)	It refers to a non-state and non-profit association that works to improve society and the human condition. Basic types of CSOs include non-governmental organization, civic organization, cooperative, social movement, professional group, and business group. In this Memorandum Circular, the terms "CSO" and



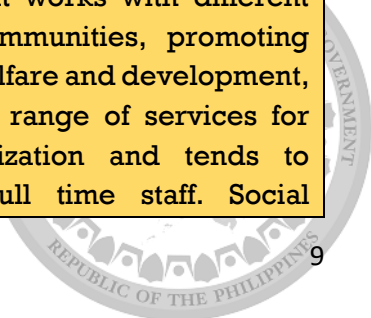
	<p>“organization” are used interchangeably. (DILG MC 2018-89)</p>
<p>Comprehensive Development Plan (CDP)</p>	<p>It is the multi-sectoral plan formulated at the city/municipal level embodying the vision, sectoral goals, objectives, development strategies, and policies within the term of LGU officials and the medium-term. It contains corresponding PPAs which serve as primary inputs to investment programming and subsequent budgeting and implementation of projects for the growth and development of local government territories (BOM for LGUs).</p>
<p>Constructive Engagement</p>	<p>It is a partnership between government and partner CSO marked by sustained dialogue towards problem-solving while respecting and retaining the focus on reforms.</p>
<p>Cooperative</p>	<p>It refers to an autonomous and duly registered association of persons with a common bond of interests who have voluntarily joined together to achieve their social, economic, and cultural needs and aspirations by making equitable contributions to the capital required, patronizing their products and services and accepting a fair share of risks and benefits of the undertaking in accordance with the universally</p>



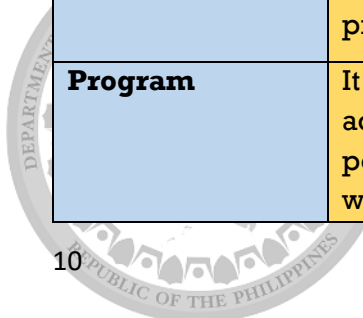
	accepted cooperative principles. (DILG MC 2018-89)
CSO Representative	It refers to a member of a Sanggunian-accredited CSO who is authorized by the CSO to participate in any of the local special bodies of a particular LGU or in its local budget process.
DILG-Accredited CSOs	They are CSOs officially authorized by DILG to be an eligible partner in implementing a Department-initiated program or project with or without the use of government funds. (DILG MC 2018-89)
Directory	It refers to a document which contains profile of CSOs in a local government unit. (DILG MC 2018-89)
Indigenous People's Organization	It refers to a private, non-profit, voluntary organization of members of indigenous cultural communities (ICCs) or indigenous people (IPs), which are accepted as representatives of such ICCs or IPs. (DILG MC 2018-89)
Inventory	It refers to the process of gathering CSO information from, among others, CSO networks, the DILG Provincial CSO Network Map, and other National Government Agencies empowered to accredit or register. The output of this process is a Directory. (DILG MC 2018-89)



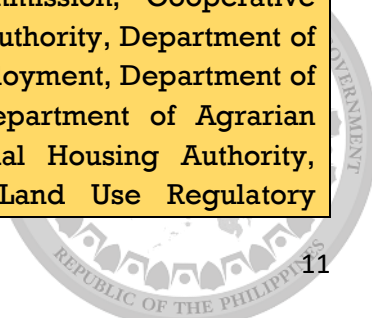
<p>Local Development Council (LDC)</p>	<p>It is the body mandated by law to assist the corresponding Sanggunian in setting the direction of economic and social development, and coordinating development efforts within its territorial jurisdiction (Section 106, R.A. No. 7160).</p>
<p>Local Development Investment Program (LDIP)</p>	<p>It refers to a basic document linking the local plan to the budget. It contains a prioritized list of PPAs which are derived from the CDP in the case of cities and municipalities, and the PDPFP, in the case of the provinces, matched with financing resources, and to be implemented annually within a three to six-year period. The first three (3) years of the LDIP shall be firmed up along with the priorities of the incumbent LCEs (DILG-NEDA-DBM-DOF JMC No. 001, s. 2007).</p>
<p>Local Special Bodies</p>	<p>They refer to the Local Development Council, Local Health Board, Local School Board, and Local Peace and Order Council. (DILG MC 2018-89)</p>
<p>Non-Governmental Organization</p>	<p>It refers to a non-stock, non-profit organization that works with different sectors and communities, promoting their general welfare and development, provide a wide range of services for people's organization and tends to operate with full time staff. Social</p>



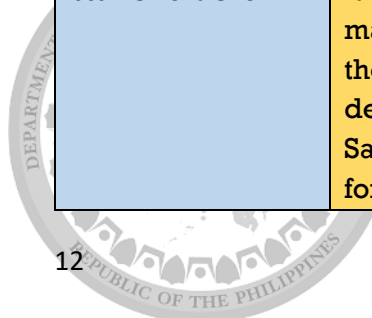
	<p>development organizations, foundations, and independent research institutions fall in this category. (DILG MC 2018-89)</p>
<p>People's Organization</p>	<p>It refers to an association of residents in a barangay, or barangays, established to promote public interest and with an identifiable leadership structure and membership. People's organizations are often formed among the disadvantaged sectors of society such as the farmer peasant, artisanal fisher folk, workers in the formal sector and migrant workers, workers in the informal sector, indigenous people and cultural communities, women, differently-abled persons, senior citizens, victims of calamities and disasters, youth and students, children, and urban poor. (DILG MC 2018-89)</p>
<p>Professional Group</p>	<p>It refers to a duly incorporated non-stock corporation of registered professionals established for the benefit and welfare of the professionals of one discipline, for the advancement of the profession itself and for the other professional ends. (DILG MC 2018-89)</p>
<p>Program</p>	<p>It refers to a homogenous group of activities necessary for the performance of major purpose for which the government agency is</p>



	<p>established, for the basic maintenance of the agency's administrative operations, or for the provision of staff support to the agency's administrative operations or the agency's line function (BOM for LGUs).</p>
<p>Project</p>	<p>It refers to a special undertaking to be carried out within a definite time frame which is intended to result in some pre-determined measure of goods and services (BOM for LGUs). Resources – refers to revenues, gross borrowings and free or unencumbered cash balances (DILG-NEDA-DBM-DOF JMC No. 001, s. 2007).</p>
<p>Recognized Organization</p>	<p>It refers to an organization allowed by the Sanggunian to participate in a local special body for purposes of meeting the minimum requirements for membership. An organization may only be recognized if it meets all the criteria except for registration. (DILG MC 2018-89)</p>
<p>Registered or Accredited Organization</p>	<p>It refers to an organization that obtains registration from the Securities and Exchange Commission, Cooperative Development Authority, Department of Labor and Employment, Department of Agriculture, Department of Agrarian Reform, National Housing Authority, Housing and Land Use Regulatory</p>



	Board or any other national government agency that is empowered by law or policy to accredit or register such organizations. (DILG MC 2018-89)
Revenue	It refers to income derived from the regular system of taxation enforced under authority of law or ordinance, and, as such, accrues more or less regularly every year (Section 306 [m], R.A. No. 7160).
Social Movement	It refers to a large informal grouping of individuals or organization that aims to affect social change through sustained, organized and collective action. Some social movements are not permanent institutions but instead tend to coalesce, pursue their aims, and then dissolve. Religious movements are included in this category. (DILG MC 2018-89)
Sanggunian-Accredited CSOs	These are local CSOs that are accredited by a Sanggunian, for a term, for purposes of representation to local special bodies ((DILG MC 2018-89)
Stakeholders	It refers to people or organizations that may come from either within or outside the LGU. <i>Internal stakeholders</i> like department heads, LDC and the Sanggunian may be invited through formal invitation or internal



	<p>memorandum to participate in the consultation process. <i>External stakeholders</i> may include representatives from CSOs and national line agencies assigned in the area; community leaders; the private business sector, and other basic sectors such women, farmers, fishermen and other disadvantaged group (based on the BOM for LGUs).</p>
<p>Supplemental Budget</p>	<p>It is a budget that is enacted after the annual budget has been approved by the Sanggunian (DILG-NEDA-DBMDOF JMC No. 001, s. 2007). Changes in the Annual Budget may be done through Supplemental Budgets enacted pursuant to Section 321 of R.A. No. 7160 and Article 417 of its IRR, as amended by Administrative Order No. 47 dated April 12, 1993.</p>
<p>Transparency</p>	<p>It means the disclosure of relevant, accessible, timely and accurate information on government programs, transactions, plans, activities, rules, processes, and procedures.</p>



ACCREDITATION OF CIVIL SOCIETY ORGANIZATION

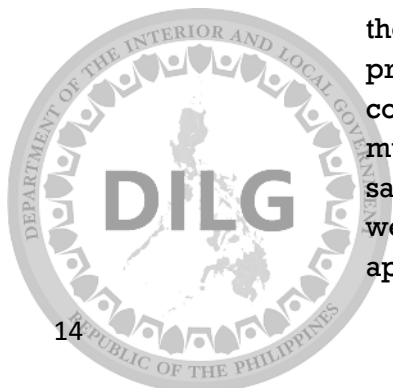
(Source: DILG Memorandum Circular No. 2022-005)

Civil Society Organizations (CSOs) have played a significant role in supplementing government efforts to uplift, empower, and protect the vulnerable, disadvantaged, and marginalized sectors of the Philippine Society. This thrust has been institutionalized through Article II, Section 23 of the Constitution declaring that “*the State shall encourage non-government organizations, community and sectoral organizations that promote welfare of the nation.*” Thus, the Department of the Interior and Local Government serves as the Philippine government’s regulatory arm for CSOs engage in the delivery of local development programs and services.

1.0 Call for Accreditation

1.1 Within the 1st week of August, the Sanggunian shall issue a Notice of Call for Accreditation to all the CSOs listed in the final updated Directory of CSOs, whether previously accredited or seeking accreditation for the first time, through the conduct of a CSO Conference that shall be conducted by the local government unit.

1.1.1 The Sanggunian shall also see to it that, within the 1st week of August, copies of the Notice of Call for Accreditation are prominently posted in at least three (3) conspicuous places within the municipality, city or province. The same shall also be posted in the LGU website, social and/or print media, if applicable.



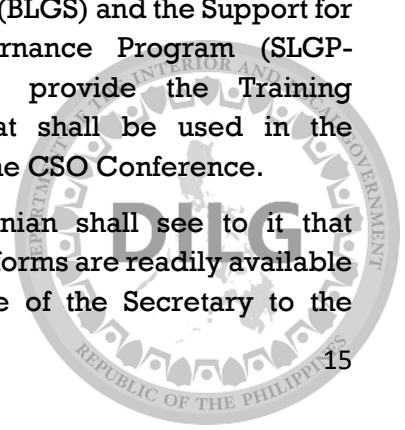
1.1.2 The CSO Conference shall be conducted to enhance the awareness and understanding of CSOs on the importance of civil society participation, and to increase their capacity to effectively engage in local governance.

1.1.2.1 The CSO Conference shall be handled by the DILG Provincial Director, City Director, City Local Government Operations Officer and Municipal Local Government Operations Officer or their designated DILG personnel, and the concerned Planning and Development Officer.

1.1.2.2 The CSO Conference shall cover four major topics: a) relevance of participatory governance; b) guidelines on LGU accreditation of CSOs and reconstitution of LSBs; c) avenues of CSO participation as provided for in RA 7160; and d) formation of a local CSO Network.

1.1.2.3 The DILG Central Office, through the Bureau of Local Government Supervision (BLGS) and the Support for Local Governance Program (SLGP-PMO) shall provide the Training Modules that shall be used in the conduct of the CSO Conference.

1.1.2.4 The Sanggunian shall see to it that Application forms are readily available in the Office of the Secretary to the



Sanggunian and during the CSO Conference.

- 1.1.3 An invitation shall also be sent to all organizations participating in different government programs, and those representing various local boards or councils pursuant to applicable laws and rules and regulations, encouraging these organizations to participate in the accreditation and selection processes.

Requirements for New Accreditation or Renewal

- 1.1.3 Within the 2nd week of August, but not later than the last working day of the 3d week, every organization seeking for a new accreditation, or renewal, shall submit one (1) copy of each of the following requirements to the Sanggunian:

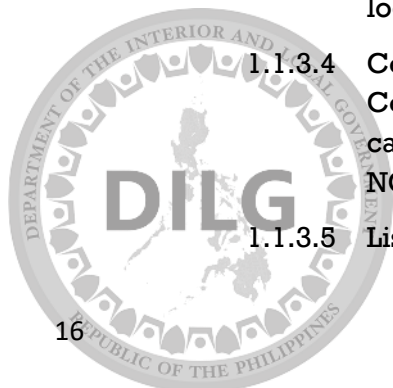
1.1.3.1 Letter of Application (Page 98);

1.1.3.2 Duly accomplished Application Form for Accreditation (Page 101)

1.1.3.3 Duly approved Board Resolution signifying intention for accreditation for the purpose of representation in the local special body;

1.1.3.4 Certificate of Registration or Certificate of Accreditation (or in the case of IPOs, certification issued by NCIP);

1.1.3.5 List of current Officers and Members;



- 1.1.3.6 Original Sworn Statement, issued by the chief executive officer or equivalent officer of the CSO, stating that the CSO is an independent, non-partisan organization and that it will retain its autonomy while pursuing the advancement of the peoples' interest through its membership in a local special body, after satisfying all the requirements and set criteria, as stated in this Memorandum Circular, and after securing a Certificate of Accreditation from the concerned Sanggunian;
- 1.1.3.7 For existing CSOs, Minutes of the Annual Meetings of the immediately preceding year as certified by the organizations' board secretary;
- 1.1.3.8 For existing CSOs, Annual Accomplishment Report for the immediately preceding year;
- 1.1.3.9 For existing CSOs, Financial Statement, at the minimum, signed by the executive officers of the organization, also of the immediately preceding year, and indicating therein other information such as the source(s) of funds; and 4.2.4.10 For CSOs applying to be members of the Local School or Health Boards, photocopy of profiles of at least three (3) individuals in the organization that will verify their involvement in education or health

services, as prescribed in Sections 98 and 102 of RA 7160.

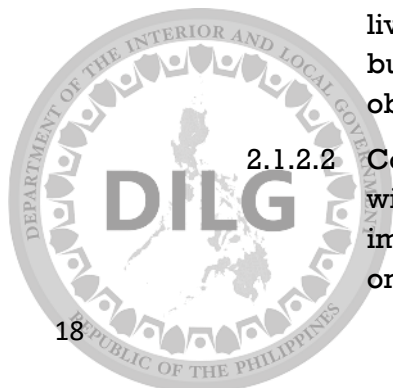
2.0 Accreditation Proper

2.1.1 The Sanggunian shall evaluate all applications for accreditation, upon receipt thereof, starting on the 3rd week but not later than the last working day of August, on the basis of the following criteria:

2.1.2 Registration with the Securities and Exchange Commission, Cooperative Development Authority, Department of Labor and Employment, Department of Agriculture, Department of Agrarian Reform, National Housing Authority, Housing and Land Use Regulatory Board or any national government agency that is empowered by law or policy to accredit or register such organization;

2.1.2.1 Organization purposes and objectives which include community organization and development, institution-building, local enterprise development, livelihood development, capacity-building, and similar development objectives and considerations;

2.1.2.2 Community-based and sectoral-based with project development and implementation track record of at least one (1) year;



- 2.1.2.3 Reliability as evidenced by the preparation of annual reports and conduct of annual meetings duly certified by the board secretary of organization; and
- 2.1.2.4 For CSOs applying to be members of the Local School or Health Boards, must be composed of individuals that have competencies that are related to the functions relevant to the local special body that the organization intends to be a member of.
- 2.1.3 No Certificate of Accreditation shall be issued to any organization that failed to submit any of the enumerated requirements and failed to satisfy any of the set criteria.
- 2.1.4 The Sanggunian shall issue before, but not later than, the last working day of August, the following:
 - 2.1.4.1 Certificate of Accreditation to every qualified CSO;
 - 2.1.4.2 Notice to every organization, which applied and satisfied the set criteria but failed to submit all the requirements, encouraging them to complete the lacking requirements not later than the last working day of the 1st week of September; and
 - 2.1.4.3 Notice of Non-Qualification to CSOs that were not able to satisfy the

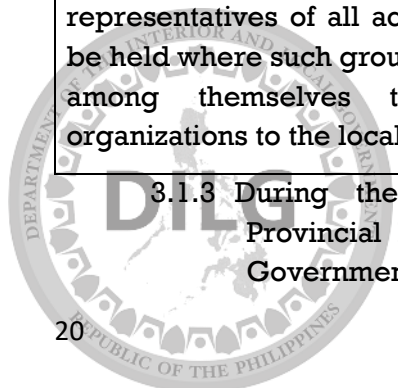
requirements and set criteria, informing them of the reason/s for said non-qualification.

3.0 SELECTION OF REPRESENTATIVES TO LOCAL SPECIAL BODIES

Unless otherwise provided by existing laws and policies, selection of CSO representatives to the Local Special Bodies shall be guided by the following:

Activity	Schedule
<p>After the accreditation process, the DILG Provincial Director, City Director, City Local Government Operations Officer and Municipal Local Government Operations Officer, as the case may be, shall issue a notice to all accredited CSOs for a meeting on the selection of representatives to the local special bodies. Said notice shall be posted in at least three (3) conspicuous places within the province, city or municipality. The same shall also be posted in the LGU website, social and/or print media, if applicable.</p>	<p>1st week of September</p>
<p>Above-said meeting with the executive officers, or with the duly authorized representatives of all accredited CSOs shall be held where such groups shall choose from among themselves the representative-organizations to the local special bodies.</p>	<p>2nd week of September</p>

3.1.3 During the above-said meeting, the DILG Provincial Director, City Director, City Local Government Operations Officer or Municipal



Local Government Operations Officer shall conduct an orientation, to be presided by the Provincial Governor, City Mayor or Municipal Mayor, on the functions of the local special bodies and responsibilities of the CSO that will be selected.

- 3.1.4 The executive officers, or the duly authorized representatives, of the selected CSOs shall designate their principal and alternate representatives to the local special bodies where they are to sit as members.
- 3.1.5 In no case shall an organization or a representative thereof be a member of more than one (1) local special body within a province, city, or municipality.
- 3.1.6 The term of office of a selected representative shall be coterminous with that of the local chief executive concerned. Should a vacancy arise, the selected CSO shall designate a replacement for the unexpired term.
- 3.1.7 The DILG Provincial Director, City Director, City Local Government Operations Officer or Municipal Local Government Operations Officer shall cause the documentation of the proceedings, and submit an official report to the Provincial Governor, City Mayor or Municipality Mayor, as the case maybe, copy furnished the Presiding Officers of the Sanggunian, within two (2) working days after the meeting. Said report shall also be posted in at least three (3) conspicuous places within the province, city or

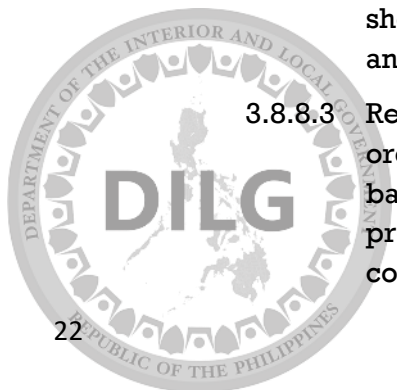
municipality, and may also be posted in the LGU website, social and/or print media.

3.1.8 In the selection of CSO representatives to the Local Development Council, the following shall be taken into consideration:

3.1.8.1 Membership in the Local Development Council must have representatives from the women sector, or as may be practicable, at least forty percent (40%) of the fully-organized council shall be composed of women as prescribed by RA 9710 or the Magna Carta of Women of 2009;

3.1.8.2 Similarly, other existing laws enacted and passed subsequent to the passage of RA 7160 that further define the composition of the Local Development Councils and other special bodies, such as, but not limited to, RA 8371 or the Indigenous Peoples Rights Act of 1997, and RA 8435 or the Agriculture and Fisheries Modernization Act, involving the inclusion of the basic sectors in the LSBs, especially the LDC, should apply as relevant in this section; and

3.8.8.3 Representatives of non-governmental organization operating in the barangay, municipality, city, or province, as the case maybe, shall constitute not less than one-fourth (1/4)



and may be increased to (1/2) of the members of the fully organized council to further expand citizen participation.

3.1.9 The following criteria shall apply to these local special bodies:

3.1.9.1 Local Health Board-the organization is involved in health services;

3.1.9.2 Local School Board - representative-organizations shall be limited to parents-teachers associations, and teachers' organizations and organization of non-academic personnel of public schools in the locality, and other organizations involved in education services; and

3.1.9.3 Local Peace and Order Council - the three (3) organizations shall be chosen in adherence to Article 63(e) of the Implementing Rules and Regulations of RA 7160 and Section 1 of Executive Order No. 309 s. 1987, and shall come from Civil Society Organizations that falls under the definition that is provided in this Memorandum Circular.

4.0 Replacement of Representative-Civil Society Organization

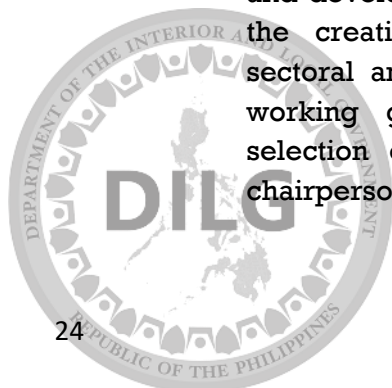
4.1 The Sanggunian shall replace the representative-CSO that has incurred three cumulative absences to the meetings of the local

special body where it sits as a member. The replacement organization shall be chosen from among the CSOs in the local government unit that were accredited for the purpose stated in this Memorandum Circular, provided further, that the Sanggunian shall adhere to the selection criteria as provided in Sections 4.4.8 and 4.4.9 of this Memorandum Circular in selecting the replacement organization.

5.0 Reconstitution and Convening of Local Special Bodies

- 5.1 Within the 3rd week of September, or immediately following the selection process, the Provincial Governor, City Mayor or Municipality Mayor shall call for a joint organizational meeting with the Local Development Council, Local Health Board, Local School Board, and Local Peace and Order Council.

- 5.2 The purposes of said joint organizational meeting shall include the discussion of the functions of the local special bodies, initial exploration of partnerships in local governance and development, and in the case of the LDC, the creation of an executive committee, sectoral and functional committees, technical working group, and consideration of the selection of a CSO representative as vice-chairperson.



6.0 Major Activities and Schedules

Activity	Schedule
Posting of Inventory Schedule and Existing Directory of CSOs	1 st week of July
Conduct of Inventory	1 st - 2 nd week of July
Posting of draft Directory of CSOs and Verification of CSO information	3 rd - 4 th week of July
Posting of the Final Updated Directory of CSOs	4 th week of July
Call for Accreditation	1 st - 2 nd week of August
Conduct of CSO Conference	1 st week of August
Accreditation Proper	3 rd - 4 th week of August
Selection of Representatives to the Local Special Bodies	1 st - 2 nd week of September
Reconstitution and Convening of the Local Special Bodies	3 rd - 4 th week of September

7.0 Exemption

- 7.1 Although the Implementing Rules and Regulations of RA 7160 include the People's Law Enforcement Boards as one among the local special bodies, the provisions of the Code as to the manner of selecting representatives to the local special bodies do not find application to

the PLEBs. As such, this Memorandum Circular does not apply to the PLEBs.

- 7.2 Likewise, this Memorandum Circular does not apply to the Pre-qualification, Bids and Awards Committees (PBAC), now called Bids and Awards Committees (BAC) established, considering that unlike the old PBAC, the composition of the BAC is now limited to local government personnel occupying *plantilla* positions in local government units. However, while the BAC is still required to invite two (2) observers from NGOs or private organizations, the selection of these NGOs or private organizations are not covered by this Memorandum Circular.

8.0 Roles and Responsibilities

For purposes of this Memorandum Circular, the following shall have their respective roles and responsibilities, to wit:

- 8.1 Provincial Governors, City and Municipal Mayors:

8.1.1 Execute the intent of this Memorandum Circular, conduct a CSO Conference and cause the start of the accreditation process of CSOs, and selection of representatives to the local special bodies; and

8.1.2 Coordinate with their concerned DILG Local Government Officer for technical assistance and staff support, if any, in relation to the conduct of the CSO



Conference, and the accreditation and selection processes.

8.2 DILG Central Office

8.2.1 Develop and provide Training Modules that shall be used in the conduct of the CSO Conference;

8.2.2 Provide technical assistance to DILG Regional and Field Offices, if necessary, or upon their request; and

8.2.3 Perform other responsibilities as stated in Section 10.0, Item 10.1.1 of this Memorandum Circular.

8.3 DILG Regional Directors and the BARMM Minister:

8.3.1 Cause the immediate and widest dissemination of this Memorandum Circular;

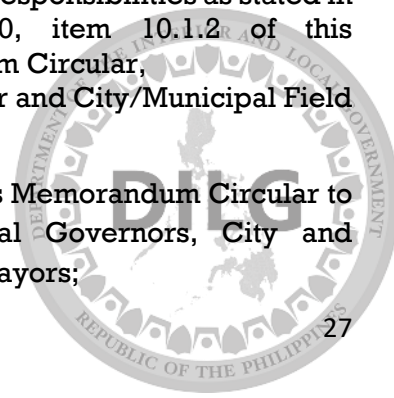
8.3.2 Mobilize additional staff support, where necessary and upon the request of local authorities, with emphasis on the conduct of the CSO Conference, and the accreditation and selection processes;

8.3.3 Cause the provision of technical assistance to strengthen local special bodies, where necessary and also upon the request of local authorities; and

8.3.4 Perform other responsibilities as stated in Section 10.0, item 10.1.2 of this Memorandum Circular,

8.4 DILG Provincial Director and City/Municipal Field Officers

8.4.1 Disseminate this Memorandum Circular to all Provincial Governors, City and Municipal Mayors;



- 8.4.2 Take the lead in the conduct of the CSO Conference;
- 8.4.3 Provide staff support and/or technical assistance, if necessary, or upon the request of local authorities;
- 8.4.4 Facilitate the conduct of the orientation/ meeting among accredited CSOs after the accreditation process and perform the responsibilities stated in Section 4.4, Items 4.4.1, 4.4.3, and 4.4.7; and
- 8.4.5 Perform other responsibilities as stated in Section 10.0, Item 10.1.3 of this Memorandum Circular.

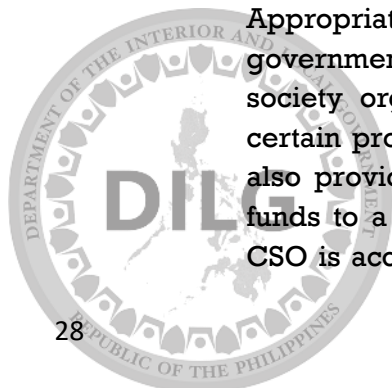
CSO ENGAGEMENTS WITH DILG

(Source: DILG Memorandum Circular No. 2022-005)

1.0 Prefatory Statement

1.1 Section 23, Article II of the 1987 Constitution states that the participation of non-governmental, community-based and other sectoral organizations shall be encouraged by the State.

1.1.2 Section 67 of Republic Act No. 10964 (General Appropriations Act of 2018) allows national government agencies to partner with civil society organization (CSOs) in implementing certain programs and projects. The 2018 GAA also provides that the transfer of government funds to a CSO is allowed, provided that, the CSO is accredited by the national government



agency and selected in accordance with all applicable rules and regulations.

- 1.1.3 In building the long-term foundation of good governance, it is important to develop and strengthen collaborative relationships between the government and civil society. Recognizing the importance of having an active, informed, and capacitated civil society in upholding a culture of good governance, the Department of the Interior and Local Government (DILG), has opened spaces for CSOs to participate in the planning, implementation, monitoring, and evaluation of its initiated programs and projects.
- 1.1.4 CSOs, in many areas, are found to be effective in enabling services especially in the poorest and marginalized communities. As they are closely connected to local common development agenda and mobilize support for government programs and projects in more efficient ways.
- 1.1.5 This Memorandum Circular is issued to prescribe the general guidelines and conditions for CSO engagements and to establish a mechanism for the DILG to engage CSOs.



2.1 Basic Types of Civil Society Organizations include:

Non-Governmental Organizations

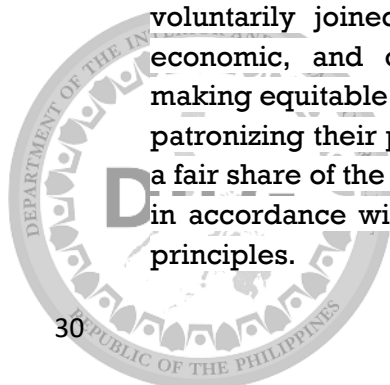
A non-governmental organization is an organization that generally is formed independent from government. They are typically nonprofit entities, and many of them are active in humanitarianism or the social sciences; they can also include clubs and associations that provide services to their members and others.

Civic Organizations

means any local service club, veterans post, fraternal society or association, volunteer fire or rescue group, or local civic league or association of 10 or more persons not organized for profit but operated exclusively for educational or charitable purposes as defined in this section, including the promotion of community welfare, and the net earnings of which are devoted exclusively to charitable, educational, recreational, or social welfare purposes.

Cooperatives

an autonomous and duly registered association of persons, with a common bond of interest, who have voluntarily joined together to achieve their social, economic, and cultural needs and aspirations by making equitable contributions to the capital required, patronizing their products and services and accepting a fair share of the risks and benefits of the undertaking in accordance with universally accepted cooperative principles.



Social Movements

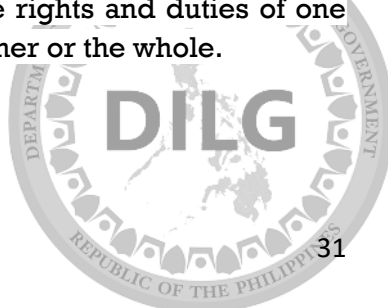
are purposeful, organized groups, either with the goal of pushing toward change, giving political voice to those without it, or gathering for some other common purpose. Social movements intersect with environmental changes, technological innovations, and other external factors to create social change.

Professional Groups

A professional organization, sometimes referred to as a professional association or professional groups, exists to advance a particular profession, support the interests of people working in that profession and serve the public good. It facilitates innovation, communication and connection. A group of people in a learned occupation who are entrusted with maintaining control or oversight of the legitimate practice of the occupation, organizations which "represent the interest of the professional practitioners."

Business Groups

A collection of parent and subsidiary corporations that function as a single economic entity through a common source of control. The concept of a group is frequently used in tax law, accounting and (less frequently) company law to attribute the rights and duties of one member of the group to another or the whole.



2.2 Areas for Engagement

The CSO is a critical partner that can play various roles and wide range of functions in the implementation of the Department's program and activities. As such, in the engagement with civil society, appropriate programming arrangements and support mechanisms shall be put in place to ensure the achievement of the desired development results.

The areas wherein CSOs may engage with the DILG include the following:

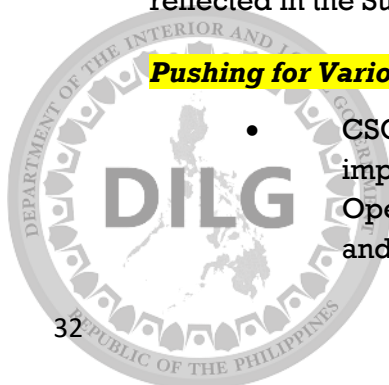
Feedbacking on PPAs

CSOs may join in any of the feedback mechanisms that shall be established by the Department, e.g. Community-Based Monitoring Program (CBMP) and Third Party Evaluation of the Local Government Support Fund-Assistance to Municipalities (LGSF-AM) and Local Development Council sub-project monitoring, DevLive, and Dagyaw: Town Hall Meetings.

Also, the CSOs can directly give feedback to project implementers on the project status of various nationally funded projects such as, but not limited to, projects reflected in the SubayBAYAN database.

Pushing for Various Advocacies

- CSOs may contribute to the implementation of commitments to the Open Government Partnership (OGP) and Participatory Governance cluster;



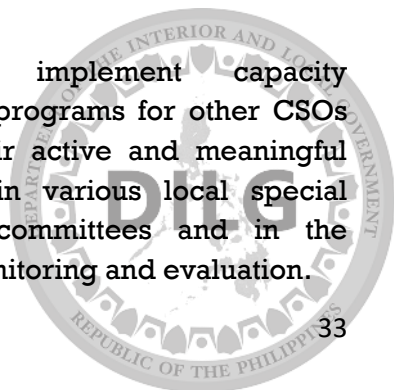
- CSOs may advocate for the passage of a local ordinance on freedom of information (FOI);
- CSOs may participate in the consultation pertaining to Federalism;
- CSOs may participate in initiatives of the local Anti-Drug Abuse Council (ADAC);
- CSOs may participate in activities that support the Philippine Development Plan (PDP) and the attainment of the Sustainable Development Goals (SDG); and
- CSOs may get involve in the local disaster preparedness program, among others.

Formulating plans, policies, and issuances

- CSOs may participate in consultations or fora for the formulation of plans, policies, guidelines, and issuance.
- CSOs may also be involved in policy dialogues in local governance, law and order, and public safety.

Implementing capacity development programs and other activities

- CSOs may implement capacity development programs for other CSOs to ensure their active and meaningful participation in various local special bodies and committees and in the conduct of monitoring and evaluation.



- CSOs may also implement capability building programs to strengthen of programs and delivery of basis services.
- CSO involvement may also include, but not limited to, the conduct of researches, survey, studies, assessments, monitoring, and evaluation, as well as mainstreaming climate change adaptation and disaster risk reduction in local development planning.

2.2 The DILG accepts only proposals that are anchored to any of its existing programs and projects.

3.0 Types of Engagement

The following are the different types of engagement with CSOs:

Voluntary Work without Cost

DILG can engage the CSO in a volunteer capacity without any cost to the government to:

- provide feedback on programs and projects;
- support in pushing for various advocacies;
- assist in formulating plans, policies, and issuances; and
- implement programs, projects, or activities.



Voluntary Work with Cost

The CSO can also be engaged to assist or participate in a volunteer capacity but shall be reimbursed for applicable cost to provide

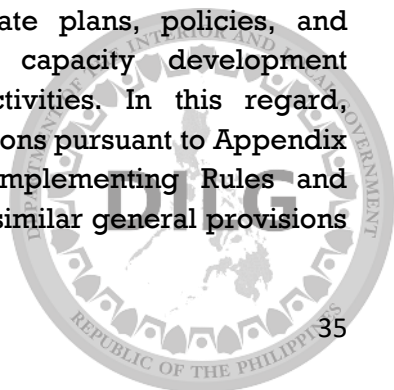
- feedback on programs and projects;
- support in pushing for various advocacies; and
- assistance in formulating plans, policies and issuances.

The applicable cost/s shall be subject to existing budgeting, accounting, and auditing rules and regulations and given for any of the following expenses:

- actual transportation expenses;
- per diems;
- honoraria; and
- other incidental expenses incurred in the performance of duties

Provider of goods and/or services

The CSO can serve as a provider of goods and/or services with remuneration or payment for the services rendered. Their services can be procured either to provide feedback on programs and projects, push for various advocacies, formulate plans, policies, and issuances, or implement capacity development programs and/or other activities. In this regard, applicable rules and regulations pursuant to Appendix 14 of the 2016 Revised Implementing Rules and Regulations of RA 9184 and similar general provisions shall be observed.



FUNCTIONS OF LOCAL SPECIAL BODIES

(Source: R.A. 7160 An Act Providing for a Local Government Code of 1991)

Article 34. Role of People's and Non-Governmental Organizations.

Local government shall promote the establishment and operation of people's and non-governmental organizations to become active partners in the pursuit of local autonomy.

Section 35. Linkages with People's and Non-Governmental Organizations.

Local government units may enter into joint ventures and such other cooperative arrangements with people's and nongovernmental organizations to engage in the delivery of certain basic services, capability-building and livelihood projects, and to income, diversify agriculture, spur rural industrialization, promote ecological balance, and enhance the economic and social well-being of the people.

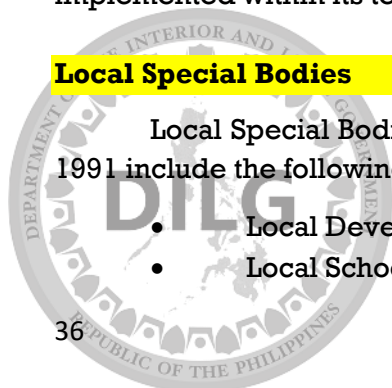
Section 36. Assistance to people's and Non-Governmental Organizations.

A local government unit may, through its local chief executive and with the concurrence of the Sanggunian concerned, provide assistance, financial or otherwise, to such people's and non-governmental organizations for economic, socially-oriented, environmental, or cultural projects to be implemented within its territorial jurisdiction.

Local Special Bodies

Local Special Bodies in the Local Government Code of 1991 include the following:

- Local Development Council
- Local School Boards



- Local Health Boards
- Local Peace and Order Council
- Local Prequalification, Bids and Awards Committee

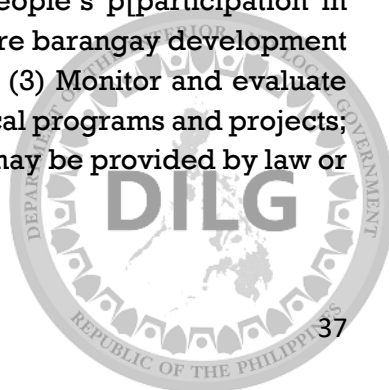
Local Development Council

Functions:

- *Assist the Sanggunian in setting the direction of economic and social development; and*
- *Coordinate development efforts*

Sec. 109 The provincial city, and municipal development councils shall exercise the following functions: (1) Formulate long-term, medium-term, and annual socio-economic development plans and policies; (2) Formulate the medium-term and annual public investment programs; (3) Appraise and prioritize socio-economic development programs and projects; (4) Formulate local investment incentives to promote the inflow and direction of private investment capital; (5) Coordinate, monitor, and evaluate the implementation of development programs and projects; and (6) Perform such other functions as may be provided by law or component authority.

The barangay development council shall exercise the following functions: (1) Mobilize people's participation in local development efforts; (2) Prepare barangay development plans based on local requirements; (3) Monitor and evaluate the implementation of national or local programs and projects; (4) Perform such other functions as may be provided by law or competent authority.



Local Health Boards

Functions:

- *Advisory to the Sanggunian on health matters; and*
- *Propose budgetary allocation for health facilities and services*

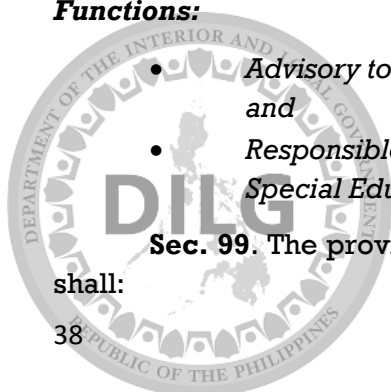
Sec. 102. The functions of the local health board shall be: (1) To propose to the Sanggunian concerned, in accordance with standards and criteria set by the Department of Health, annual budgetary allocations for the operation and maintenance of health facilities and services within the municipality, city or province, as the case may be; (2) To serve as an advisory committee to the Sanggunian concerned on health matters such as, but no limited to, the necessity for, and application of, local appropriations for public health purposes; and (3) Consistent with the technical and administrative standards of the Department of Health, create committees which shall advise local health agencies on matters such as, but not limited to, personnel selection and promotion, bids and awards, grievance and complaints, personnel discipline, budget review, operations review and similar functions.

Local School Boards

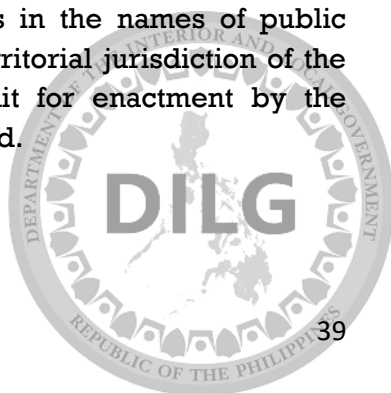
Functions:

- *Advisory to the Sanggunian on education matters; and*
- *Responsible for allocating the share of LGUs in the Special Education Fund (SEF)*

Sec. 99. The provincial city or municipal school board shall:



- (a) Determine, in accordance with the criteria set by the Department of Education, Culture and Sports, the annual supplementary budgetary needs for the operation and maintenance of public schools within the province, city, or municipality, as the case may be, and the supplementary local cost of meeting such needs, which shall be reflected in the form of an annual school board budget corresponding to its share of the process of the special levy on real property constituting the Special Education Fund and such other sources of revenue as this Code and other laws of ordinances may provide;
- (b) Authorize the provincial, city or municipal treasurer, as the case may be, to disburse funds from the Special Education Fund pursuant to the budget prepared and in accordance with existing rules and regulations;
- (c) Serve as an advisory committee to the Sanggunian concerned on educational matters such as, but not limited to, the necessity for and the uses of local appropriations for educational purposes; and
- (d) Recommend changes in the names of public schools within the territorial jurisdiction of the local government unit for enactment by the Sanggunian concerned.



Local Peace and Order Council

Functions:

- *Responsible for preparing programs for peace, order, and public safety in localities*

Sec. 116. Organization – There is hereby established in every province, city and municipality a local peace and order council, pursuant to Executive Order Numbered Three hundred nine (E.O. No. 309), as amended, Series of 1988. The local peace and order councils shall have the same composition and functions as those prescribed by said executive order.

ROLES OF CSOs in the Local Development Planning

Based on the Republic act 7160: The Local Government Code

- Promotes the establishment and operation of people's and non-governmental organizations as active partners in the pursuit of local autonomy.
- Encourages LGUs to provide assistance, financial or otherwise, to Pos/NGOs that seek to undertake projects that are economic, socially-oriented, environmental, or cultural in character.
- In POs/NGOs that are able to marshal adequate sources of their own, LGUs are enjoined to enter into joint ventures and similar cooperative arrangements with them.
 - May be in the form of delivery of basic services, capability building and livelihood projects;
 - May include ventures toward development of local enterprises, diversification of agriculture, rural industrialization, promoting ecological



balance, and promotion of economic and social well-being of the people.

- Encouraged direct and active participation of civil society, non-governmental organizations, and the private sector in the process of local governance by making them **FORMAL MEMBERS** of several local special bodies such as **LOCAL DEVELOPMENT COUNCIL**.

As members of the Local Development Council, Civil Society Organizations have vital part on the following functions:

- (1) Formulate long-term, medium-term, and annual socioeconomic development plans and policies;
- (2) Formulate the medium-term and annual public investment programs;
- (3) Appraise and prioritize socioeconomic development programs and projects
- (4) Formulate local investment incentives to promote the inflow and direction of private investment capital;
- (5) Coordinate, monitor, and evaluate the implementation of development programs and projects; and
- (6) Perform such other functions as may be provided by law or competent authority

Rationalized Planning System

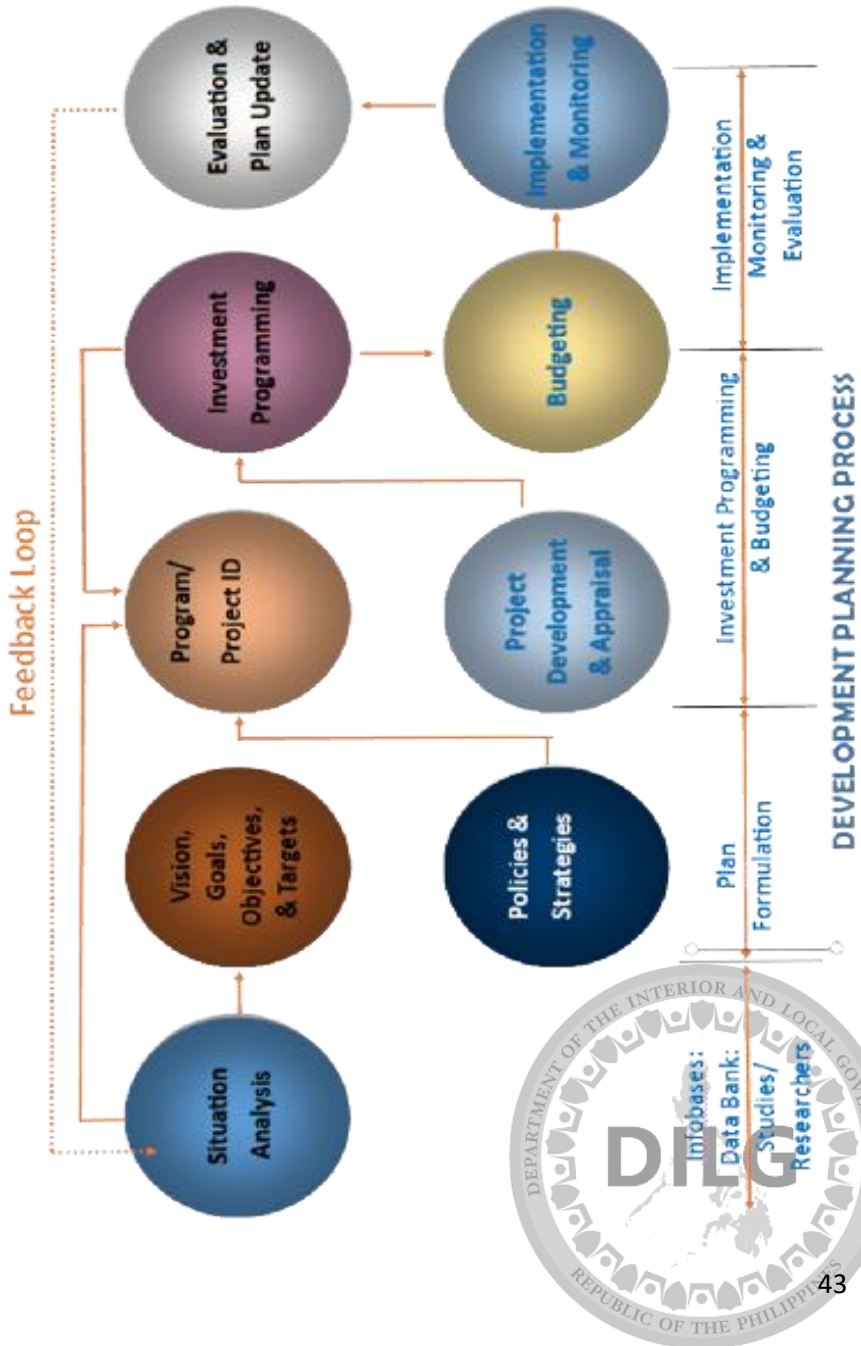
CSOs

- Part of Local Development council, constituting not less than one-fourth (1/4) of the members of fully-organized council
- May equalize representation with the government sector and to that extent influence public policies
- Within a period of sixty (60) days from the organization of LDC, NGOs shall choose from among

themselves their representatives. The Sanggunian concerned shall accredit NGOs.

- Part of the Political Component of the Local Planning Structure
- Have representatives on sectoral committees (Social Development, Economic Development, Physical/Land Use Development, Environmental Management, and Institutional Development)
- CSOs also generate micro-level information for specific purposes (detailed, reliable, and sophisticated)
- CSOs may also use Comprehensive Development Plan (CDP) to link their investments and other development initiatives with those of the government
- Assist in the conduct of workshops among sectoral committees on various aspects of local planning
- Responsible for the implementation of distinct sectoral programs and projects
- Responsible for the translation of plans into language and experience of lay people for high acceptance
- NGO also has the ability to source external funding from organization that espouse the same philosophies as theirs
- Mediate of topical plans such as
 - Action Plan for the Council for the Protection of Children
 - Annual Culture and Arts Plan
 - Agriculture and Fisheries Management Plan
 - Coconut Development Program
 - Local Entrepreneurship Development Program
 - Local Tourism Plan
 - Small and Medium Enterprise Plan





PARTICIPATION OF CIVIL SOCIETY ORGANIZATIONS IN THE LOCAL BUDGET PROCESS

(Source: Department of Budget and Management. *Handbook on the Participation of Civil Society Organizations in the Local Budget Process*)

Introduction

The local government budget should be a reflection of the aims and aspirations of its citizens. People rightfully expect government to come up with the most efficient and effective resource allocation, particularly target setting and estimating costs needed to provide quality goods and services to the community.

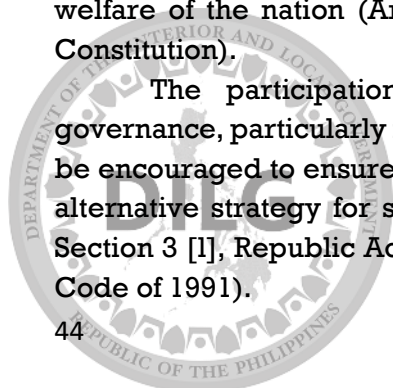
Transparency is generally regarded as a key feature of good governance, and an essential prerequisite for accountability between states and citizens. And through Participatory Budgeting and capacitation of the civil society, transparency and accountability shall continue to be strengthened and institutionalized.

Participatory Budgeting in the Local Government Units

Legal Bases

The State shall encourage non-governmental, community based, or sectoral organizations that promote the welfare of the nation (Article II, Section 23, 1987 Philippine Constitution).

The participation of the private sector in local governance, particularly in the delivery of basic services, shall be encouraged to ensure the viability of local autonomy as an alternative strategy for sustainable development (Chapter I, Section 3 [I], Republic Act [R.A.] No. 7160, Local Government Code of 1991).



Local government units shall promote the establishment and operation of people's and non-governmental organizations to become active partners in the pursuit of local autonomy (Chapter IV, Section 34, R.A. No. 7160).

Participatory Budgeting is an approach wherein citizens, through CSOs, are allowed to take part in the process of allocation of public resources. Because Participatory Budgeting helps promote transparency, it has the potential to reduce government inefficiencies and corruption. Participatory Budgeting offers citizens the opportunity to contribute in formulating options and making choices that will affect how their government acts.

The Budget Operations Manual (BOM) for Local Government Units (LGUs), 2008 Edition, introduced the following guidelines on Participatory Budgeting wherein LGUs shall:

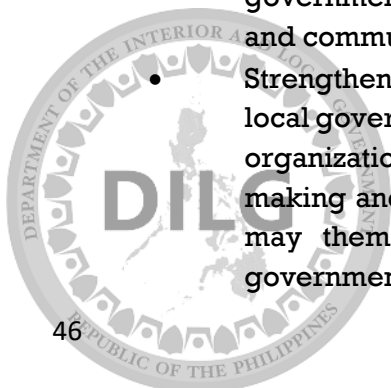
- Allow and practice genuine participation of people in the planning and budgeting processes to promote and establish transparency and accountability in all their fiscal transactions;
- Expand participation and involvement of people in Local Development Councils (LDCs) and Local Finance Committees (LFCs) in the sharing of ideas, information and experiences in setting directions and allocating available resources.
- The purpose is to draw concerned citizens together to participate in decision-making;
- Apply democratic principles in group decision-making techniques in arriving at choices and

preferences that are genuinely responsive to people's needs, especially to those of the marginalized and disadvantaged segments of society;

- Embody decisions arrived at in the plan and budget as products of broad-based consultation and participation that engender people's collective consensus, commitment, and ownership;
- Enhance participative planning and budgeting venues; and
- Establish priorities and allocate resources during investment programming of Program/Projects/ Activities (PPAs) as major links to budgeting.

Common perceptions on the importance of Participatory Budgeting emerged during the consultation dialogues conducted with LGUs and CSOs in the crafting of this Handbook. It confirms a World Bank study² which states that Participatory Budgeting:

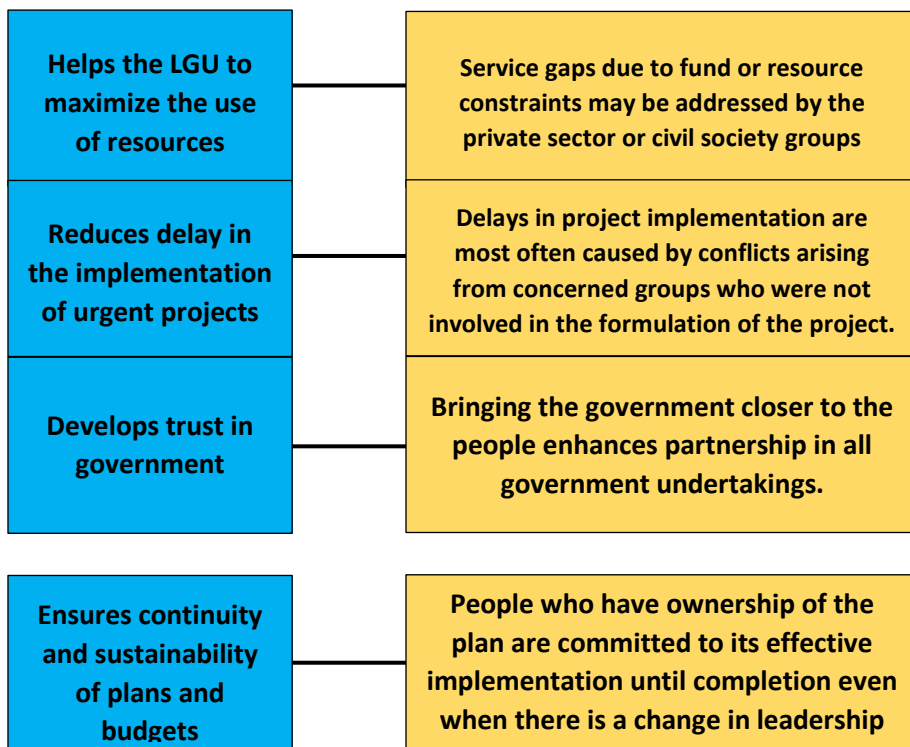
- Increases opportunities for participation. Questions remain regarding whether the quality of participation is sufficient to ensure lasting interest in participating and whether it is sufficiently broad-based;
- Can break down barriers between citizens and government, improving mutual understanding and communication;
- Strengthens local CSOs, which may improve local governance in the long term. However, the organizations that gain access to decision making and partnership with local government may themselves become arms of the local government;



- Can help make infrastructure and services more relevant to communities they serve; and
- Can result in additional revenue for local development.

Likewise, under the BOM for LGUs, LGUs are encouraged to allow CSOs to participate in the budget process because of the potential benefits arising from their involvement as shown in Figure 1.

Fig. 1. Benefits of Participatory Budgeting



Ensures the integration and implementation of the approved Annual Investment Program

Vigilance of stakeholders in monitoring the status of approved PPAs from the authorization, review, execution and accountability phases of the budget will ensure the successful delivery of goods and services to target clients.

The Current State of CSOs' Participation in the Local Budget Process

The results of the Public Financial Management (PFM) Assessments using the PFM Assessment Tool (PFMAT) completed by the 550 focus LGUs under the FY 2013 Bottom-up Budgeting (BuB) process showed that while the CSO accreditation process in LGUs is strong, the degree of CSO participation in the budget process is low. Based on the feedbacks gathered in the crafting of the LGU PFM Reform Roadmap³, the current state of citizens' participation is characterized by:

- Perception that there is a low level of support for accredited CSOs; and
- Low quality of CSO participation in the budget process.

Bottom-up Budgeting is an approach to formulating the budget proposal of national government agencies, taking into consideration the development needs of poor cities / municipalities as identified in their respective local poverty reduction action plans that shall be formulated with strong participation of basic sectors and civil society organizations. (DBM- DILG-DSWD-NAPC MC No. 3, series of 2012)

The PFMAT for LGUs is a self- assessment, evidence-

based instrument which describes the characteristics of an open and orderly PFM system. It is a diagnostic tool which establishes the indicators that will help the LGUs identify the strengths and weaknesses in their PFM system as bases for improvement measures. (DBM Local Budget Circular No. 2012-101, October 12, 2012)

During the Consultation Workshops in the preparation of the Handbook, trust issues between LGUs and CSOs emerged due to:

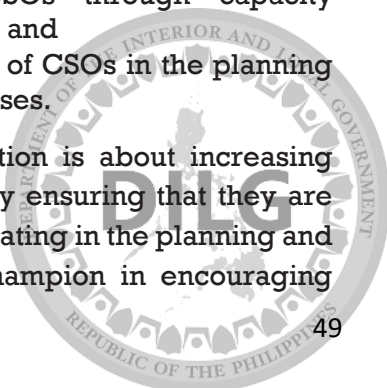
- CSOs' lack of technical knowledge on local budget process; and
- CSOs are only invited for the voting/ quorum requirement mandated by law

The Desired State of CSOs' Participation in the Local Budget Process

One of the desired states in the LGU PFM Reform Roadmap as identified by the stakeholders is “Quality participation of CSOs in the planning and budgeting processes” which can be achieved as follows:

- Coordinated and responsive efforts of Oversight Agencies (OAs) on CSO accreditation and participation;
- Accredited and functioning CSOs in all LGUs; Empowerment of CSOs through capacity development support; and
- Genuine participation of CSOs in the planning and budgeting processes.

Primarily, citizens' participation is about increasing responsiveness to citizens' needs by ensuring that they are adequately and significantly participating in the planning and budget processes. LGUs should champion in encouraging



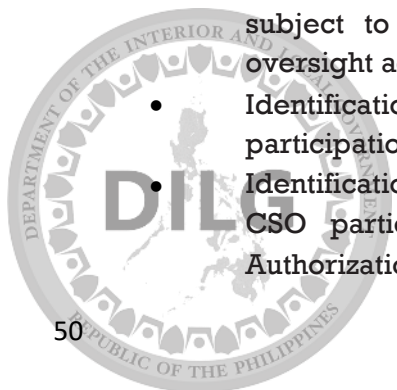
concerned citizens organized as CSOs to partner with them within the framework of Republic Act (R.A.) No. 7160 or the Local Government Code of 1991 in the formulation, implementation, monitoring, evaluation and improvement of the local budget. And as an inherent consequence, transparency and accountability are further enhanced.

How can the LGUs involve the CSOs in the Local Budget Process?

While the aim is to make LGUs receptive to opening their doors for a more enhanced and constructive engagement of CSOs, not only in the planning stage but also in the whole local budget process, it should also be recognized that the extent of such engagement is still dependent on how ready the LGU and CSO are. Hence, there is no “one-size-fits-all” approach on the degree of citizens’ participation that LGUs may allow, but the same shall be subject to the policy adopted by each LGU considering prevailing circumstances (e.g., politics and economics on the part of the LGU, or technical capability and willingness for CSOs, among others).

Accordingly, it is ideal that the LGU set up the terms of engagement on citizens’ participation that would cover the following matters:

- Requirements for CSO accreditation process, subject to guidelines issued by appropriate oversight agency, if any;
- Identification of the budget phase/s where CSO participation may be allowed;
- Identification of the scope and mechanics of the CSO participation. In the case of Budget Authorization, the Sanggunian may include in



its Internal Rules of Procedure the extent of such participation;

- Logistical and other arrangements; and
- Other concerns of the LGU and the CSO.

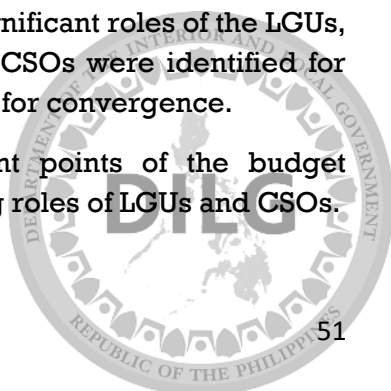
The terms of engagement should be accepted and formalized by both LGU and CSO to ensure that each party will adhere to the agreements. A regular joint review of the terms of engagement by the LGU and CSO may be conducted to ensure its relevance and effectiveness.

LGU-CSO Emerging Roles in the Budget Process

As mentioned in the LGU PFM Reform Roadmap, opening up government to citizens does not mean that the local government secedes governing, but that it governs in a different way than it normally would. It should be clear that LGUs do not cede their powers, legal rights, and duties. Rather, LGUs espouse new ways to exercise their powers in partnership with CSOs. This brings citizens closer to the government and develops a stronger sense of community that promotes a more responsive governance.

This part of the Handbook on the Participation of Civil Society Organizations in Local Budgeting Process answers the HOW of what is desired to achieve citizens' participation in the budget process. In a series of consultations conducted among the stakeholders, the anticipated significant roles of the LGUs, through the local officials, and the CSOs were identified for each budget phase as opportunities for convergence.

Presented below are salient points of the budget process and the identified emerging roles of LGUs and CSOs.



The Local Budget Process

The local budget process is a cyclical process consisting of five (5) phases (see Figure 2), namely:

- Budget Preparation;
- Budget Authorization;
- Budget Review;
- Budget Execution; and
- Budget Accountability.

Local Government Budgeting pertains to the provision of financial resources to government functions to accomplish project and program objectives based on approved development plans and programs. This includes:

- Formulation of fiscal policies;
- Determination of estimated receipts and aggregate budget level;
- Allocation of budget resources to functions, programs and projects of the LGU in accordance with priorities;
- Enactment of appropriation ordinance authorizing the budget;
- Review of the appropriation ordinance;
- Release of funds to concerned offices in the LGU;
- Implementation of PPAs; and
- Monitoring and reporting of physical and financial information.

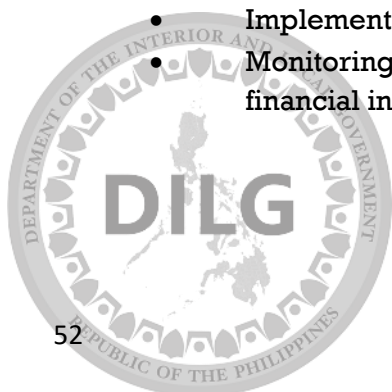
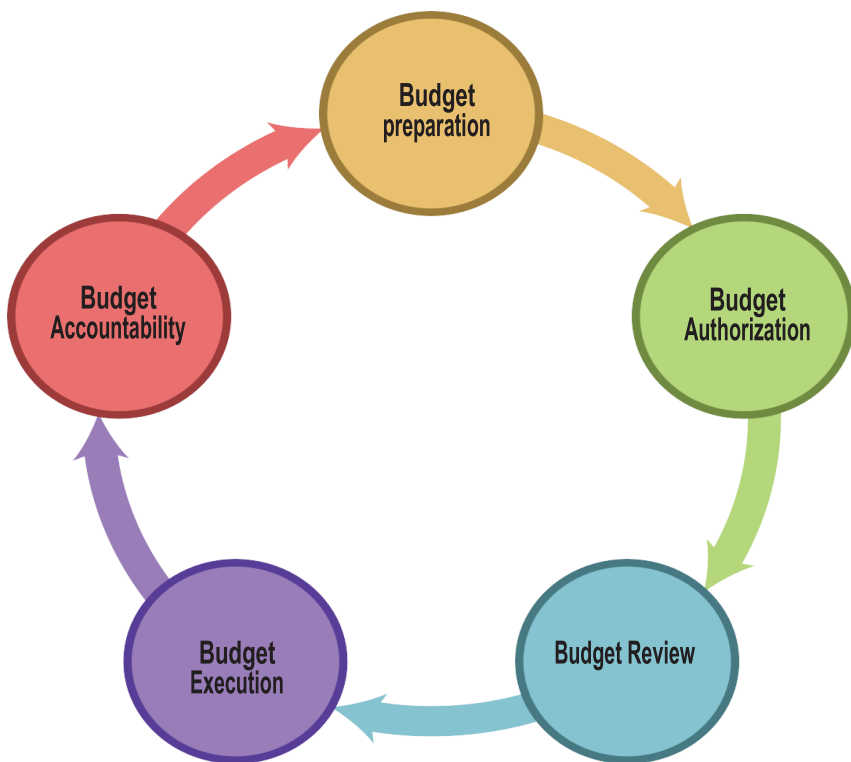


Figure 2: The Budget Cycle



Pre-Budget Preparation

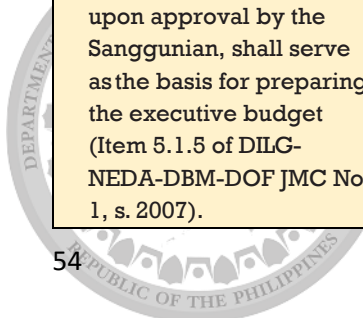
Before the start of the budget process, there is a planning activity referred to as the pre-budget preparation which is important in linking the budget with the plan. Prior to the budget preparation, planning activities are undertaken by the LGUs to come up with the final AIP as adopted by the LDC and approved by the Sanggunian. The AIP shall be the basis of budget preparation. This is pursuant to Section 305 (i) of R.A. No. 7160 which provides that, “Local budgets shall operationalize approved local development plans.”

In recognition of the importance of citizens' participation in the local budget process, LGUs are strongly encouraged to conduct public consultations as early as the local development planning stage. The following are the suggested roles for both LGUs and CSOs in the pre-budget preparation phase. Shown in Table 1 are the budget preparation activities:

Table 1

Emerging Roles during Pre-Budget Preparation Stage

ACTIVITY	LGU ROLES	CSO ROLES
<p>1. Prepare the Annual Investment Program (AIP)</p> <p>The AIP prepared by the LDC is the yearly program of expenditures both for capital and current operating requirements of the LGU that will serve as basis for the preparation of the Annual and Supplemental Budgets</p> <p>The LDCs shall cull out the AIP from the current slice of the LDIP, which upon approval by the Sanggunian, shall serve as the basis for preparing the executive budget (Item 5.1.5 of DILG-NEDA-DBM-DOF JMC No. 1, s. 2007).</p>	<p>Prepare AIP anchored on CDP and LDIP approved by the Sanggunian.</p> <p>Invite accredited CSOs in the AIP preparation</p>	<p>Confirm consistency of AIP with the approved LDIP which should, in turn, be consistent with the approved CDP; Otherwise, raise inconsistencies that are noted.</p>

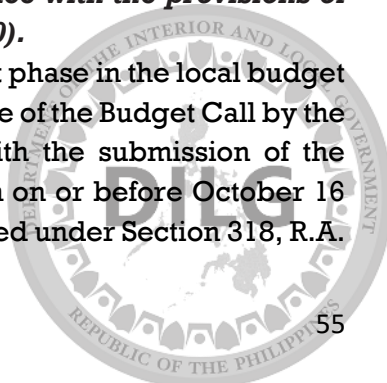


<p>2. Approval of AIP by the Sanggunian</p> <p>The Sanggunian enacts the resolution approving the AIP.</p>	<p>Invite accredited CSOs in the deliberations on the AIP.</p> <p>Provide a copy of the Sanggunian Resolution approving the AIP to the accredited CSOs</p> <p>Post copy of the approved AIP in accordance with the Full Disclosure Policy pursuant to existing DILG issuances.</p>	<p>Confirm consistency of AIP with the approved LDIP which should, in turn, be consistent with the approved CDP. Otherwise, raise inconsistencies that are noted.</p>
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First Phase: Budget Preparation

Legal Basis. Upon receipt of the statements of income and expenditures from the treasurer, the budget proposals of the heads of departments and offices, and estimates of income and budgetary ceiling from the local finance committee, the local chief executive shall prepare the executive budget for the ensuing fiscal year in accordance with the provisions of this Title (Section 318, R.A. No. 7160).

Budget Preparation is the first phase in the local budget process which starts with the issuance of the Budget Call by the Local Chief Executive and ends with the submission of the executive budget to the Sanggunian on or before October 16 of the current fiscal year as prescribed under Section 318, R.A.



No. 7160. There are six (6) steps in the Budget Preparation phase:

Step 1 Issue of Budget Call

This signals the start of the preparation of the executive budget.

Step 2 Prepare and Submit Budget Proposals

Budget proposals are prepared by the department heads and submitted to the Local Budget Officer (LBO) for review and consolidation.

Step 3 Conduct Budget Hearings and Evaluate Budget Proposals

The hearing and evaluation shall follow these sub-steps:

A Conduct Technical Budget Hearing

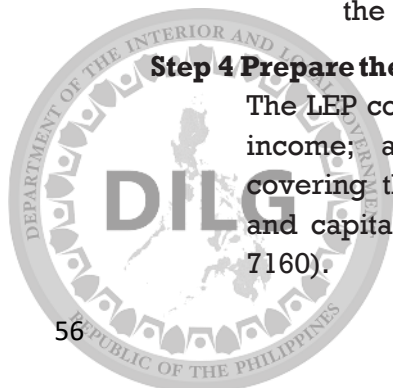
To rationalize the existence of the department/ office and to validate the expected outputs and cost estimates for the budget year.

B Evaluate Budget Proposals

The members of the LFC shall evaluate all budget proposals using the output and cost criteria. Each proposal shall provide enough basis to establish that outputs can be accomplished vis-à-vis the funding allocation for the purpose.

Step 4 Prepare the Local Expenditure Program (LEP)

The LEP consists of two (2) parts: estimates of income; and the proposed appropriations covering the current operating expenditures and capital outlays (Section 314 [a], R.A. No. 7160).



Step 5 Prepare the Budget Message

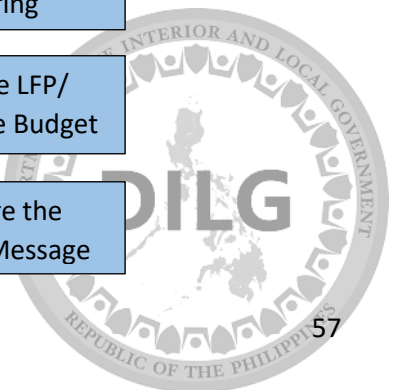
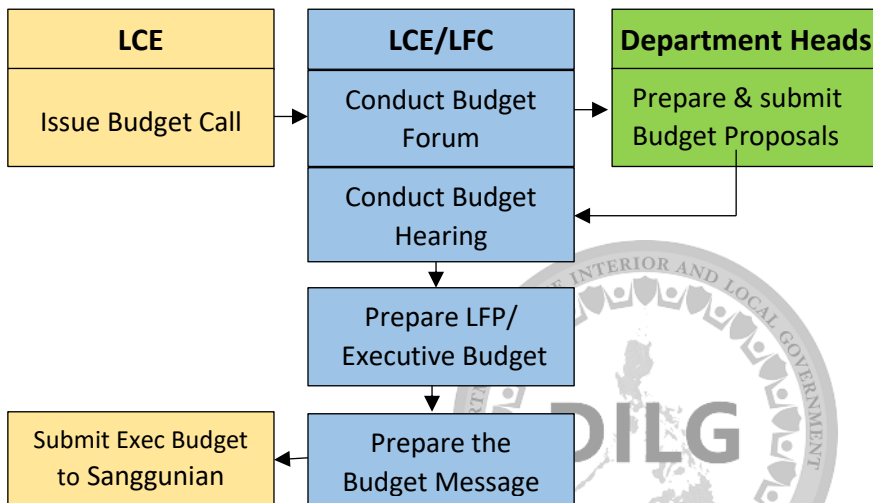
A Budget Message of the LCE sets forth in brief the significance of the executive budget, particularly in relation to the approved LDP (Section 314 [b], R.A. No. 7160). It is a summary of the proposed executive budget highlighting the following: previous year's fiscal performance; development goals and objectives; policy thrusts; priority PPAs; estimates of income and sources thereof; major items in the expenditure program; and expected outputs.

Step 6 Submit Executive Budget to Sanggunian

This should be done not later than the 16th of October of the current fiscal year (Section 318, R.A. No. 7160).

Figure 3 shows the budget preparation activities

Fig.3. The Budget Preparation Flow Chart

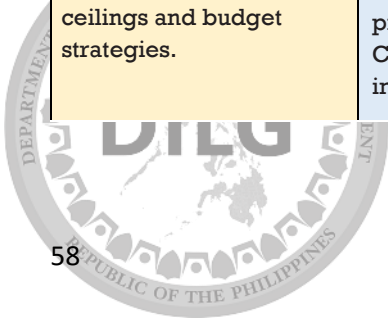


Based on the foregoing activities, the identified emerging roles of LGUs and CSOs in budget preparation are as follows:

Table 2

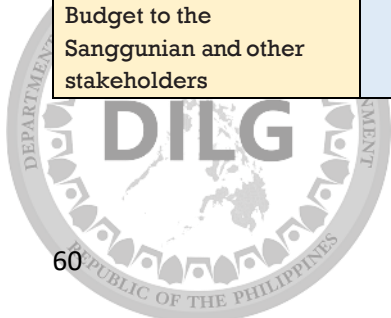
Emerging Roles in Budget Preparation Phase

ACTIVITY	LGU ROLES	CSO ROLES
<p>1. Issue the budget call</p> <p>The Budget Call is a directive from the LCE that contains general objectives, specific sectoral objectives, policy decisions, strategies, and prioritized PPAs by sector/office as reflected in the AIP for the budget year.</p> <p>2. Conduct the budget forum</p> <p>A one-day forum wherein the LBO explains to Department Heads the major thrusts and policy directions, sources of income, spending ceilings and budget strategies.</p>	<p>Provide a copy of the Budget Call to the accredited CSOs.</p> <p>Include in the Budget Call a requirement for the Department Heads to consult with accredited CSOs.</p> <p>Invite accredited CSOs to the Budget Forum.</p> <p>Ideally, the Budget Forum may provide information on why recommended priorities of accredited CSOs were not included in the identified PPAs</p>	<p>Check that AIP priorities are highlighted in the Budget Call.</p> <p>Participate in the Budget Forum to gain an overall appreciation of the thrusts and priorities of the LGU for the budget year as contained in the Budget Call.</p>



		<p>concerned. In cases where CSOs' proposed PPAs are not included in the budget, CSOs can request information from the LGU on the reasons for non-inclusion.</p>
<p>4. Conduct budget hearings</p> <p>The LFC conducts technical budget hearings to validate revenue sources, PPAs,</p>	<p>Invite accredited CSOs to the budget hearings in relation to sectoral concerns.</p>	<p>Participate in the budget hearings to provide inputs on sectoral concerns.</p>
<p>3. Prepare and submit budget proposals</p> <p>Each Department Head prepares the budget proposals and submits these to the LBO for review and consolidation. They need to determine the expected outputs for the budget year and estimated costs.</p> <p>5. Evaluate budget</p>	<p>LCE to ensure that the Department Heads consulted with accredited CSOs.</p> <p>The Budget Call may already prescribe such requirement</p>	<p>The accredited CSOs sectoral representative may partner with the Department Heads concerned in determining the target beneficiaries and funding requirements for the particular sector. The CSOs may also propose projects for consideration by the Department Heads</p>

<p>proposals</p> <p>The LFC evaluates all budget proposals using the output and cost criteria, cost estimates, & expected outputs for the budget year.</p>	<p>May replicate the best practices of other LGUs in engaging CSOs in LFC.</p>	<p>May replicate the best practices of other CSOs in engaging LFC.</p>
<p>6. Submit Executive budget to the Sanggunian</p> <p>After consolidation of the budget proposal and approval thereof by the LCE, the LGU shall submit the proposed executive budget not later than October 16 of the current fiscal year pursuant to Section 318 of R.A. No. 7160.</p> <p>This is usually done through a State of the Province/City/Municipality Address (SOPA/ SOCA/ SOMA), where the LCE presents the proposed Annual Budget to the Sanggunian and other stakeholders</p>	<p>Invite accredited CSOs to the SOPA/ SOCA/SOMA.</p>	<p>Attend the SOPA/ SOCA/ SOMA.</p>



2nd Phase: Budget Authorization

Legal Basis. On or before the end of the current fiscal year, the Sanggunian concerned shall enact, through an ordinance, the annual budget of the local government unit for the ensuing fiscal year on the basis of the estimates of income and expenditures submitted by the local chief executive (Section 319, R.A. No. 7160).

Budget Authorization is the second phase in the local budget process that involves the legislative function of enacting the ordinance authorizing the budget in accordance with the fundamental principle that **“No money shall be paid out of the local treasury except in pursuance of an appropriations ordinance or law”** (Section 305 [a], R.A. No. 7160).

This phase, as shown in Figure 4, starts from the time the Sanggunian receives the executive budget submitted by the LCE and ends with the enactment of the Appropriation Ordinance and approval thereof by the LCE. It is in this phase where the Sanggunian conducts committee hearings on and evaluates compliance of the executive budget with the budgetary requirements and general limitations set in R.A. No. 7160.

Initially, the Sanggunian shall conduct a preliminary review to check the budget documents submitted using the Local Budget Authorization Forms (as prescribed in the BOM for LGUs).

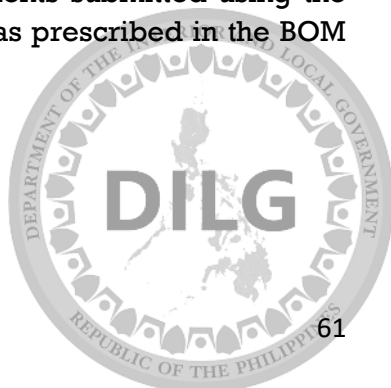
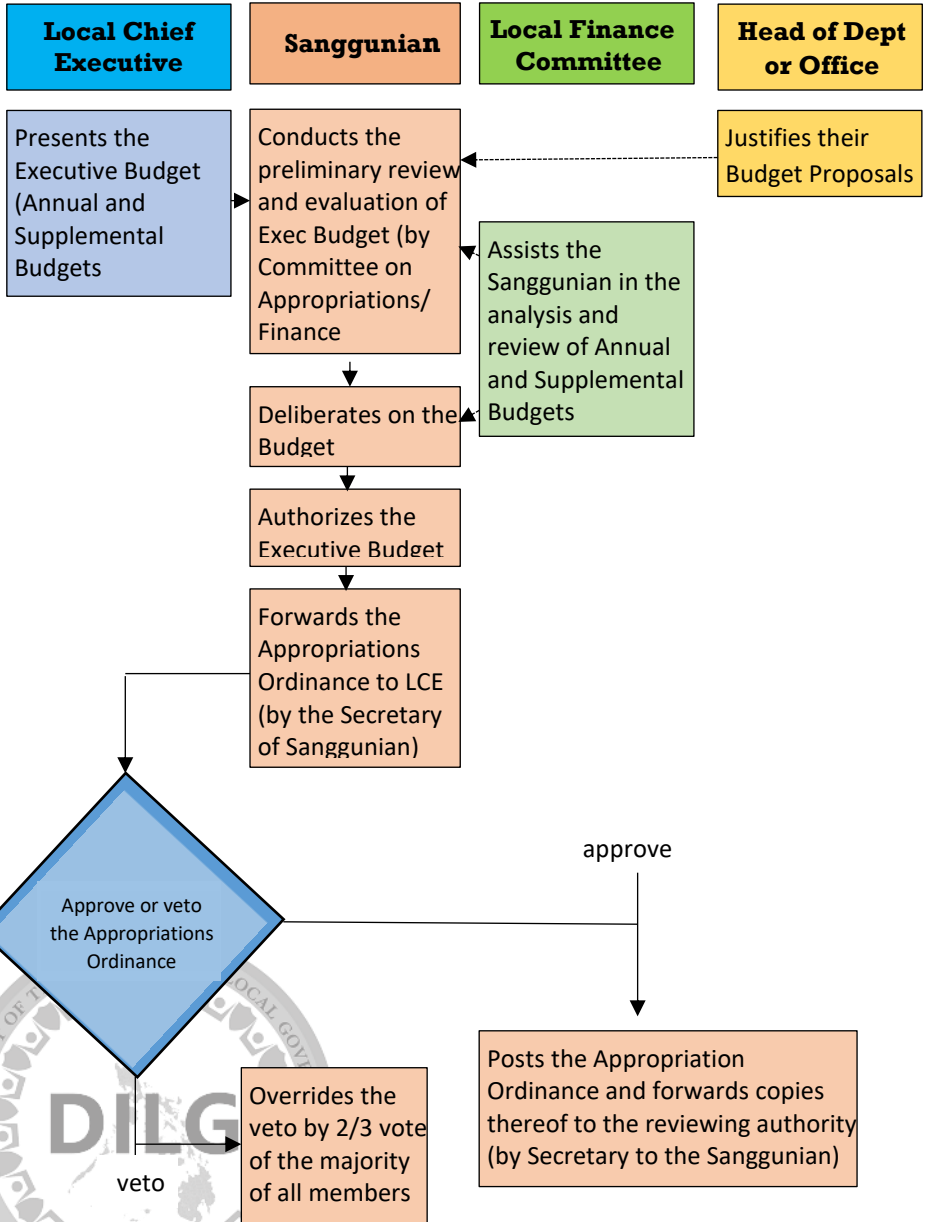


Fig. 4: The Budget Authorization Flow Chart



As shown in Table 2, the emerging roles of LGUs and CSOs in the Budget Authorization phase are as follows:

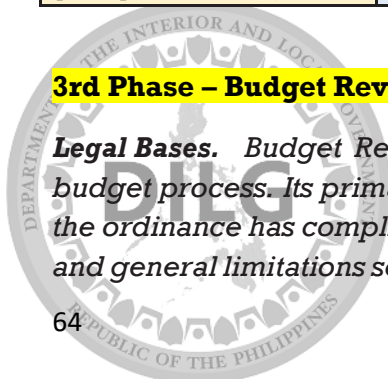
Table 3. Emerging Roles in Budget Authorization Phase

ACTIVITY	LGU ROLES	CSO ROLES
<p>1. Deliberate on the budget</p> <p>The Sanggunian shall consider the executive budget as a priority measure which shall take precedence over all other pending and proposed measures. As a rule, all Sanggunian sessions shall be open to the public, unless otherwise provided by law (Article 105 [b], IRR of R.A. No.7160).</p>	<p>Sanggunian to post notice of budget deliberation schedule in three (3) conspicuous places at least seven (7) days before the conduct of said activity.</p> <p>Invite accredited CSOs to attend and provide inputs during the budget deliberation sessions, including committee hearings.</p>	<p>Observing the Internal Rules of Procedure (IRP) of the Sanggunian, the accredited CSOs may:</p> <ul style="list-style-type: none"> a. Provide inputs on sectoral concerns; b. Raise questions on changes in the Executive Budget not found in the approved AIP.
<p>2. Authorize the annual budget</p> <p>Sanggunian authorizes the annual budget through appropriation Ordinance (AO).</p>	<p>Sanggunian may allow accredited CSOs to observe the voting for the enactment of AO.</p>	<p>Accredited CSOs to observe the voting conducted by the Sanggunian.</p>

<p>3. Approve the appropriation ordinance</p> <p>The AO enacted by the Sanggunian shall be presented to the LCE for approval, in which case he shall affix his signature in every page thereof. Otherwise, the LCE may exercise veto power.</p>	<p>LCE to consider formal comments and observations of accredited CSO, if any, subject to the 15- and 10-days period for approval, for provinces, and cities or municipalities, respectively, per Sec 54 (b), R.A. No. 7160.</p>	<p>Accredited CSOs to inform the LCE in writing of their observation in the deliberation and enactment of AO, subject to the applicable period, as prescribed by Sec 54 (b) RA 7160.</p>
<p>4. Post the appropriation ordinance</p> <p>Sanggunian to post the AO, in Filipino, English, and the local dialect, in a bulletin board at the entrance of the provincial capitol, or city, or municipal hall, as the case may be, and in at least 2 other conspicuous places in the LGU concerned (Sec 59 [a & b], RA No. 7160)</p>	<p>Comply with the posting requirement under Section 59 (a and b), R.A. No. 7160.</p> <p>Comply with the Full Disclosure Policy pursuant to existing DILG issuances.</p>	<p>Monitor the posting of the approved AO, and assist in making this known to the public.</p>

3rd Phase – Budget Review

Legal Bases. *Budget Review is the third phase in the local budget process. Its primary purpose is to determine whether the ordinance has complied with the budgetary requirements and general limitations set forth in the Local Government Code*



of 1991 as well as provisions of other applicable laws. It starts from the time the reviewing authority receives the Appropriation Ordinance for review and ends with the issuance of the review action.

The Department of Budget and Management shall review ordinances authorizing the annual or supplemental appropriations of provinces, highly-urbanized cities, independent component cities, and municipalities within the Metropolitan Manila Area in accordance with Section 326 of R.A. No. 7160.

The Sangguniang Panlalawigan shall review the ordinance authorizing annual or supplemental appropriations of component cities and municipalities in the same manner and within the same period prescribed for the review of other ordinances (Section 327, R.A. No. 7160).

The DBM Regional Offices, in the case of Provinces and Highly Urbanized Cities, the Sangguniang Panlalawigan, in the case of Municipalities and Component Cities, shall act as the reviewing authority to ensure that the AO has complied with the budgetary requirements and general limitations set forth in R.A. No. 7160, as well as provisions of other applicable laws (Sections 326 and 327, R.A. No. 7160).

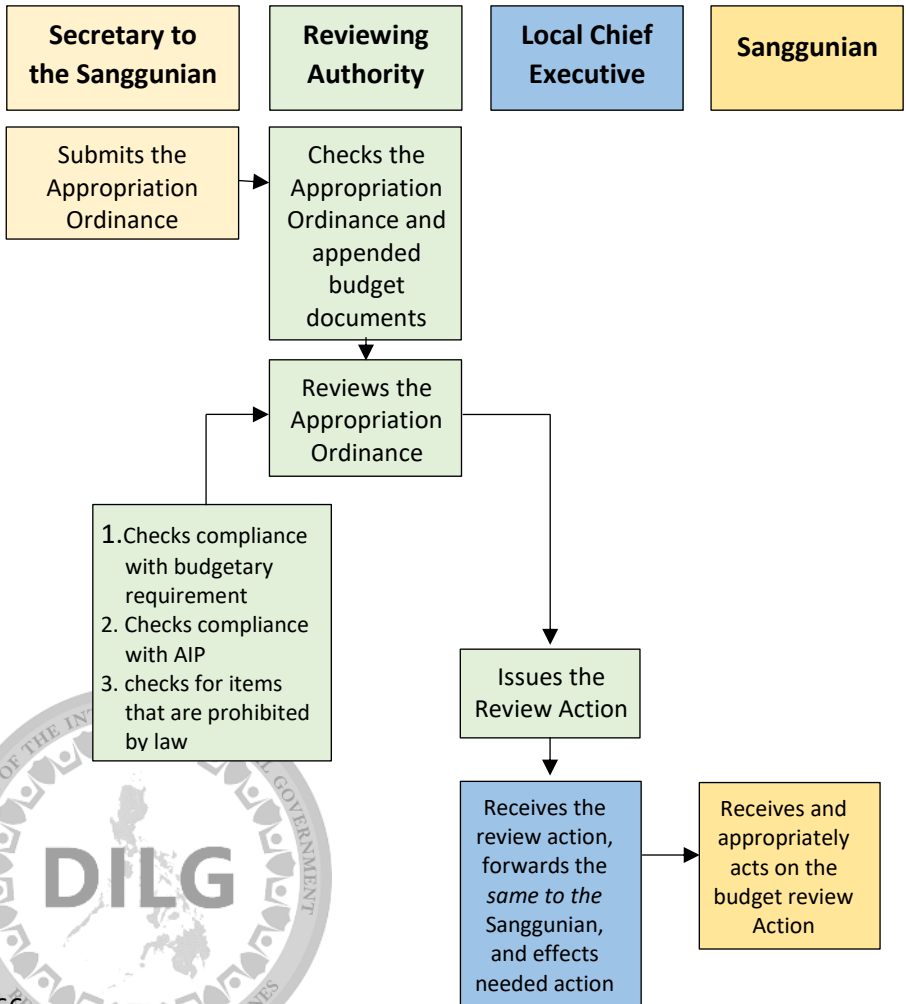
The reglementary period of review of the AO of provinces, highly-urbanized cities, independent component cities, component cities, and municipalities is 90 days from receipt of the copy of Appropriations Ordinance (Section 327, R.A. No. 7160).

Using the Checklists on Documentary and Signature Requirements for the Annual Budget and Supplemental Budget, the DBM Regional Office or Sangguniang Panlalawigan, as the case may be, shall check if the budget documents with the

required signatures have been submitted together with the AO. If the submission is incomplete, the budget documents shall be officially returned in writing to the LGU concerned requiring resubmission with the necessary budget documents and/or signatures.

Figure 5 shows the process flow for Budget Review.

Fig. 5: The Budget Review Flow Chart



Presented in Table 3 are the identified emerging roles of LGUs and CSOs in Budget Review.

Table 4.

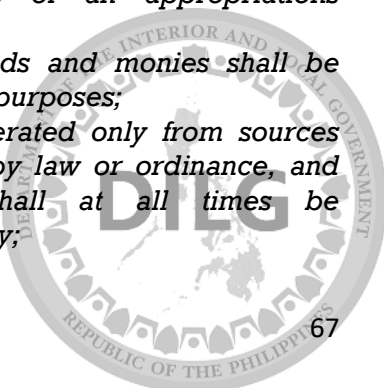
Emerging Roles in Budget Review Phase

ACTIVITY	LGU ROLES	CSO ROLES
<p>1. Issue the review action</p> <p>The reviewing authority may declare the AO as:</p> <ul style="list-style-type: none"> a) operative in its entirety; b) operative in its entirety, subject to conditions; c) inoperative in its entirety; or d) inoperative in part. 	<p>If the arrangement is allowed in the terms of engagement between the LGU and CSO, the LGU may furnish copy of the review letter to the accredited CSOs.</p>	<p>Check the LGU compliance with the review findings.</p>

4th Phase – Budget Execution

Legal Bases. *The financial affairs, transactions, and operations of local government units shall be governed by the following fundamental principles:*

- a. *No money shall be paid out of the local treasury except in pursuance of an appropriations ordinance or law;*
- b. *Local government funds and monies shall be spent solely for public purposes;*
- c. *Local revenue is generated only from sources expressly authorized by law or ordinance, and collection thereof shall at all times be acknowledged properly;*



- d. *All monies officially received by a local government officer in any capacity or on any occasion shall be accounted for as local funds, unless otherwise provided by law;*
- e. *Trust funds in the local treasury shall not be paid out except in fulfillment of the purpose for which the trust was created or the funds received;*
- f. *Every officer of the local government unit whose duties permit or require the possession or custody of local funds shall be properly bonded, and such officer shall be accountable and responsible for said funds and for the safekeeping thereof in conformity with the provisions of law; and*
- g. *Local governments shall formulate sound financial plans, and the local budgets shall be based on functions, activities, and projects in terms of expected results (Section 305, R.A. No. 7160).*

In addition, the ordinance enacting the annual budget shall take effect at the beginning of the ensuing calendar year. An ordinance enacting a supplemental budget, however, shall take effect upon its approval or on the date fixed therein. The responsibility for the execution of the annual and supplemental budgets and the accountability therefor shall be vested primary in the Local Chief Executive concerned (Section 320, R.A. No. 7160).

Budget Execution is the fourth phase in the local budget process. It involves the release of allotments and the certification of available appropriations and cash, the recording of actual obligations, and disbursement of funds for authorized PPAs. It also involves actual collection of revenues which is considered a critical aspect in order that disbursements do not exceed appropriations. Most importantly, everything revolves around the implementation

of PPAs by the LGU.

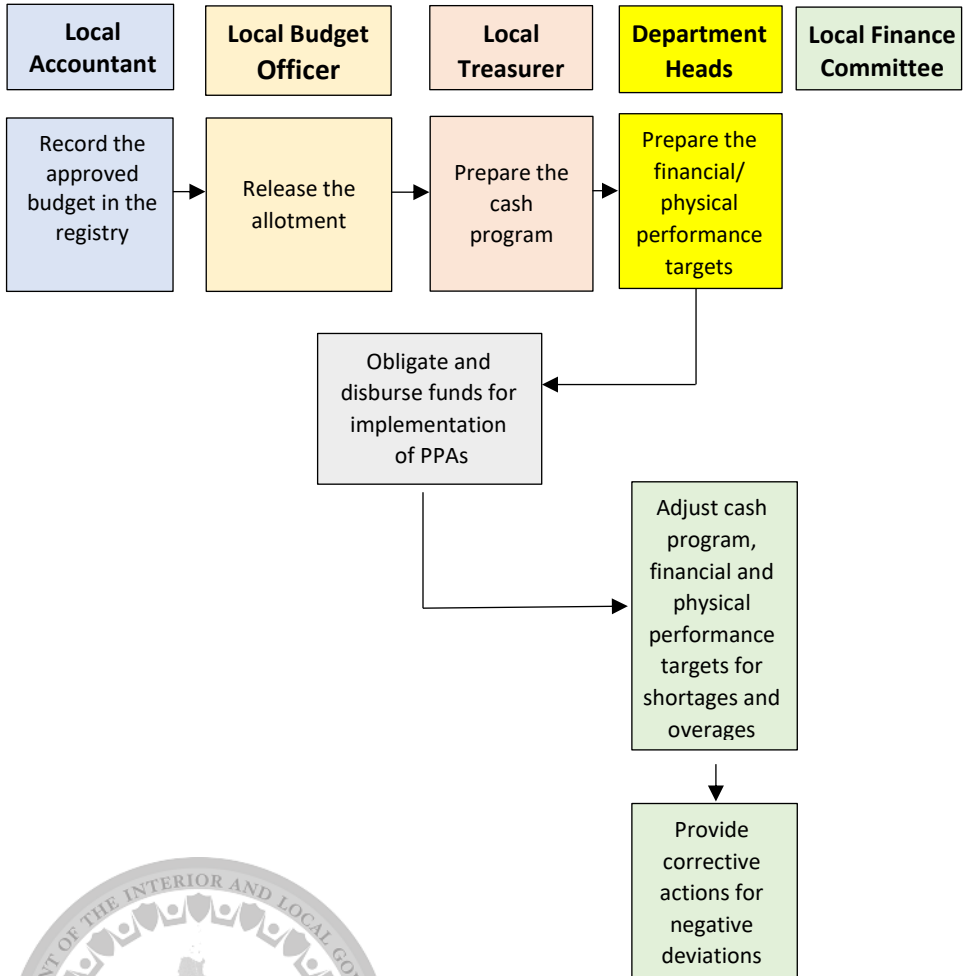
The budgetary accounts maintained in this phase are:

Appropriation	- An authorization made by ordinance, directing the payment of goods and services from local government funds under specified conditions or for specific purposes.
Allotment	- An authorization issued by the LCE to a Department/Office of the LGU which allows it to incur obligations for specified amounts within its appropriations.
Obligation	- The specific amount within the allotment which is committed to be paid by the LGU for any lawful expenditure made by an accountable officer for and in behalf of the LGU concerned.



In summary, Figure 6 shows the process flow during Budget Execution.

Figure 6. The Budget Execution Flow Chart



Finally, another important activity in Budget Execution is the implementation of PPAs by the offices concerned out of funds released during budget execution phase. Related thereto, various procurement activities are undertaken in accordance with the Government Procurement Reform Act, R.A. No. 9184, and its revised Implementing Rules and Regulations (IRR).

As further required under the same law, to enhance the transparency of the process, in addition to the representative of the COA, at least two (2) observers shall, in all stages of the procurement process, be invited by the Bid and Awards Committee (BAC) to sit in its proceedings. One of the said observers shall come from a Non-Government Organization duly registered with the Securities and Exchange Commission or the Cooperative Development Authority, and has met the other criteria required in the law (Section 13, R.A. No. 9184).

The emerging LGU and CSO roles identified in the Budget Execution Phase are as follows:



Table 5.

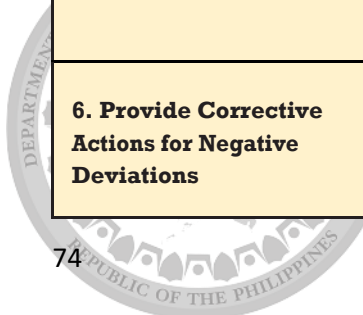
Emerging Roles in Budget Execution Phase

ACTIVITY	LGU ROLES	CSO ROLES
<p>1. Release the allotments (LBM/ARO)</p> <p>The Local Budget Matrix (LBM) is issued to effect the comprehensive release of allotment for a Department/ Office. Release of reserve amounts shall be effected through the use of Allotment Release Order/s (ARO/s).</p>	<p>Post information on allotment releases (LBM/SAROs) in three (3) conspicuous places in the LGU within 20 days from the release of the allotment⁹.</p>	<p>Monitor the LGU compliance on the release of allotments. Inform beneficiaries and communities concerned of the release of allotments through tri-media or conduct meetings with the beneficiaries and communities concerned.</p>
<p>2. Post the statement of receipts and expenditures in the LGU website</p> <p>The LGU shall post the monthly Statement of Receipts and Expenditures within 10 days after the end of the month pursuant to Section 513 of R.A. No. 7160.</p>	<p>Post information on receipts and expenditures in three (3) conspicuous places in the LGU within ten (10) days after the end of the month pursuant to Section 513 of R.A. No. 7160; and within twenty (20) days after the approval by the LCE of the Annual Report of Receipts</p>	<p>Monitor the postings as required under R.A. No. 7160 and the Full Disclosure Policy of the DILG.</p> <p>Advocate for the citizen's awareness of posted information through tri-media.</p>



	<p>and Expenditures as required under the Full Disclosure Policy of the DILG.</p>	
<p>3. Prepare cash program and financial and physical performance targets</p> <p>The Local Treasurer shall prepare the Cash Program. Department Heads shall prepare the Summary of Financial and Physical Performance Targets for the entire year. The detailed financial and performance targets present the quarterly breakdown of the financial allocation needed to accomplish a specific level of target.</p>	<p>Post information on the following:</p> <ul style="list-style-type: none"> a. Cash Program b. Financial and Physical Performance Targets <p>in three (3) conspicuous places in the LGU within twenty (20) days after the end of each quarter¹⁰.</p>	<p>Monitor the LGU compliance on the preparation of cash program and financial and physical performance targets. Inform beneficiaries and communities concerned of the information through tri-media or conduct meetings with the beneficiaries and communities concerned.</p>
<p>4. Obligate and disburse funds for implementation of PPA - procurement process</p> <p><i>Procurement Process</i></p> <p>To enhance the transparency of the process, the BAC shall in all stages of procurement process, invite, in addition to the representative of</p>	<p>Invite accredited CSOs, if qualified as observers, in the procurement process at least three (3) calendar days before each procurement activities in compliance with the</p>	<p>Attend as observer in the procurement process and carry out the responsibilities provided under Section 13.4 of the IRR of R.A. No. 9184. May use as reference the</p>

<p>Commission on Audit, at least two (2) observers to sit in its proceedings, one (1) from a duly recognized private group in a duly recognized private group in a sector or discipline relevant to the procurement at hand</p> <p>PPA Implementation</p> <p>The responsibility for the execution of the annual and supplemental budget shall be vested primary in the LCE concerned. In the implementation of PPAs, the following must be ensured:</p> <ul style="list-style-type: none"> • standards of service • quality of work • timelines of implementation • pricing of goods, contracts and services • PPA fund release/ utilization <p>proper delivery to target beneficiaries</p>	<p>Government Procurement Reform Act, R.A. No. 9184.</p> <p>Invite accredited CSOs to spot check or track implementation of ongoing projects. This may be differentiated from the monitoring activity in the Budget Accountability Phase which is done on scheduled periods, i.e., quarterly, mid-term and annual, and aimed at comparing accomplishments vs. targets.)</p>	<p>GPPB- issued Procurement Observers Guide (POG).</p> <p>Participate in the spot check or tracking of implementation of ongoing projects and prepare Project Monitoring Report for submission to the LCE. (Annex B)</p>
<p>6. Provide Corrective Actions for Negative Deviations</p>		

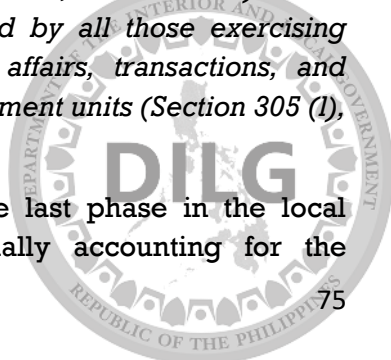


<p>The LFC shall compare the actual performance in both the financial and physical accomplishments vis-à-vis the targets for the quarter.</p> <p>For variances, Department Heads concerned shall take corrective actions or prepare necessary adjustments to catch up with the plans for the year.</p>	<p>Render reports on actions taken to address negative deviations.</p> <p>Provide copies of catch-up plans to parties concerned.</p> <p>Partner with accredited CSOs in addressing service gaps and acknowledge contribution of CSOs.</p>	<p>Monitor appropriate interventions and measures taken by the LGU on negative deviations.</p> <p>Assist the LGU in implementing appropriate interventions on negative deviations, which may include providing possible support for service and/or resource gaps in the delivery of services.</p>
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5th Phase – Budget Accountability

Legal Bases. *Any officer of the local government unit whose duty permits or requires the possession or custody of local government funds shall be accountable and responsible for the safekeeping thereof in conformity with the provisions of this Title. Other local officers, who, though not accountable by the nature of their duties, may likewise be held accountable and responsible for local government funds through their participation in the use or application thereof (Section 340, R.A. No 7160). Fiscal responsibility shall be shared by all those exercising authority over the financial affairs, transactions, and operations of the local government units (Section 305 (1), R.A. No. 7160).*

Budget Accountability is the last phase in the local budget process which is essentially accounting for the



performance of the LGU in terms of the income/revenue generation and resource utilization for the implementation of the PPAs for the year.

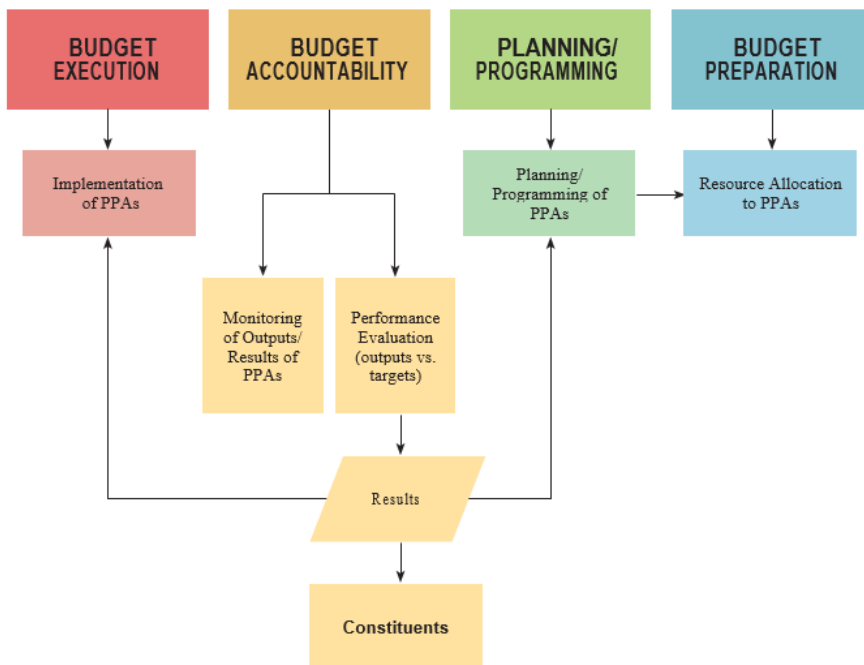
It also encompasses recording and reporting of estimated and actual income and expenditures, and monitoring and evaluation of performance vis-à-vis prescribed standards/policies and planned targets. Basically, it is the evaluation of the LGUs financial and physical performance in the implementation of the budget.

Figure 7 shows the Budget Accountability Flow Chart. The chart summarizes the role of the budget accountability phase in the planning/programming and budgeting cycle, as follows:

- a) provides the required feedback for PPA implementation adjustments during budget execution
- b) provides information to the general public on the performance of the LGU; and
- c) provides the necessary inputs to the planning and programming of PPAs for inclusion in the preparation for the succeeding year's budget.



Figure 7: The Budget Accountability Flow Chart

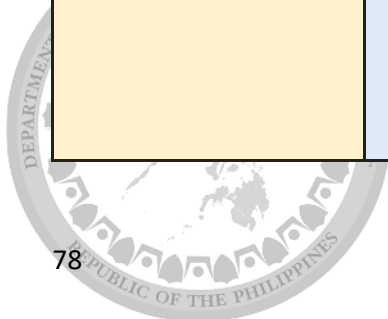


With these activities in mind, the LGUs and CSOs identify their emerging roles in this phase, as shown in Table 6.

Table 6.
Emerging Roles in Budget Accountability Phase

ACTIVITY	LGU ROLES	CSO ROLES
<p>1. Monitor outputs and results of PPAS</p> <p>The appropriations recorded in the books shall be compared with the actual collections and disbursements for</p>	<p>Invite accredited CSOs to participate in the local project monitoring activities.</p>	<p>Actively participate in the local project monitoring activities.</p>

<p>the same period.</p> <p>Expenditures are tracked and monitored vis-à-vis the outputs and accomplishments.</p>	<p>Post financial information in three (3) conspicuous places in the LGU within twenty (20) days after the end of each quarter.</p> <p>Invite accredited CSOs in the mid- year and year-end assessment of the overall performance of the LGU.</p> <p>Invite accredited CSO in the impact assessment of the programs and projects, and the overall performance of the LGU.</p> <p>Make use of available and existing monitoring tools such as the Citizens Satisfaction Report Card (from CODE-NGO) and the LGU Fiscal Sustainability Scorecard (from BLGF).</p>	<p>Enhance CSO's own technical capability in project monitoring.</p> <p>Monitor PPA implementation and to check on the following</p> <ul style="list-style-type: none"> • standards of service • quality of work • timeliness of implementation • pricing of goods, contracts and services • PPA fund release / utilization • Proper delivery to target beneficiaries <p>Provide recommendations based on monitoring results.</p> <p>Organize citizens' fora with the LGU to provide feedback to the community.</p> <p>Actively participate in the impact assessment of programs and projects and of the overall performance of the LGU.</p>
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References List

1987 PHILIPPINE CONSTITUTION

Republic Act 7160, An Act Providing for A Local Government Code Of 1991

Brillantes, A. Jr. B., Reyes, D.R., Lapos, B. E., & Tiu Sonco, J. II. O. (2011). Reinventing a local government in the Philippines: A sourcebook on decentralization experiences in Asia. Vol. I. Asian Center for Local and Regional Governance. University of the Philippines.

Department of Budget and Management. *Handbook on the Participation of Civil Society Organizations in the Local Budget Process*. pp. 8-44

Department of Budget and Management. *Budget Operations Manual (BOM) for Local Government Units (LGUs)*, 2016 Edition

DILG Memorandum Circular No. 2018-89. Guidelines on Engagements with Civil Society Organizations

DILG Memorandum Circular No. 2019-72. Guidelines on Accreditation of Civil Society Organizations and Selection of Representatives to the Local Special Bodies

DILG Memorandum Circular No. 2021-054. Amendment to the DILG Memorandum Circular No. 2021-012, on the Establishment of Civil Society Organization Desk and Institutionalization of People's Council in the Local Government Units.

DILG, NEDA, DBM, and DOF Joint Memorandum Circular No.1 s. 2007. On Harmonization of Local Planning, Investment Programming, Budgeting, Revenue Administration, and Expenditure Management

R.A. No. 7160. Local Government Code of 1991



Recommended Readings:

DILG Memorandum Circular No. 2022-005. Guidelines on the Accreditation of Civil Society Organizations to Co-Implement DILG Programs and Projects

DILG Memorandum Circular No. 2020-135. Mobilization of Civil Society Organizations in COVID-19 Related Response and recovery Programs of the Government

DILG Memorandum Circular No. 2019-116. Engagement of all Civil Society Organizations (CSOs) and International Agencies (IAs) in Preventing and Countering Violent Extremism and Insurgency (P/CVEI) Projects and Activities in the Philippines

Office of the Presidential Adviser on the Peace Process Memorandum Circular No. 19-001 s. 2020. Guidelines on Accreditation of Civil Society Organizations (CSOs) as Implementers of OPAPP Programs, Projects, or Activities

Office of the Presidential Adviser on the Peace Process Memorandum Circular No. 20-001 s. 2020. Amendment of the Memorandum Circular No. 001. S. 2019 “Guidelines on Accreditation of Civil Society Organizations (CSOs) as Implementers of OPAPP Programs, Projects, or Activities”



APPENDICES



Republic of the Philippines



DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT

DILG-NAPOLCOM Center, EDSA corner Quezon Avenue,
West Triangle, Quezon City

<http://www.dilg.gov.ph>

GUIDELINES ON ENGAGEMENTS WITH CIVIL SOCIETY ORGANIZATIONS

Memorandum Circular No. 2018-89

June 11, 2018

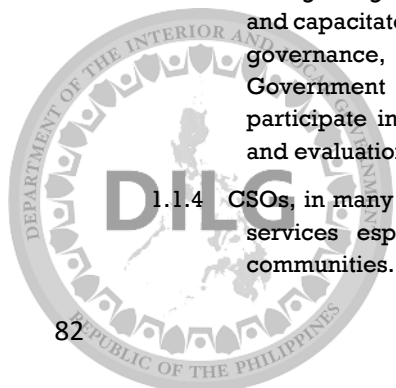
1.0 Prefatory Statement

1.1 Section 23, Article II of the 1987 Constitution states that the participation of non-governmental, community-based and other sectoral organizations shall be encouraged by the State.

1.1.2 Section 67 of Republic Act No. 10964 (General Appropriations Act of 2018) allows national government agencies to partner with civil society organization (CSOs) in implementing certain programs and projects. The 2018 GAA also provides that the transfer of government funds to a CSO is allowed, provided that, the CSO is accredited by the national government agency and selected in accordance with all applicable rules and regulations.

1.1.3 In building the long-term foundation of good governance, it is important to develop and strengthen collaborative relationships between the government and civil society. Recognizing the importance of having an active, informed, and capacitated civil society in upholding a culture of good governance, the Department of the Interior and Local Government (DILG), has opened spaces for CSOs to participate in the planning, implementation, monitoring, and evaluation of its initiated programs and projects.

1.1.4 CSOs, in many areas, are found to be effective in enabling services especially in the poorest and marginalized communities. As they are closely connected to local



common development agenda and mobilize support for government programs and projects in more efficient ways.

- 1.1.5 This Memorandum Circular is issued to prescribe the general guidelines and conditions for CSO engagements and to establish a mechanism for the DILG to engage CSOs.

2.0 COVERAGE

- 2.1 This Memorandum Circular shall cover CSOs that would be engaged by the DILG to jointly implement Department programs and projects, with or without the use of government funds.
- 2.1 This Memorandum Circular shall only involve the accreditation of CSOs by the DILG and the mechanism by which the DILG will engage CSOs. The conditions in the transfer and liquidation of government funds, if any, shall be covered by the agreement between the Bureau or PMO and the accredited CSO. The liquidation, utilization and audit of transferred funds, shall be in accordance with the existing Commission on Audit (COA) Circular No. 2007-001.

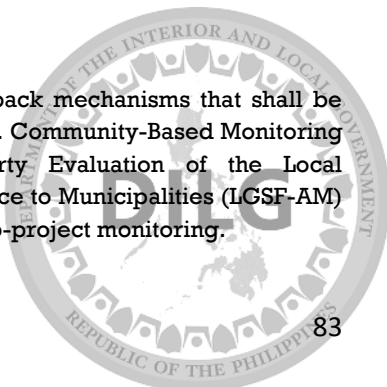
3.2 Areas for Engagement

The CSO is a critical partner that can play various roles and wide range of functions in the implementation of the Department's program and activities. As such, in the engagement with civil society, appropriate programming arrangements and support mechanisms shall be put in place to ensure the achievement of the desired development results.

- 4.1 The areas that CSOs may engaged with the DILG include the following:

4.1.1 *Feedbacking on program and projects*

CSOs may join in any of the feedback mechanisms that shall be established by the Department, e.g. Community-Based Monitoring Program (CBMP) and Third Party Evaluation of the Local Government Support Fund-Assistance to Municipalities (LGSF-AM) and Local Development Council sub-project monitoring.



Also, the CSOs can directly give feedback to project implementers on the project status of various nationally funded projects such as, but not limited to, Performance Challenge Fund (PCF), Assistance to Municipalities (AM), Salintubig and, Conditional Matching Grant to the Provinces (CMGP).

4.1.2 Pushing for Various Advocacies

- CSOs may contribute to the implementation of commitments to the Open Government Partnership (OGP) and Participatory Governance cluster;
- CSOs may advocate for the passage of a local ordinance on freedom of information (FOI);
- CSOs may participate in the consultation pertaining to Federalism;
- CSOs may participate in initiatives of the local Anti-Drug Abuse Council (ADAC);
- CSOs may participate in activities that support the Philippine Development Plan (PDP) and the attainment of the Sustainable Development Goals (SDG); and
- CSOs may get involve in the local disaster preparedness program, among others.

4.1.3 Formulating plans, policies, and issuances

- CSOs may participate in consultations or fora for the formulation of plans, policies, guidelines, and issuance.
- CSOs may also be involved in policy dialogues in local governance, law and order, and public safety.

4.1.4 Implementing capacity development programs and other activities

- CSOs may implement capacity development programs for other CSOs to ensure their active and meaningful participation in various local special bodies and committees and in the conduct of monitoring and evaluation.



- CSOs may also implement capability building programs to strengthen programs and delivery of basis services.
- CSO involvement may also include, but not limited to, the conduct of researches, survey, studies, assessments, monitoring, and evaluation.

4.2 The DILG accepts only proposals that are anchored to any of its existing programs and projects. Please refer to Annex D for the list of programs and projects that CSOs can choose to engage in.

4.3 The list of DILG programs and projects, as listed in Annex D, will be updated at the end of every semester.

5.0 **Types of Engagement**

The following are the different types of engagement with CSOs:

5.1 Voluntary Work without Cost

DILG can engage the CSO in a volunteer capacity without any cost to the government to:

- provide feedback on programs and projects;
- support in pushing for various advocacies;
- assist in formulating plans, policies, and issuances; and
- implement programs, projects, or activities.

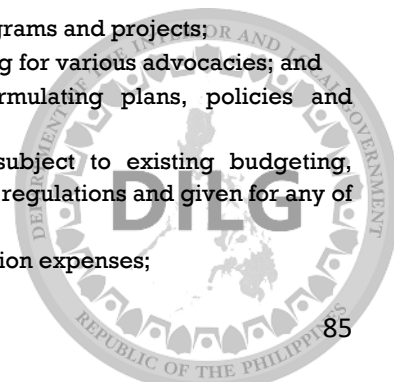
5.2 Voluntary Work with Cost

The CSO can also be engaged to assist or participate in a volunteer capacity but shall be reimbursed for applicable cost to provide

- feedback on programs and projects;
- support in pushing for various advocacies; and
- assistance in formulating plans, policies and issuances.

The applicable cost/s shall be subject to existing budgeting, accounting, and auditing rules and regulations and given for any of the following expenses:

- actual transportation expenses;
- per diems;



- honoraria; and
- other incidental expenses incurred in the performance of duties

5.3 Provider of goods and/or services

The CSO can serve as a provider of goods and/or services with remuneration or payment for the services rendered. Their services can be procured either to provide feedback on programs and projects, push for various advocacies, formulate plans, policies, and issuances, or implement capacity development programs and/or other activities. In this regard, applicable rules and regulations pursuant to Appendix 14 of the 2016 Revised Implementing Rules and Regulations of RA 9184 and similar general provisions shall be observed.

6.0 ACCREDITATION OF CIVIL SOCIETY ORGANIZATIONS

6.1 ACCREDITATION COMMITTEES

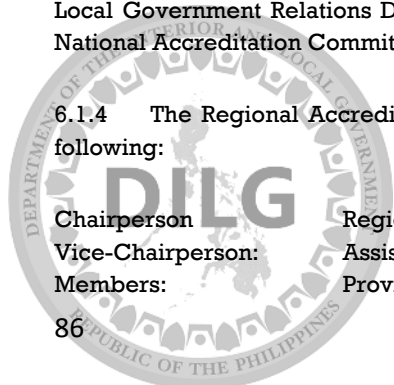
6.1.1 The DILG shall create a National Accreditation Committee (NAC), a Regional Accreditation Committee (RAC) in every region, and a Provincial Accreditation Committee (PAC) in every province, that will perform the functions of the DILG as stated in this Memorandum Circular.

6.1.2 The National Accreditation Committee shall be composed of the following:

6.1.3 The Bureau of Local Government Supervision – Local Government Relations Division shall serve as the Secretariat tot the National Accreditation Committee.

6.1.4 The Regional Accreditation Committee shall be composed of the following:

Chairperson	Regional Director
Vice-Chairperson:	Assistant Regional Director
Members:	Provincial Director (where the applicant operates)



Chief, Monitoring and Evaluation Division
Chief, Capability Development Division
Chief, Finance and Administrative Division
Chief, Project Development and Monitoring Unit
Representative, Legal Services Unit
Representative, Commission on Audit

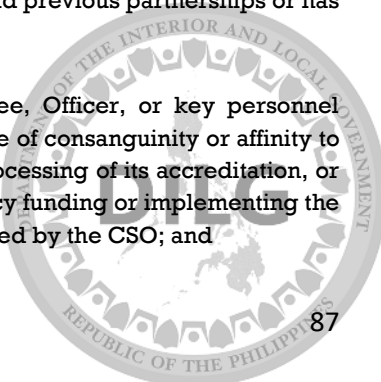
Representatives from the PMOs shall attend all meetings wherein the application concerns their handled program and/or project.

- 6.1.5 The Regional Director shall designate a Secretariat to the Regional Accreditation Committee.
- 6.1.6 The Provincial Accreditation Committee shall be headed by the Provincial Director and shall be composed of the Program Managers, Cluster Heads Representative, Project Development and Monitoring Unit.
- 6.1.7 The Provincial Director shall designate a Secretariat to the Provincial Accreditation Committee.

6.2 ACCREDITATION CRITERIA

A CSO must comply with all of the following criteria to the following to be accredited:

- 6.2.1 Must be composed of individuals that are experts in the technical area being applied for;
- 6.2.2 Must have a good track record and good standing in all government agencies from which the CSO has had previous partnerships or has received government funds from;
- 6.2.3 Must not have any Director, Trustee, Officer, or key personnel related within the fourth civil degree of consanguinity or affinity to any DILG official involved in the processing of its accreditation, or any official of the government agency funding or implementing the program of project to be implemented by the CSO; and



- 6.2.4 Must not be in default or in delay in liquidating any government funds received from any government agency.

6.3 ACCREDITATION PROCESS

CSOs intending to engage with the Department in any of its programs and projects but are not yet registered with or accredited by any government unit or agency shall be guided by the following procedure:

6.3.1 *Filling of Application.* The CSO shall fully accomplish the application form (Annex A) indicating in its application the DILG programs and/or projects wherein the organization wants to be involved in together with all applicable requirements (Annex B or Annex C), and submit their application to the:

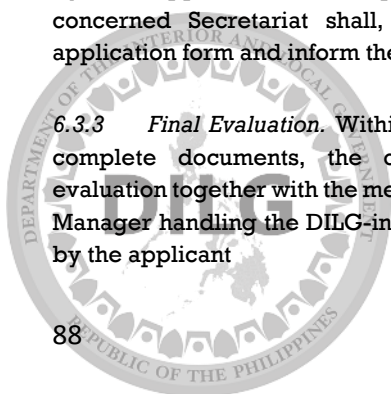
National Accreditation Committee – for CSOs intending to co-implement Department programs or projects in multiple provinces, cities, municipalities in more than one (1) region.

Regional Accreditation Committee – for CSOs intending to co-implement Department programs or projects in highly urbanized cities, or in one (1) or more provinces, cities, municipalities within a region.

Provincial Accreditation Committee – for CSOs intending to co-implement with the Department in one (1) or more cities or municipalities within a province within a region.

6.3.2 *Assessment and Evaluation.* The concerned Secretariat shall check the completeness and correctness of the application documents submitted by the Applicant. If the application documents are incomplete, the concerned Secretariat shall, within one (1) working day, return the application form and inform the Applicant of the deficiencies.

6.3.3 *Final Evaluation.* Within ten (10) working days from the receipt of complete documents, the concerned Secretariat shall complete its evaluation together with the members of the Bureau of PMO and/or Program Manager handling the DILG-initiated program or project being applied for by the applicant



6.3.3.1 The Bureau or PMO and/or Program Manager, shall assess and recommend to the concerned Secretariat the Applicant that is an eligible and capable partner in the implementation of their program or project in terms of its technical expertise.

6.3.3.2 The concerned Secretariat, with the recommendation of the Bureau or PMO and/or Program Manager, may require the Applicant to submit additional documents in support of requirements already submitted and may also conduct interviews with any person with past or present substantial dealings with the Applicant.

6.3.3.3 Based on the final evaluation, the concerned Secretariat shall recommend proper action and prepare the Certificate of Accreditation or Declination Notice.

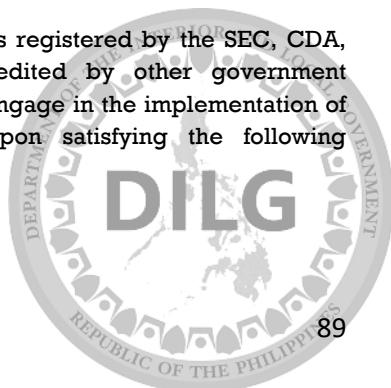
6.3.4 *Final Action.* Within seven (7) working days from the completion of the evaluation, the concerned Secretariat shall take final action on the application:

6.3.4.1 If the Applicant fails to meet any of the criteria, a Declination Notice shall be issued informing the Applicant of the denial and the grounds therefore.

6.3.4.2 If the Applicant meets all of the criteria, the DILG Secretary, the concerned Regional Director, or Provincial Director shall grant the application and sign the Certificate of Accreditation.

7. ISSUANCE OF CERTIFICATION

7.1 Sanggunian-accredited CSOs and CSOs registered by the SEC, CDA, DOLE, and HLURB and/or accredited by other government agencies are deemed eligible to engage in the implementation of DILG programs and projects upon satisfying the following conditions:



7.1.1 Must have a valid Certificate of Registration or Accreditation, or a Sanggunian-issued Certificate of Accreditation valid only for the current term; and

7.1.2 Must have the technical expertise needed to implement the DILG program or project being applied for.

7.2 Sanggunian-accredited CSOs and CSOs registered by the SEC, CDA, DOLE, and HLURB and/or accredited by other government agencies shall be guided by the following procedure:

7.2.1 *Submission of Letter of Intent* – The Applicant must submit a Letter of Intent indicating the specific DILG program or project they intent to engage in, a fully-accomplished Application Form (Annex A), a certified true copy of their Certificate of Registration or Accreditation, and a Letter of Endorsement from the concerned City/Municipal Local Government Operations Officer (C/MLGOO) in the case of Sanggunian-accredited CSOs. These must be submitted to the following:

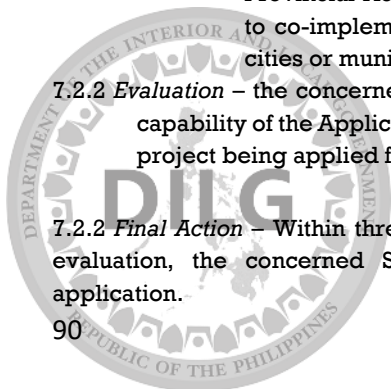
National Accreditation Committee – for CSOs intending to co-implement Department programs or projects in multiple provinces, cities, municipalities in more than one (1) region.

Regional Accreditation Committee – for CSOs intending to co-implement Department programs or projects in highly urbanized cities, or in one (1) or more provinces, cities, municipalities within a region.

Provincial Accreditation Committee – for CSOs intending to co-implement with the Department in one (1) or more cities or municipalities within a province within a region.

7.2.2 *Evaluation* – the concerned Secretariat shall assess the eligibility and capability of the Applicant in the implementation of DILG program or project being applied for.

7.2.2 *Final Action* – Within three (3) working days after the conduct of the evaluation, the concerned Secretariat shall take final action on the application.



7.2.3 *Final Action* – Within three (3) working days after the conduct of the evaluation, the concerned Secretariat shall take final action on the application.

7.2.3.1 If the Applicant proved to be an eligible implementing-partner, the concerned Regional Director or Provincial Director shall issue a Certification allowing the Applicant to engage in the implementation of the DILG program or project being applied for.

7.2.3.2 If the Applicant did not satisfy the criteria, the Regional Director or Provincial Director shall issue a Declination Notice. For reasons other than the non-compliance with any of the criteria identified in item 8.1 of this Circular, the Accreditation Committees shall endorse the matter to the national Accreditation Committee for further evaluation and proper action.

9.0 FORMALIZATION OF ENGAGEMENT

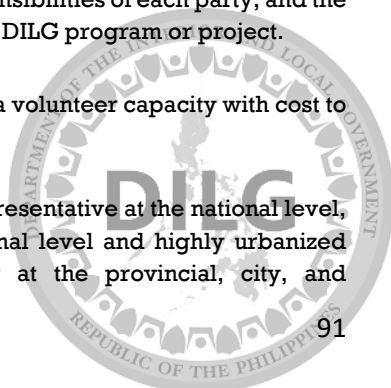
8.1 For CSOs that shall be involved on a volunteer capacity without any cost to the government:

8.1.1 The DILG Secretary or his representative at the national level, the Regional Director at the regional level and highly urbanized cities, or the Provincial Director at the provincial, city, and municipal levels, shall sign a Memorandum of Understanding (MOU) to formalize and set the terms and conditions of the partnership with the CSO.

8.1.2 The MOU shall define the nature and extent of the partnership, identify the specific roles and responsibilities of each party, and the implementation timeline of specific DILG program or project.

8.2 For CSOs that shall be involved on a volunteer capacity with cost to the government:

8.2.1 The DILG Secretary or his representative at the national level, the Regional Director at the regional level and highly urbanized cities, or the Provincial Director at the provincial, city, and



municipal levels, shall issue a Terms of Reference (TOR) to formalize and set the conditions of the partnership with the CSO that shall be engaged.

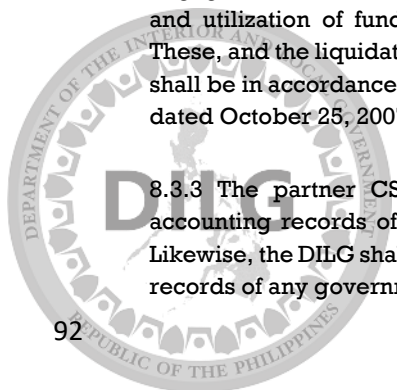
8.2.2 The TOR shall define the scope of work, specific qualifications, expected outputs, and implementation timeline and compensation and/or honoraria of the CSO member/s that shall be involved in the conduct of the specific DILG program or project. The release of honoraria and traveling expense to these CSOs shall be in accordance with the existing COA Circular No. 2007-001 dated October 25, 2007.

8.3 For CSOs that shall be engaged in implementing Department programs or projects using government funds:

8.3.1 The DILG Secretary or his representative at the national level, the Regional Director at the regional level and highly urbanized cities, or the Provincial Director at the provincial city, and municipal levels, shall sign a Memorandum of Agreement (MOA) to formalize and set the conditions of the partnership with the CSO that shall be engaged.

8.3.2 The MOA shall define the nature and extent of the partnership, identify the specific roles and responsibilities of each party, the implementation timeline of the specific DILG program or project, include provision for remuneration or honoraria, payment for travel expense and appropriate allowable per diems, of the CSO member/s that shall be involved in the conduct of activities relating to the specific DILG program or project they were authorized to engage in. It shall also provide the guidelines on the disbursement and utilization of funds and other funding requirements, if any. These, and the liquidation, utilization and audit of transferred funds, shall be in accordance with the existing COA Circular No. 2007-001 dated October 25, 2007.

8.3.3 The partner CSO shall keep and maintain financial and accounting records of any government funds given by the DILG. Likewise, the DILG shall keep and maintain financial and accounting records of any government funds given to the CSO.



- 8.4 The partner CSO shall nominate their organization's representative/s who shall directly engage with the DILG in the implementation of the program or project they were authorized to engage in. No other individual from the organization shall engage with the implementation of the program or project unless nominated by the partner CSO and duly authorized by the DILG through its Bureau or PMO and/or Program Manager, the concerned Regional Director, or concerned Provincial Director.
- 8.5 The concerned Bureau or PMO and/or Program Manager shall closely monitor the project implementation and shall ensure the compliance with the provisions stated in the MOU, TOR, or in the MOA, and in this Memorandum Circular.

9.0 COVERAGE AND VALIDITY

9.1 A Certificate of Accreditation and a Certification shall only cover the geographical area and shall only be used in the implementation of the DILG programs and/or projects state therein.

9.2 A Certificate of Accreditation and a Certification shall only be valid for a period not exceeding three (3) years from the date of issuance subject to renewal or revocation depending on the result of the year-end assessment that will be conducted by the appropriate Accreditation Committee and through the recommendation from the partner Bureau or PMO.

9.3 In cases wherein a DILG-accredited or certified CSO or a certified Sanggunian-accredited CSO have completed the implementation of programs and/or projects still have a valid Certificate of Accreditation or Certification, and wants to engage again with the Department in projects and programs not stated in their Certificate of Accreditation or Certification, the CSO may submit a letter of intent addressed to the NAC, RAC, or PAC together with a Letter of Recommendation or Certificate of Completion from the previous partner Bureau or PMO. Said request shall be subject to the evaluation of the concerned Secretariat and the approval of the appropriate Accreditation Committee.

10.0 REVOCATION OF ACCREDITATION AND CERTIFICATION

10.1 Non-compliance with any of the provisions of the agreement entered into between this Department, through its concerned Bureau or PMO, Provincial Office or, Regional Office, and a CSO may be a sufficient ground for revoking the Accreditation or Certification.

10.2 Violation by the CSO, during the validity period of the Certificate of Accreditation or Certification, of any law, rule or regulation involving the use and liquidation of government funds received from any National Government Agency may also be a ground for revocation.

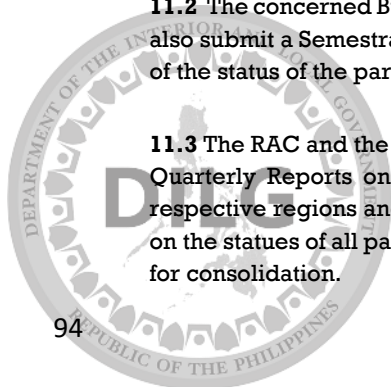
10.3 CSOs that have had their Accreditation or Certification revoked shall not be eligible for re-application and shall not be considered for future DILG engagements.

11. REPORTING

11.1 The Bureau or PMO in the DILG Central Office, the PMO and/or Program Manager in the Regional and Provincial Offices shall report to the NAC, RAC, and PAC, respectively. They shall submit copies of all agreements entered into with the partner CSOs during the immediately preceding month, within the first five (5) working days of every month to the appropriate Accreditation Committee.

11.2 The concerned Bureau or PMO, and/or Program Manager shall also submit a Semestral Report to update the NAC, RAC, or the PAC of the status of the partnership with the partner CSO.

11.3 The RAC and the PAC, through their Secretariat, shall prepare Quarterly Reports on funds transferred to partner CSOs in their respective regions and provinces, including a summary of updates on the statuses of all partnerships, and submit to the NAC Secretariat for consolidation.



11.4 The NAC, through the Secretariat, shall prepare Quarterly Reports on funds transferred to partner CSOs and submit to the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance. These Quarterly Reports shall be posted in the DILG official website.

12. REFERENCES

12.1 General Appropriations Act of 2018 (Republic Act No. 10964)

12.2 2016 Accreditation of CSOs and Selection of Representative to the Local Special Bodies (Department of the Interior and Local Government Memorandum Circular No. 2016-97 dated July 19, 2016)

12.3 Guidelines for Accreditation of Civil Society Organizations as Implementing Entities of Government or Public Funds (Commission on Audit-Department of Budget and Management-Department of Social Welfare and Development Joint Resolution No. 2014-001 dated December 5, 2014)

12.4 Revised Guidelines in the Granting, Utilization, Accounting and Auditing of the Funds Released to Non-Governmental Organizations/People's Organizations (Commission on Audit Circular No.2007-001 dated October 25, 2007)

13.0 ANNEXES

Annex A: Application Form

Annex B: Checklist of Requirements (CSO Partnership with government cost)

Annex C: Checklist of Requirements (CSO Partnership without government cost)

Annex D: List of DILG Programs and Projects

Annex E: Template for the Certificate of Accreditation and Certification



14. EFFECTIVITY

These guidelines shall take effect fifteen (15) days after publication in the official DILG website

15. APPROVING AUTHORITY


EDUARDO M. AÑO
Officer-in-Charge


DILG-DBEC 07012016-21124

16.0 FEEDBACK

Further information, queries and comments regarding this Memorandum Circular must be directed to the Bureau of Local Government Supervision-Local Government Relations Division, with address at 25th floor, DILG-NAPOLCOM Center, EDSA corner Quezon Avenue, Quezon City, 1104, through the following contact information: (02) 925-1153 and (02) 928-9918, and email address nacsecretariat.dilg@gmail.com, for appropriate actions



DATE RECEIVED:

CONTROL NO.:

ANNEX A

APPLICATION FORM

Complete name of CSO: _____

Acronym: _____

Principal address: _____

Address of Satellite Offices/Branches: _____

Contact number (required): _____ Email address (required): _____

Website: _____

Contact Person: _____ Contact number: _____

Please be guided by DILG MC No. 2018-___ in accomplishing this part.

Types of Engagement (You may choose more than one type of engagement, i.e. voluntary/voluntary with cost/provider of goods and services):

Voluntary work

Technical Area/s of Activity in which the CSO has expertise on (check as ma:

- Advocacy Work
- Policy Formulation
- Delivery of Basic Services
- Disaster Risk Reduction and Management
- Rescue, Relief and Rehabilitation Operations
- Peace and Order Activities
- Participation in Government Planning, Budgeting and Monitoring and Evaluation
- Livelihood Development
- Cooperative Development
- Development of Local Enterprises
- Environment Protection
- Agriculture and Fisheries
- Rural Industrialization
- Construction, Maintenance and Management of Infrastructure Projects
- Social Services in areas that would not be ordinarily undertaken by the Private Sector
- Others (specify): _____

Voluntary work with cost

Technical Area/s of Activity in which the CSO has expertise on:

- Advocacy Work
- Policy Formulation
- Delivery of Basic Services
- Disaster Risk Reduction and Management

- Development of Local Enterprises
- Environment Protection
- Agriculture and Fisheries
- Rural Industrialization
- Construction, Maintenance and Management of Infrastructure Projects
- Social Services in areas that would not be ordinarily undertaken by the Private Sector
- Others (specify): _____

Provider of goods and/or services

Technical Area/s of Activity in which the CSO has expertise on:

- Advocacy Work
- Policy Formulation
- Delivery of Basic Services
- Disaster Risk Reduction and Management
- Rescue, Relief and Rehabilitation Operations
- Peace and Order Activities
- Participation in Government Planning, Budgeting and Monitoring and Evaluation
- Livelihood Development
- Cooperative Development
- Development of Local Enterprises
- Environment Protection
- Agriculture and Fisheries
- Rural Industrialization
- Construction, Maintenance and Management of Infrastructure Projects
- Social Services in areas that would not be ordinarily undertaken by the Private Sector
- Others (specify): _____

Specify the DILG Programs and/or Projects wherein your organization wants to be involved in:

Briefly explain how you want to engage with the project and in what way your organization can contribute to its implementation (required):

Enumerate partnership/s with other government agencies and/or LGUs:

NAME OF GOVERNMENT AGENCY/LGU	NAME OF PROGRAM/PROJECT	Total amount received	STATUS OF PROJECT			REMARKS
			COMPLETED	ON-GOING	PENDING	

Enumerate partnership/s with non-government entities such as foreign or local NGOs, international quasi-government entities such as UNDP, AUSAID, etc.:

NAME OF INSTITUTION	NAME OF PROGRAM/PROJECT	Total amount received	STATUS OF PROJECT			REMARKS
			COMPLETED	ON-GOING	PENDING	

Identify membership in Local Special Bodies:

- Local Development Council
- Local School Board
- Local Health Board
- Local peace and order Council
- Others: _____



DATE RECEIVED:

Assessed by:

ANNEX B

CHECKLIST OF REQUIREMENTS (for CSOs that shall be engaged as provider of goods and services)

- CERTIFICATION UNDER OATH stating the following:
 - a) That the individual filing the application, whose name and signature appears in the Application Form has been duly authorized by the CSO to do so on its behalf;
 - b) That all the documents submitted in support of the application are genuine and authenticated;
 - c) That all information in the Application Form and in the supporting documents are true and correct;
 - d) That the CSO authorizes the DILG or its authorized representatives to conduct, if needed, an ocular inspection of their office/s and to conduct interviews with any representative from their organization or previous partners; and
 - e) That the CSO fully understands and agrees to abide by all the provisions stated in the DILG Memorandum Circular 2018- ____ (Guidelines on Engagements with Civil Society Organizations).
- Certified true copy of the Certificate of Registration from SEC, CDA, DOLE, as the case may be.
- Copy of Resolution of the CSO's governing board authorizing the CSO to apply for accreditation and the individual filing the application on its behalf.
- Organizational Chart of the CSO and a Data Sheet of the CSO containing the names, addresses, updated contact details and photographs of its current directors, trustees, officers and key personnel.
- Original Certification of No Derogatory Record, issued not more than three (3) months before the date of application by the SEC, CDA or DOLE, as the case may be.
- Certified true copies of Audited Financial Reports/Statements and Annual Income Tax Returns, as filed with the BIR, for the past three (3) years.
- Original Sworn Certification, issued by the chief executive officer or equivalent officer of the CSO, stating that the CSO is not in default or delay in liquidating any funds received from any Government Agency, that neither the CSO nor any of its past or present directors, trustees, officers or key personnel has been blacklisted by any Government Agency, or is a defendant, respondent or accused in any civil, administrative or criminal case arising from or involving the use of public funds received by the CSO.
- Original Sworn Certification, issued by the chief executive officer or equivalent officer of the CSO, stating that the CSO does not have any directors, trustees, officers and key personnel related within the fourth civil degree of consanguinity or affinity to any DILG official involved in the processing of their application for accreditation, or any official of the government agency funding or implementing the program or project to be implemented.
- Original Sworn Certification, issued not more than three (3) months before the date of application, by the Head of each Government Agency and Local Chief Executive appearing in the Application Form, stating the programs and projects that the CSO implemented or is implementing with the Government Agency and that the CSO has no derogatory record with the Government Agency.
- Written Internal Policy of the CSO on monitoring and evaluation system to ensure that public funds received are used for its intended purpose.
- Certified true copy of Certificate of Affiliation issued by the responsible officer of any umbrella organization, federation, coalition, to which the CSO may belong, if applicable.
- Original Certificate of Good Standing, issued not more than three (3) months before the date of application, by the responsible officer of any umbrella organization, federation, coalition, to which the CSO may belong, if applicable.

DATE RECEIVED:

Assessed by:

ANNEX C

CHECKLIST OF REQUIREMENTS (for CSOs that shall be engaged in a volunteer capacity)

- CERTIFICATION UNDER OATH stating the following:
 - a) That the individual filing the application and whose name and signature appears in the Application Form has been duly authorized by the CSO to do so on its behalf;
 - b) That all the documents submitted in support of the application are genuine and authenticated;
 - c) That all information in the Application Form and in the supporting documents are true and correct;
 - d) That the CSO authorizes the DILG or its authorized representatives to conduct, if needed, ocular inspection of their office/s and to conduct interviews with any representative from their organization or previous partner; and
 - e) That the CSO fully understands and agrees to abide by all the provisions stated in the DILG Memorandum Circular 2018- ____ (Guidelines on Engagements with Civil Society Organizations).
- Certified true copy of the Certificate of Registration from SEC, CDA, DOLE, if available.
- Organizational Chart of the CSO and a Data Sheet of the CSO containing the names, addresses, updated contact details and photographs of its current directors, trustees, officers and key personnel.
- Copy of Resolution of the CSO's governing board authorizing the CSO to apply for accreditation and the individual filing the application on its behalf.
- Original Sworn Certification, issued by the chief executive officer or equivalent officer of the CSO, stating that the CSO does not have any directors, trustees, officers and key personnel related within the fourth civil degree of consanguinity or affinity to any DILG official involved in the processing of their application for accreditation, or any official of the government agency funding or implementing the program or project to be implemented.
- Original Certificate of Good Standing, issued not more than three (3) months before the date of application, by the responsible officer of any umbrella organization, federation, coalition, to which the CSO may belong, if applicable.
- Certificates of Recognitions and/or other commendations awarded to the CSO may be attached.



ANNEX D

LIST OF DILG PROGRAMS AND PROJECTS

LOCALLY-FUNDED PROJECTS	OPR
Local Government Support Fund – Assistance to Disadvantaged Municipalities (LGSF-ADM) Program: Local Access Road (LAR) Provision of Potable Water System (DPB) Small Water Impounding Project Evacuation Centers	OPDS (ADM LAR/WSS/ADM others)
Provision of Potable Water Supply – Sagana at Ligtas na Tubig sa Lahat (SALINTUBIG) Program	OPDS
KALSADA/Support to Conditional Matching Grant to Provinces for Road Repair, Rehabilitation and Improvement (CMGP)	OPDS
Building Business Friendly and Competitive LGUs	BLGD
Improve LGU Competitiveness and Ease of Doing Business	BLGD
Performance Challenge Fund (PCF)	BLGD
Mainstreaming Disaster Risk Reduction-Climate Change Adaptation (DRR-CCA) in Local Development Planning	BLGD
Institutionalizing Gender Responsive Local Governance	BLGD
Newly Elected Officials/Barangay Newly Elected Officials (NEO/BNEO)	LGA
Regulatory Simplification for Local Governments (RS4LG)	LGA
Transition to Federalism	LGA
Enhancing LGU Capacity on Climate Change Adaptation and DRRM Framework	LGA
Enhancing LGUs' Capacity on Planning and Implementation of Local Development Projects	LGA
Vigilance to Volunteerism: Program Intensifying People's Engagement in Local Governance (V2V PIPELOG)	LGA
Local Economic Development for Local Government Unit (LED4LGUs)	LGA
Local Climate Change Action Planning (LCCAP)	LGA
Comprehensive Local Integration Program	NBOO
Support to Local Government Program (SLGP)	SLGP-PMO
Seal of Good Local Governance (SGLG)/ Local Governance Performance Management System (LGPMS)	BLGS
Manila Bay Clean-Up	BLGS
Lupong Tagapamayapa Incentives Awards (LTIA)	BLGS
Full Disclosure Policy (FDP)	BLGS
Civil Society Organization-Peoples Participation Partnership Program (CSO-PPPP)	BLGS
Capacitating LGUs on Housing and Resettlement	ISF PMO

ANNEX E

TEMPLATE FOR CERTIFICATE OF ACCREDITATION AND CERTIFICATION


Republic of the Philippines
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
DILG-NAPOLCOM Center, EDSA corner Quezon Avenue, West Triangle, Quezon City

CERTIFICATE OF ACCREDITATION


THIS IS TO CERTIFY THAT, having satisfactorily complied with all the requirements and criteria for accreditation pursuant to DILG Memorandum Circular No. 2018 - _____, dated _____, the

(Name of Organization)

is hereby authorized to engage in the implementation of the _____ in
the Municipality/City/Province/Region of _____ as a partner CSO.
(Name of DILG Program or Project)

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20____, at _____, Philippines.

(Signature over Printed Name of DILG Secretary/RAC/PAC Chairperson)


Republic of the Philippines
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
DILG-NAPOLCOM Center, EDSA corner Quezon Avenue, West Triangle, Quezon City

CERTIFICATION

THIS IS TO CERTIFY THAT, the _____
(Name of Organization)

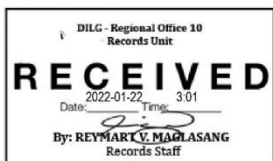
a duly-registered/accredited CSO by the _____ have satisfactorily
complied with all the criteria for application as provided in DILG Memorandum Circular No. 2018-_____ dated _____ and is hereby authorized to engage in the implementation of the _____

(Name of DILG Program or Project)

In the Municipality/City/Province/Region of _____ as a partner CSO.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20____, at _____, Philippines.

(Signature over Printed Name of DILG Secretary/RAC/PAC Chairperson)



CR: BILGS-2022-01-11-015
2022-01-21-203



Republic of the Philippines
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
DILG-NAPOLCOM Center, EDSA corner Quezon Avenue, Quezon City
www.dilg.gov.ph

MEMORANDUM CIRCULAR No. 2021-012

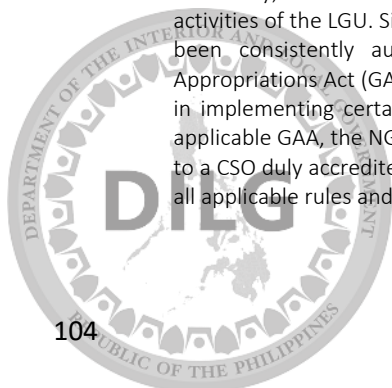
To : ALL HEADS OF DILG BUREAUS, PROJECT MANAGEMENT OFFICES, REGIONAL AND PROVINCIAL OFFICES, CIVIL SOCIETY ORGANIZATIONS, AND OTHERS CONCERNED

SUBJECT : GUIDELINES ON THE ACCREDITATION OF CIVIL SOCIETY ORGANIZATIONS TO CO-IMPLEMENT DILG PROGRAMS AND PROJECTS

DATE : JAN 21, 2022

1.0 BACKGROUND

- 1.1. Section 23, Article II of the 1987 Constitution states that the participation of non-governmental, community-based and other sectoral organizations shall be encouraged by the State.
- 1.2. Section 34 of the Local Government Code of 1991 (Republic Act No. 7160) mandates local government units (LGUs) to promote the establishment and operation of people's organizations, non-governmental organizations, and the private sector to become active partners in the pursuit of local autonomy, and to directly involve them in the plans, programs, projects, or activities of the LGU. Similarly, national government agencies (NGAs) have been consistently authorized under the applicable annual General Appropriations Act (GAA) to partner with civil society organizations (CSOs) in implementing certain programs and projects. In accordance with the applicable GAA, the NGA may be authorized to transfer government funds to a CSO duly accredited by the said NGA and selected in accordance with all applicable rules and regulations



- 1.3. In building the long-term foundation of good governance, it is important to develop and strengthen collaborative relationships between the government and civil society. Recognizing the importance of having an active, informed, and capacitated civil society in upholding a culture of good governance, the Department of the Interior and Local Government (DILG), has opened spaces for CSOs to participate in the planning, implementation, monitoring and evaluation of its initiated programs, projects, and activities (PPAs).
- 1.4. CSOs, in many areas, are found to be effective in enabling services especially in the poorest and marginalized communities. As they are closely connected to local communities, CSOs can be effective partners in bringing people together to achieve common development agenda and mobilize support for government programs and projects in more efficient ways.
- 1.5. In 2018, the Department issued Memorandum Circular No. 2018-79 entitled Revised Guidelines on the Implementation of Federalism-Related Information Advocacy Campaign Activities, which prescribes guidelines for the accreditation of CSOs for Federalism-Related Campaign Activities and Memorandum Circular No. 2018-89 entitled Guidelines on Engagements with CSOs, which prescribes general guidelines for the accreditation of CSOs. Since 2018, few CSOs have been accredited by the Department to co-implement its PPAs. CSOs and DILG Regional Offices have also raised issues and concerns on the accreditation and certification processes that led to confusion for both CSOs and Regional Offices.
- 1.6. This Memorandum Circular is issued to prescribe, update, and harmonize the general guidelines, conditions, and mechanisms for all Department engagements with CSOs.

2.0 Coverage

- 2.1. This Memorandum Circular shall cover all CSOs that intend to co-implement DILG PPAs with or without the use of government funds.
 - 2.1.1. CSOs intending to access public funds in any of the areas for engagement must apply for accreditation or certification with the Department.

2.2. This Memorandum Circular shall only involve the accreditation and certification of CSOs by the DILG and the mechanisms by which the DILG will engage CSOs. The specific conditions in the transfer and liquidation of DILG funds, if any, shall be covered by the program or project guidelines issued by the Bureau/PMO or by the formal agreement between the Bureau/PMO and the Accredited or Certified CSO. Provided that, all liquidation, utilization, and audit of transferred funds, shall be in accordance with the existing Commission on Audit (COA) Circular No. 2007-001¹.

2.2.1. Bureaus and PMOs requiring CSO engagement in the implementation of their programs and projects shall formulate and issue the program or project guidelines (Annex O) that will identify and prescribe the rules and conditions that will guide their respective engagements with CSOs. Such guidelines shall be issued within three (3) months from the effectivity of this Circular for existing programs and projects, or within three (3) months from its commencement, for new programs and projects, and shall be disseminated to the Secretariats of the DILG National, Regional, and Provincial Accreditation Committees.

3.0 Definition of Terms

3.1. *Civil Society Organization (CSO)* – refers to a non-state and non-profit association that works to improve society and the human condition. Basic types of CSOs include non-governmental organization, people's organization, civic organization, cooperative, social movement, professional group and business group². In this Memorandum Circular, the terms "CSO" and "organization" are used interchangeably.

3.2. *Department* – refers to the Department of the Interior and Local Government. The terms "Department" and "DILG" are used interchangeably in this Circular.

3.3. *Bureau or Program Management Office (PMO)* – refers to the office that handles the implementation of DILG PPAs.

- 3.4. **Applicant** – a CSO applying for accreditation or certification with the DILG to be an implementing partner of a Department-initiated PPA, with or without the use of government funds.
- 3.5. **Formal Agreement** - written agreement (i.e., Memorandum of Understanding, Terms of Reference, or Memorandum of Agreement) between the CSO and the Bureau/PMO depending on the Type of Engagement as described in Section 5.0 of this Circular
- 3.6. **Accreditation** – the process by which the DILG officially authorizes a CSO to be an eligible partner in implementing a Department-initiated PPA with or without the use of government funds. The accreditation process is the instrument by which the DILG determines the intent, capability, judicial personality, and basic information of the organization and its officers and members.
- 3.7. **Accreditation Certificate**— refers to the authorization issued by the DILG, through its National, Regional, and Provincial Accreditation Committees to an eligible CSO that is a) not yet registered with or accredited by any government unit, agency or certified by the Philippine Council of NGO Certification (PCNC), or b) registered with other government unit or agency but not yet accredited by any government unit or agency, to be an implementing partner of DILG PPAs.
- 3.8. **Certification** – refers to the authorization issued by the DILG, through its National, Regional, and Provincial Accreditation Committees to eligible CSOs with existing valid accreditation from other NGAs, their local sanggunian, or Certification from the PCNC to be an implementing partner of DILG PPAs.
- 3.9. **Accredited Partner CSO** – refers to an Applicant that has passed the Accreditation criteria and requirements stated in this Circular and has been issued a DILG Accreditation Certificate, hereby establishing its eligibility to co-implement DILG PPAs with or without the use of DILG funds.
- 3.10. **Certified Partner CSO** - refers to an Applicant that has passed the Certification criteria and requirements stated in this Circular and has been issued a DILG Certification, hereby establishing its eligibility to co-implement DILG PPAs with or without the use of DILG funds.

- 3.11. *Certificate of Completion*** – an official document issued by the concerned Bureau/PMO to an Accredited or Certified Partner CSO stating that the CSO has duly fulfilled the terms, conditions, and specifications stated in its formal agreement with the Department.
- 3.12. *Certificate of Participation*** - an official document issued by the Bureau/PMO to a CSO, whether accredited, certified or not, stating that the CSO has duly engaged in a volunteer capacity in PPAs conducted by the Department.

4.0 Areas for Engagement

The CSO is a critical partner that can play various roles and a wide range of functions in the implementation of the Department's PPAs. As such, in the engagement with civil society, appropriate programming arrangements and support mechanisms shall be put in place to ensure the achievement of the desired development results.

- 4.1.** The areas wherein CSOs may engage with the DILG include the following:

4.1.1. Feedbacking on PPAs

CSOs may join in any of the feedback mechanisms that shall be established by the Department, e.g., Community-Based Monitoring Program (CBMP), Third Party Evaluation of the Local Government Support Fund-Assistance to Municipalities (LGSF-AM), Local Development Council sub-project monitoring, DevLive, and Dayaw: Town Hall Meetings.

Also, the CSOs can directly give feedback to project implementers on the project status of various nationally and locally funded projects such as, but not limited to, projects reflected in the SubayBAYAN database.

4.1.2. Pushing for various advocacies

CSOs may contribute to the implementation of commitments to the Open Government Partnership (OGP) and Participatory Governance cluster, advocate for the passage of a local ordinance on freedom of information (FOI), participate in the consultation pertaining to Constitutional Reform and/or

Federalism, participate in initiatives of the local Anti-Drug Abuse Council (ADAC), support the Philippine Development Plan (PDP) and the attainment of the Sustainable Development Goals (SDG) and get involved in the local disaster preparedness program, among others.

4.1.3. Formulating plans, policies and issuances

CSOs may participate in consultations or fora for the formulation of plans, policies, guidelines, and issuances. The CSOs can also be involved in policy dialogues in local governance, law and order and public safety.

4.1.4. Implementing capacity development programs and other activities

CSOs may implement capacity development programs for other CSOs to ensure their active and meaningful participation in various local special bodies and committees and in the conduct of monitoring and evaluation. They may also implement capability building programs to strengthen LGUs' capacity to improve their performance in the implementation of programs and delivery of basic services.

CSO involvement may also include, but is not limited to, the conduct of researches, surveys, studies, assessments, monitoring and evaluation.

- 4.2. The DILG will not accept proposals that are not anchored on any of the existing PPAs of the Department. Please refer to Annex J for the list of PPAs that CSOs can choose to engage in. The DILG Regional and Provincial offices may adopt or develop their own list of DILG PPAs relative to what is being implemented in their respective jurisdictions.
- 4.3. The list of DILG PPAs as listed in Annex J, will be updated at the end of every year.
- 4.4. The Bureau, Region or PMO that will implement a new program or project which will involve CSOs, shall immediately inform their respective DILG Accreditation Committee Secretariats and request for its inclusion in the list of DILG PPAs that are open to CSO engagements.

5.0 Types of Engagement

5.1. Voluntary work

The CSO may engage with the Department in a volunteer capacity without any cost to the government to provide feedback on PPAs; support in pushing for various advocacies; assist in formulating plans, policies and issuances; and implement PPAs.

CSOs may still engage with the Department in a volunteer capacity in any of the areas for engagement without being accredited or certified and will be issued a Certificate of Participation (Annex R) after having completed its engagement. Having accreditation or certification, however, allows the CSO to enter into formal agreements with the concerned Bureau/ PMO.

5.2. Voluntary work with cost

The CSO may also engage with the Department to assist or participate in a volunteer capacity but shall be reimbursed for applicable cost to provide feedback on PPAs, support in pushing for various advocacies, assistance in formulating plans, policies and issuances, and implementation of capacity development programs.

The applicable cost/s given for any of the following expenses: (a) actual transportation expenses; (b) per diems; (c) honoraria; and (d) other incidental expenses incurred in the performance of duties shall be subject to all relevant existing budgeting, accounting, and COA auditing rules and regulations.

5.3. Provider of goods and services

The CSO may also serve as a provider of goods and/or services with remuneration or payment for the services rendered. Their services can be procured either to provide feedback on PPAs, push for various advocacies, formulate plans, policies and issuances, or implement capacity development programs and/or other activities. In this regard, applicable rules and regulations pursuant to Appendix 14 of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184 and similar general provisions shall be observed.

6.0 Accreditation of Civil Society Organizations

6.1. Accreditation Committees

6.1.1. The DILG shall create a National Accreditation Committee (NAC), a Regional Accreditation Committee (RAC) in every region, and a Provincial Accreditation Committee (PAC) in every province, that will perform the functions of the DILG as stated in this Memorandum Circular.

6.1.2. The National Accreditation Committee shall be composed of the following:

Chairperson: Secretary, Department of the Interior and Local Government

Vice-Chairperson: Director, Bureau of Local Government Supervision

Members: Director, Bureau of Local Government Development

Director, Office of Project Development Services

Director, National Barangay Operations Office

Representative, Legal and Legislative Liaison Service

Representative, DILG Resident Commission on Audit

Representatives from the Bureaus and PMOs shall attend all meetings wherein the application concerns PPAs being handled by their respective offices.

6.1.3. The Civil Society Organizations/People's Participation Partnership Program – Program Management Office (CSO/PPPP PMO) shall serve as the Secretariat to the National Accreditation Committee.

6.1.4. The Regional Accreditation Committee shall be composed of the following:

Chairperson: Regional Director

Vice-Chairperson: Assistant Regional Director

Members: Provincial Director/s wherein the applicant intends to operate (for non-Highly Urbanized City [non-HUC] applicants) and/or City Director in the HUC wherein the applicant intends to operate

Chief, Monitoring and Evaluation Division

Chief, Capability Development Division

Chief, Finance and Administrative Division

Chief, Project Development and Monitoring Unit

Representative, Legal Services Unit

Representative, Commission on Audit

Representatives from the Bureaus or PMOs shall attend all meetings wherein the application concerns PPAs being handled by their respective offices.

6.1.5. The Regional Director shall designate a Secretariat to the Regional Accreditation Committee, which shall be composed of at least three (3) members.s

6.1.6. The Provincial Accreditation Committee shall be headed by the Provincial Director and shall be composed of the Program Managers, Cluster Heads Representative (where the applicant intends to operate), and Project Development and Monitoring Unit Head.

6.1.7. The Provincial Director shall designate a Secretariat to the Provincial Accreditation Committee, which shall be composed of at least three (3) members.

6.2. Accreditation Criteria

A CSO must comply with all of the following criteria to be accredited:

- 6.2.1.** Must be composed of directors, officers, and/or members who have the eligibility, competency, and capability to co-implement PPAs of the Department;
- 6.2.2.** Must have a good track record and good standing in all government agencies from which the CSO has had previous partnerships with and must not be in default or in delay in liquidating any government funds received from any government agency, if applicable; and
- 6.2.3.** Must not have any Director, Trustee, Officer, or key personnel related within the fourth civil degree of consanguinity or affinity to any DILG official or personnel involved in the processing of its accreditation or in the funding or implementation of the PPA being applied for by the CSO.

6.3. Accreditation Requirements

Interested CSOs may submit the following requirements through in-person or electronic means through the following link: <https://tinyurl.com/DILG-CSO-Apply>.

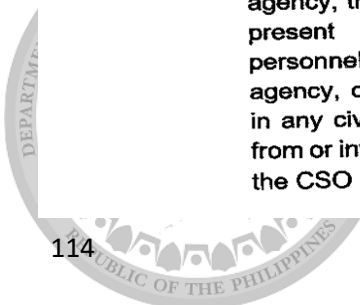
6.3.1. For Voluntary Engagements

- 6.3.1.1.** Fully-accomplished Application or Form A (Annex A);
- 6.3.1.2.** Letter of intent to apply for Accreditation (Annex K);
- 6.3.1.3.** Certificate Under Oath (Annex L); and
- 6.3.1.4.** Organizational Chart of the CSO.

6.3.2. For Voluntary Engagements with Government Cost

- 6.3.2.1.** Fully-accomplished Application or Form A (Annex A);
- 6.3.2.2.** Letter of intent to apply for Accreditation (Annex K);
- 6.3.2.3.** Certification Under Oath (Annex L);
- 6.3.2.4.** Organizational Chart of the CSO;

- the names, positions, and updated contact details of its current directors, trustees, officers and key personnel;
- 6.3.2.6.** Annual Accomplishment Report for the immediately preceding year or Brochure or Profile of the CSO;
- 6.3.2.7.** Copy of Resolution of the CSO's governing board authorizing the CSO to apply for DILG accreditation and the individual filing the application on its behalf, authorizing the DILG and/or Commission on Audit to inquire into CSO's bank account/s in case of department investigations, pursuant to Republic Act No. 1405 or the Bank Secrecy Law, and authorizing the DILG to publish details regarding the project or program, including the publication of quarterly reports, in accordance with the applicable provisions of Republic Act No. 10173 or the Data Privacy Act of 2012 (Annex N);
- 6.3.2.8.** Certified true copy of the Certificate of Registration from any of the following agencies: SEC, CDA, DOLE, or HLURB, including the latest General Information Sheet or Articles of Incorporation/Partnership, as applicable;
- 6.3.2.9.** Certified true copies of Audited Financial Reports/Statements and Annual Income Tax Returns, as filed with the BIR, for the past three (3) years. For CSOs which have been in operation for less than three years: Financial Statement or Report signed by the executive officers of the organization, for the year/s it has been in operation, and indicating therein other information such as the source(s) of funds;
- 6.3.2.10.** Original Sworn Certification, issued by the chief executive officer or equivalent officer of the CSO, stating that the CSO is not in default or delay in liquidating any funds received from any government agency, that neither the CSO nor any of its past or present directors, trustees, officers, or key personnel has been blacklisted by any government agency, or is a defendant, respondent or accused in any civil, administrative or criminal case arising from or involving the use of public funds received by the CSO (Annex M); and



- 6.3.2.11.** Original Certificate of Good Standing issued not more than three (3) months before the date of application, by the responsible officer or any umbrella organization, federation, coalition, to which the CSO may belong, if applicable.

6.3.3. For Provider of Goods and Services

- 6.3.3.1.** Fully-accomplished Application or Form A (Annex A);
- 6.3.3.2.** Letter of intent to apply for Accreditation (Annex K);
- 6.3.3.3.** Certification Under Oath (Annex L);
- 6.3.3.4.** Organizational Chart of the CSO;
- 6.3.3.5.** Data Sheet of the CSO containing the names, positions, and updated contact details of its current directors, trustees, officers and key personnel;
- 6.3.3.6.** Annual Accomplishment Report for the immediately preceding year or Brochure or Profile of CSO;
- 6.3.3.7.** Copy of Resolution of the CSO's governing board authorizing the CSO to apply for DILG accreditation and the individual filing the application on its behalf, authorizing the DILG and/or Commission on Audit to inquire into CSO's bank account/s in case of department investigations, pursuant to Republic Act No. 1405 or the Bank Secrecy Law, and authorizing the DILG to publish details regarding the project or program, including the publication of quarterly reports, in accordance with the applicable provisions of Republic Act No. 10173 or the Data Privacy Act of 2012 (Annex N);
- 6.3.3.8.** Certified true copy of the Certificate of Registration from any of the following agencies: SEC, CDA, DOLE, or HLURB, including the latest General Information Sheet or Articles of Incorporation/Partnership, as applicable;
- 6.3.3.9.** Certified true copies of Audited Financial Reports/Statements and Annual Income Tax Returns, as filed with the BIR, for the past three (3) years.
- 6.3.3.10.** Original Sworn Certification, issued by the chief executive officer or equivalent officer of the CSO, stating that the CSO is not in default or delay in

liquidating any funds received from any government agency, that neither the CSO nor any of its past or present directors, trustees, officers, or key personnel has been blacklisted by any government agency, or is a defendant, respondent or accused in any civil, administrative or criminal case arising from or involving the use of public funds received by the CSO (Annex M);

- 6.3.3.11.** Original Certificate of Good Standing issued not more than three (3) months before the date of application, by the responsible officer or any umbrella organization, federation, coalition, to which the CSO may belong, if applicable;
- 6.3.3.12.** Original Certification of No Derogatory Record, or its equivalent issued by any of the following agencies: SEC, CDA, DOLE, or HLURB; and
- 6.3.3.13.** Original Sworn Certification, issued not more than three (3) months before the date of application, by the head of the government agency and local chief executive appearing in the Application Form, stating the PPA that the CSO implemented or is implementing with the government agency, and that the CSO has no derogatory record with the government agency.

6.3.4. CSOs with existing valid accreditation from other NGAs or their local sanggunian, or certification from the PCNC, shall only submit the following: a) Fully-accomplished Application or Form A (Annex A); b) Letter of intent to apply for Certification (Annex K); and c) Certificate of Valid Accreditation signed by the NGA or LGU from which they have an existing valid accreditation, or Certification from the PCNC. Depending on the validity of their submitted documents and the result of the evaluation, the organization may still be requested to submit additional requirements pursuant to Item 6.4.3 of this Circular.

Accreditation Process

CSOs intending to engage with the Department in any of its PPAs shall be guided by the following procedure:

6.4.1. Filing of In-Person Applications – The Applicant must submit complete documentary requirements to the concerned Accreditation Committee:

National Accreditation Committee – for CSOs intending to co-implement DILG PPAs in multiple provinces, cities, municipalities in more than one (1) region.

Regional Accreditation Committee - for CSOs intending to co-implement DILG PPAs in HUCs, or in multiple provinces, cities, municipalities within a region.

Provincial Accreditation Committee – for CSOs intending to co-implement DILG PPAs in one (1) or more cities or municipalities within the same province only

6.4.2. Initial Assessment and Evaluation – This is the evaluation of the application in terms of the correctness of information and completeness of the requirements provided by the Applicant. The concerned Secretariat shall evaluate the application documents submitted by the Applicant using Form A.

- a) If the documents are incomplete, the concerned Secretariat shall, within two (2) working days, return the application form (Form A) and inform the Applicant of the deficiencies using the Notes/Remarks section of Form A and give the attached checklist to the Applicant to serve as their guide.
- b) If the documents are complete, the Secretariat will assign a Document Number and Control Number to the Application Form and endorse the application to the concerned Bureau/PMO, including all the submitted requirements for final evaluation.

6.4.3. Final Evaluation – within five (5) working days from the receipt of complete documents from the concerned Secretariat, the concerned Bureau/PMO, guided by their respective program or project guidelines, shall complete its evaluation of the applicant's eligibility and capability to co-implement the DILG PPA being applied for.

The Bureau/PMO may require the Applicant to submit additional documents and may also conduct interviews with any person or agency with past or present substantial dealings with the Applicant.

In situations wherein the Bureau/PMO believes that it needs additional documents to fully evaluate, it shall advise the Secretariat using Form B (Annex B). In turn, the Secretariat shall advise the Applicant through the use of Form B.1 (Annex C) of the request for additional requirements.

Within three (3) working days, after the submission of the additional requirements or the conduct of interviews, the concerned Bureau/PMO shall inform the Secretariat of the result of the evaluation using Form B (Annex B).

6.4.4. Final Action - Within two (2) working days from the receipt of Form B from the concerned Bureau/PMO, the Secretariat shall take final action on the application:

6.4.4.1. For disapproved applications, the Secretariat shall prepare the Declination Notice or Form B.2 (Annex D), to be signed by the Secretariat Head, informing the Applicant of the denial and the grounds therefor.

The Secretariat shall attach a copy of the Declination Notice to the original Application Form.

6.4.4.2. For Bureau/PMO-approved applications, the Secretariat shall use Form C (Annex E) to recommend the final action to the Accreditation Committee, together with the Accreditation Certificate (Annex F) or Certification (Annex G) for the signature of the Accreditation Committee Chairperson.

The Secretariat shall release the signed Certificate of Accreditation or Certification to the Applicant.

7.0 Formalization of Engagement

This only applies to CSOs which have undergone the Accreditation or Certification process.

7.1. For CSOs that shall be involved in a volunteer capacity without any cost to the government:

7.1.1. The DILG Secretary or his representative at the national level, the Regional Director at the regional level and HUCs, or the Provincial Director at the provincial, city, and municipal levels, shall sign a Memorandum of Understanding (MOU) to formalize and set the terms and conditions of the partnership with the CSO.

7.1.2. All Bureaus/PMOs with PPAs requiring the voluntary engagement of CSOs are encouraged to submit a sample MOU with the Accredited or Certified Partner CSO (Annex P), which shall be disseminated to the respective Secretariat of the National, Regional, and Provincial Accreditation Committees. The MOU shall define the nature and extent of the partnership, identify the specific roles and responsibilities of each party, and the implementation timeline of the specific DILG PPA.

7.2. For CSOs that shall be involved in a volunteer capacity with cost to the government:

7.2.1. The DILG Secretary or his representative at the national level, the Regional Director at the regional level and HUCs, or the Provincial Director at the provincial, city, and municipal levels, shall issue a Terms of Reference (TOR) to formalize and set the conditions of the partnership with the CSO that shall be engaged.

7.2.2. All Bureaus/PMOs with PPAs requiring the engagement of CSOs in a voluntary with cost manner are encouraged to submit a sample TOR (Annex Q) with the Accredited or Certified Partner CSO, which shall be disseminated to the respective Secretariat of the National, Regional, and Provincial Accreditation Committees. The TOR shall define the scope of work, specific qualifications, expected outputs, and the implementation timeline and compensation and/or honoraria of the CSO member/s that shall be involved in the conduct of the specific DILG PPA. The release of honoraria and traveling expenses to these CSOs shall be in accordance with the existing COA Circular No. 2007-001 dated October 25, 2007.

7.3. For CSOs that shall be engaged in implementing Department PPAs as providers of goods and services:

7.3.1. The following persons shall be authorized to sign the Memorandum of Agreement (MOA) to formalize and set the conditions of the partnership with the CSO that shall be engaged:

7.3.1.1. The SILG, or his authorized representative for DILG projects and/or programs intended to be implemented in multiple provinces, cities, municipalities in more than one (1) region;

7.3.1.2. The Regional Director for DILG projects and/or programs intended to be implemented in HUCs, or in multiple provinces, cities, municipalities within a region; and

7.3.1.3. The Provincial Director for DILG projects and/or programs intended to be implemented in one (1) or more cities or municipalities within the same province only.

7.3.2. All Bureaus/PMOs with PPAs requiring the engagement of CSOs as providers of goods and services are encouraged to submit a sample MOA with the Accredited or Certified Partner CSO (Annex P), which shall be disseminated to the respective Secretariat of the National, Regional, and Provincial Accreditation Committees. The MOA shall define the nature and extent of the partnership, identify the specific roles and responsibilities of each party, the implementation timeline of the specific DILG PPA, include provisions for remuneration or honoraria, payment for travel expense and appropriate allowable per diems, of the CSO member/s that shall be involved in the conduct of activities relating to the specific DILG PPA they were authorized to engage in. It shall also provide the guidelines on the disbursement and utilization of funds and other funding requirements, if any. These, and the liquidation, utilization and audit of transferred funds, shall be in accordance with the existing COA Circular No. 2007-001 dated October 25, 2007.

- 7.3.3.** The Accredited or Certified Partner CSO shall keep and maintain financial and accounting records of any government funds given by the DILG. Likewise, the partner Bureau/PMO shall keep and maintain financial and accounting records of any government funds given to the CSO.
- 7.4.** The Accredited or Certified Partner CSO shall nominate their organization's representative/s who shall directly engage with the DILG in the implementation of the PPA they were authorized to co-implement. No other individual from the organization shall engage with the implementation of the PPA unless nominated by the Accredited or Certified Partner CSO and duly authorized by the DILG through its Bureau/PMO, and/or the concerned Provincial or Regional Director.
- 7.5.** The concerned Bureau/PMO shall closely monitor the project implementation and shall ensure compliance with the provisions stated in the MOU, TOR, or in the MOA, and in this Circular.

8.0 Coverage and Validity

- 8.1.** An Accreditation Certificate and/or Certification shall only be used by the Accredited or Certified Partner CSO in the implementation of the approved DILG PPA as indicated therein and shall only cover the geographical area specified therein.
- 8.2.** An Accreditation Certificate shall only be valid for a period not exceeding five (5) years from the date of issuance subject to revocation, based on the grounds stated in Section 10.1 of this Circular. The concerned Accreditation Committee shall conduct a year-end assessment of Accredited Partner CSOs, in coordination with partner Bureaus/PMOs.
- 8.3.** A Certification shall only be valid for a period not exceeding the validity of the Accreditation of the CSO from other NGAs or their local sanggunian or the Certification from the PCNC. The Certification is subject to revocation, based on the grounds stated in Section 10.1 of this Circular. In cases wherein the CSO has a valid Accreditation from various government entities, the maximum validity of the DILG Certification shall follow the validity of the CSO's existing accreditation that will expire soonest. The concerned Accreditation Committee shall conduct a year-end assessment of Certified Partner CSOs, in coordination with the partner Bureau/PMO.

- 8.4. Upon the end of the validity of the formal agreement with the organization, the Bureau/PMO shall issue a Certificate of Completion to the Accredited or Certified Partner CSO (Annex R).

9.0 Renewal of Accreditation

- 9.1. Within a period not earlier than sixty (60) days prior to the expiration of its Accreditation or Certification, the Accredited or Certified Partner CSO may apply for renewal by submitting the following requirements:

- 9.1.1. Letter of Intent to renew Accreditation or Certification;
- 9.1.2. Updated Organizational Chart of the CSO, if applicable;
- 9.1.3. Updated Data Sheet of the CSO containing the names, positions, and updated contact details of its current directors, trustees, officers and key personnel, if applicable;
- 9.1.4. List of PPAs of the CSO, for the duration of the validity of its Accreditation or Certification, whether or not utilizing government funds;
- 9.1.5. Summary report on engagements with DILG offices for the duration of the validity of its Accreditation or Certification;
- 9.1.6. Certificate of Completion or Letter of Recommendation from the previous partner Bureau/PMO, if applicable.

- 9.2. Certified Partner CSOs whose DILG Certification will expire as a result of expiration of its registration or accreditation with other NGAs, their local sanggunian, or the PCNC may apply for renewal by submitting the requirements stated under Section 9.1, along with the following requirements:

- 9.2.1. Certification or any equivalent document certifying the existence and operations of the CSO from the Punong Barangay or from the LGU where its office is located;
- 9.2.2. Copies of the Organization's charter or Constitution and By-Laws, or any other document that may explain the Organization's purpose, aims, and initiatives;

- 9.3. *Evaluation and Verification* - The concerned Secretariat shall assess the application for renewal of the Accredited or Certified Partner CSO based on the track record of the CSO with other Bureaus/PMOs in the Department, and its eligibility and potential capability to continue

engaging in PPAs of the Department. The Secretariat may coordinate with other Bureaus/PMOs and other government agencies to verify the track record of the Accredited or Certified Partner CSO.

- 9.4.** Final Action – Within three (3) working days after the conduct of the evaluation and verification, the concerned Secretariat shall take final action on the application.

9.4.1. If the application for renewal is declined, a Declination Notice shall be issued informing the Applicant of the denial and the grounds therefor.

9.4.2. If the Applicant meets all the criteria, the DILG Secretary, the concerned Regional Director, or Provincial Director shall grant the renewal and sign the Certificate of Accreditation or Certification.

- 9.5.** CSOs with existing valid accreditation from the Department, pursuant to DILG MC 2018-89 dated June 11, 2018, may enter into formal agreements with other Bureaus/PMOs, upon submission of a Letter of Intent.

- 9.6.** CSOs with existing valid accreditation from the Department, pursuant to DILG MC 2018-79 dated May 25, 2018, may apply for renewal of their accreditation upon submission of the requirements stated under Section 6.3 of this Circular and other documents that may be required by the Center for Local and Constitutional Reform.

10.0 Revocation Of Accreditation and Certification

- 10.1.** The Department may revoke the accreditation or certification of an organization due to, but not limited to, any of the following grounds:

10.1.1. Non-compliance with any of the provisions of the agreement entered into between this Department, through its concerned Bureau/PMO, Regional or Provincial Office, and the CSO;

10.1.2. Violation by the CSO, during the validity period of the Certificate of Accreditation or Certification, of any existing accounting and auditing laws, rules and regulations;

- 10.1.3.** Unauthorized use of the name and/or logo of the Department and other recouples activity that will alle integrity of the Department
 - 10.1.4.** Conduct of activities without adherence to locally, including compliance with the minimum public health standards in the locality,
 - 10.1.5.** Engaging primarily in, or using the organization primarily for partisan political activities
- 10.2.** CSOs that have had their predications or Certifications revoked shall not be eligible for re application and shall not be considered for future DILG engagements

11.0 Reporting

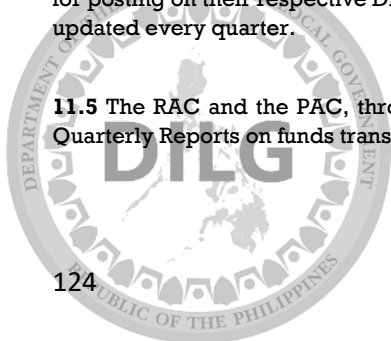
11.1. The RAC and PAC shall within the first month from the effectivity of this Circular, submit to the NAC the list of names, positions, and contact details of the members of the Secretariats to the RAC and PAC. The RAC and PAC shall update the NAC of any changes to the compositions of the Secretariats, 8 applicable.

11.2. The Bureau PMO in the DILG Central Office, the PMO and/or Program Manager in the Regional and Provincial Office shall report to the NAC RAC, and PAC, respectively. They shall submit copies of all agreements enlarged into with the partner CSO during the immediately preceding month, within the first the working days of every month to the appropriate Accreditation Committee

11.3. The concerned Bureau PMO, and/or Program Manager shall also submit A Semestral Report to update the NAC, RAC, or the PAC of the status of the partnership with the partner CSO (Annex H).

11.4. The NAC shall prepare the list of Accredited and Certified Partner CSDS At the national level for posting on the DILG official website. The RAC shall pare the list of Accredited and verified Partner CBO at the regional and provincial level for posting on their respective DILG official regional websites. Such lists shall be updated every quarter.

11.5 The RAC and the PAC, through their respective Secretariat shall prepare Quarterly Reports on funds transferred to partner CSOs in their



respective regions and provinces, including a summary of updates on the status of all partnerships, and submit to the NAC Secretariat for consolidations within the first ten (10) days of the ensuing quarter (Annex I).

- 11.6.** The NAC, through the Secretariat, shall prepare Quarterly Reports on funds transferred to partner CSOs and submit to the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance. These Quarterly Reports shall be posted on the DILG official website.

12.0 Repealing Clause

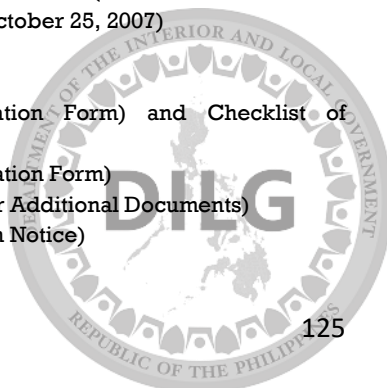
All existing issuances issued by the DILG or parts thereof which are inconsistent herewith are hereby superseded. DILG Memorandum Circular No. 2018-79 dated May 25, 2018, and DILG Memorandum Circular No. 2018-89 dated June 11, 2018, are hereby repealed.

13.0 References

- 13.1.** General Appropriations Act of 2021 (Republic Act No. 11518)
- 13.2.** 2019 Accreditation of CSOs and Selection of Representatives to the Local Special Bodies (Department of Interior and Local Government Memorandum Circular No. 2019-72 dated May 22, 2019)
- 13.3.** Guidelines for Accreditation of Civil Society Organizations as Implementing Entities of Government or Public Funds (Commission on Audit-Department of Budget and Management-Department of Social Welfare and Development Joint Resolution No. 2014-001 dated December 5, 2014)
- 13.4.** Revised Guidelines in the Granting, Utilizations, Accounting and Auditing of the Funds Released to Non-Governmental Organizations/People's Organization (Commission on Audit Circular No. 2007-001 dated October 25, 2007)

14.0 Annexes

- 14.1** Annex A: Form A (Application Form) and Checklist of Requirements
- 14.2** Annex B: Form B (PMO's Evaluation Form)
- 14.3.** Annex C: Form B.1 (Request for Additional Documents)
- 14.4.** Annex D: Form B.2 (Declination Notice)



- 14.5. Annex E: Form C (Recommendation of Issuance of Certificate)
- 14.6. Annex F: Template for Certificate of Accreditation
- 14.7. Annex G: Template for Certification
- 14.8. Annex H: Template for Semestral Reporting of Bureaus/PMOs
- 14.9. Annex I: Template for Quarterly Reporting of RAC and PAC
- 14.10. Annex J: List of DILG PPAs Requiring CSO Engagement
- 14.11. Annex K: Sample Letter of Intent to Apply for Accreditation/Certification
- 14.12. Annex L: Sample Certification Under Oath - Application
- 14.13. Annex M: Sample Certification Under Oath – No Derogatory Record
- 14.14. Annex N: Sample Board Resolution – Application
- 14.15. Annex O: Template for Bureaus/PMOs' Specific Guidelines on Engagements with CSOs
- 14.16. Annex P: Sample Partnership Agreement (MOU/MOA) of Bureau/PMO with CSO
- 14.17. Annex Q: Sample Guide for Terms of Reference of Bureau/PMO with CSO
- 14.18. Annex R: Template for Certificate of Completion from Partner Bureau/PMO
- 14.19. Annex S: Template for Certificate of Participation from Partner Bureau/PMO

15.0 Effectivity

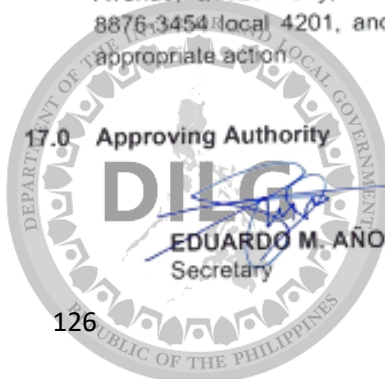
These guidelines shall take effect fifteen (15) days after publication on the official DILG website.

16.0 Feedback

Further information, queries, and comments regarding this Memorandum Circular must be directed to the Bureau of Local Government Supervision, with address at 25th floor, DILG-NAPOLCOM Center, EDSA corner Quezon Avenue, Quezon City, 1104, through the following contact information: (02) 8876-3454 local 4201, and email address accreditation@csopppp.page, for appropriate action.

17.0 Approving Authority


EDUARDO M. ANO
Secretary





DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT

*DILG-NAPOLCOM Center, EDSA corner Quezon Avenue, West Triangle, Quezon City
[http:// www.dilg.gov.ph](http://www.dilg.gov.ph)*

MEMORANDUM CIRCULAR No. 2021-012

- To :** ALL PROVINCIAL GOVERNORS, CITY AND MUNICIPAL MAYORS, INCLUDING DILG REGIONAL DIRECTORS, DILG CITY DIRECTORS, CITY LOCAL GOVERNMENT OPERATIONS OFFICERS, MUNICIPAL LOCAL GOVERNMENT OPERATIONS OFFICERS, AND ALL OTHER CONCERNED
- SUBJECT :** ESTABLISHMENT OF CIVIL SOCIETY ORGANIZATION DESK AND INSTITUTIONALIZATION OF PEOPLE'S COUNCIL IN THE LOCAL GOVERNMENT UNITS

1.0 BACKGROUND

- 1.1** The Department has issued several policy guidelines that provide opportunities for Civil Society Organizations (CSOs) to engage and participate in the programs and processes of the national and local governments. Some of these are, Memorandum Circular (MC) No. 2019-72, "General Guidelines on Accreditation of CSOs and Selection of Representatives to the Local Special Bodies (LSBs)"; MC 2018-89, "Guidelines on Engagements with CSOs"; and MC 2020-135, "Mobilization of CSOs in the COVID-Related Response and Recovery Programs of the Government.

Article 62, Rule XIII, IRR of the Local Government Code (LG Code) provides that the Local Government Units (LGUs) shall promote the establishment and operation of non-government organizations, peoples' organization and private sector to make them active partners in the pursuit of local autonomy, and to directly involve them in planning and implementation of programs and projects of the LGUs. Article 64, of same IRR, provides for the procedures and guidelines in the accreditation and selection of representatives to the LSBs.

- 1.2** The DILG, pursuant to Section 03 of EO 67 s. 2018, "Rationalizing the Office of the President through the Consolidation of its Core Mandates

and Strengthening the Democratic and Institutional Framework of the Executive Department", absorbed the functions of the Office of Participatory Governance (OPG) under Section 2 of EO 09, "Strengthening the Office of the Executive Secretary, enhancing its Powers and Functions, Providing for its Support Staff and for other Purposes".

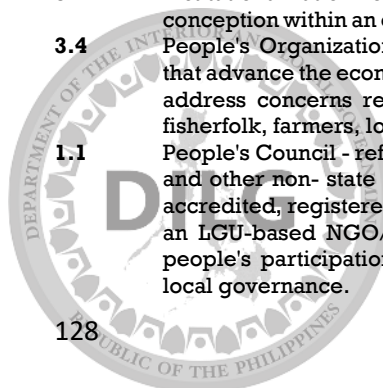
- 1.3 The Secretary of Interior and Local Government was designated as the Chair of the Participatory Governance Cluster under Section 02 of EO 24 s. 2017, "Reorganizing the Cabinet Cluster System by Integrating Good Governance and Anti-Corruption in the Policy Frameworks of all the Clusters and Creating the Infrastructure Cluster and Participatory Governance Cluster."
- 1.4 The participation of CSOs in government processes is important for the purpose of providing check and balance, as well as in exacting accountability. An active CSO participation is an indicator of healthy participatory governance.

2.0 PURPOSE

- 2.1 This Memorandum Circular is issued to: (a) Enjoin the Local Government Units to establish a CSO Desk that will be responsible for handling CSO-related concerns in their respective areas of jurisdiction, including the provision of support, as may be deemed necessary; (b) Institutionalize the local People's Council and recognize the existing federation of sectoral organizations in all the LGUs; and (c) Define the functions of DILG Field Officers with regard to CSO-related concerns in their respective areas of assignment.

3.0 DEFINITION OF TERMS

- 3.1 Federation-refers to an encompassing political or societal entity formed by uniting smaller or more localized entities e.g., federal government; a union of organizations.
- 3.2 Institutionalization-refer to the process of embedding some conception within an organization, social system, or society as a whole.
- 3.4 People's Organization - refers to grassroots volunteer organizations that advance the economic and social well-being of their members and address concerns relating to a particular sector, such as, artisanal fisherfolk, farmers, local laborers, or indigenous peoples.
- 1.1 People's Council - refers to a conglomeration or network of CSOs, POs and other non- state and non-profit groups and aggregation whether accredited, registered, recognized or unaccredited in the locality. It is an LGU-based NGO/PO mechanism which concretizes the spirit of people's participation and advances the principle of partnership in local governance.



2.0 SCOPE AND COVERAGE

This Memorandum Circular covers all the Provinces, Cities and Municipalities, Civil Society

3.1 1987 Philippine Constitution

3.1.1 Article II, Section 23: “The State shall encourage non-governmental, community-based, or sectoral organizations that promote the welfare of the nation.”

3.1.2 Article XIII, Section 15: “The State shall respect the role of independent people’s organizations to enable the people to pursue and protect, within the democratic framework, their legitimate and collective interests and aspirations through peaceful and lawful means.”

3.1.3 Article XIII, Section 16: “The right of the people and their organizations to effective and reasonable participation at all levels of social, political and economic decision-making shall not be abridged. The State shall, by law, facilitate the establishment of adequate consultation mechanisms.”

3.2 Chapter 34, Local Government Code

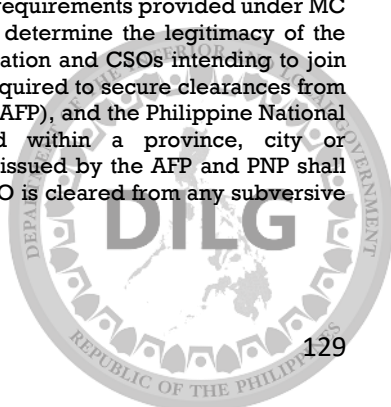
3.2.1 Section 34, Local government units shall promote the establishment and operation of people’s and non-governmental organizations to become active partners in the pursuit of local autonomy.

3.2.3 Section 36, A local government unit may, through its local chief executive and with the concurrence of the Sanggunian concerned, provide assistance, financial or otherwise, to such people’s and nongovernmental organizations for economic, socially-oriented, environmental, or cultural projects to be implemented within its territorial jurisdiction.

4.0 POLICY CONTENT AND GUIDELINES

4.1 In addition to the list of accreditation requirements provided under MC 2019-72, for security reasons and to determine the legitimacy of the CSOs intending to apply for accreditation and CSOs intending to join the local Peoples Council, shall be required to secure clearances from the Armed Forces of the Philippines (AFP), and the Philippine National Police (PNP) respectively, located within a province, city or municipality. The existing clearance issued by the AFP and PNP shall apply, but shall indicate that such CSO is cleared from any subversive and illegal activities.

4.1 Roles and Responsibilities



4.1.1 Local Government Units (Province, City, Municipality)

4.1.1.1 Create a CSO Desk to be headed by a designated or appointed CSO Desk Officer who shall facilitate and promote people's participation in governance within the LGU;

4.1.1.2 Through the Sanggunian, enact an ordinance establishing a system of partnership between the LGU and CSOs/POs that shall define their roles and involvement in the various local government programs, projects and activities, including their participation in the LSBs, committees, task forces, and similar groups, as required by law and the national government;

4.1.1.3 Establish a mechanism that shall facilitate the organization of the following:

4.1.1.3.1 Federation of sectoral CSOs/POs in the barangay, municipality, city, and province, which shall elect from among their members, their set of officers; and

4.1.1.3.2 People's Council in the province, city or municipality, with membership coming from the different sectors of CSOs/POs that are accredited, registered, and recognized by the LGUs. They shall elect from among their members, their set of officers and determine their internal rules.

4.1.1.4 Provide funding support, as may be necessary, to carry out the functions of the CSO Desk in their respective areas of jurisdiction.

4.1.2 CSO Desk

4.1.2.1 Cause the organization of federation or coalition of sectoral CSOs from the barangay level to city/municipal level; and city/municipal level to provincial level, including the formation of Peoples Council in the LGU.

4.1.2.2 Mobilize and ensure participation of accredited and recognized CSOs in the various processes and activities of the local government, particularly in planning, budgeting, monitoring and other service delivery areas;

4.1.2.3 Coordinate with the established Federation of Local CSO and People's Council, the holding of regular meetings, and other relevant activities of the CSOs;

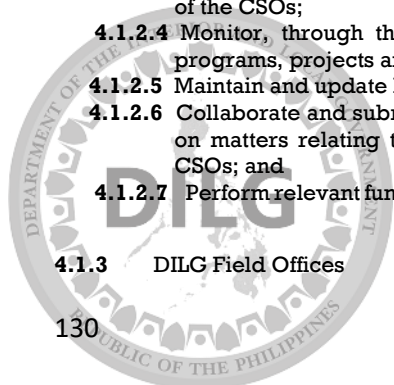
4.1.2.4 Monitor, through the People's Council, CSO participation in the programs, projects and activities of the local governments;

4.1.2.5 Maintain and update local CSO database;

4.1.2.6 Collaborate and submit reports to the concerned DILG field officers on matters relating to the programs, projects and activities of the CSOs; and

4.1.2.7 Perform relevant functions as may be required by higher authorities.

4.1.3 DILG Field Offices



- 4.1.3.1 Provide technical assistance in the organization of Federation of municipal, city or provincial-wide CSOs, including the People's Council;
- 4.1.3.2 Assess, in coordination with the CSO desk, the CSOs' performance in the LSBs, local committees and task forces wherein they are members;
- 4.1.3.3 Collaborate activities with the CSO Desk and whenever possible, attend the meeting with the CSOs;
- 4.1.3.4 Submit reports to Office of the Secretary through the Bureau of Local Government Supervision (BLGS) using the forms provided in this MC;and
- 4.1.3.5 Perform relevant functions as may be required by higher authorities.

5.0 REFERENCES

- 5.1 1987 Philippine Constitution
- 5.2 1991 Local Government Code of the Philippines
- 5.3 ADB Civil Society Source Book
- 5.4 NPC Guidebook

6.0 ANNEXES

- 6.1 LCSOD Activity Reporting Form 01
- 6.2 Registry Monitoring Forms Federation
(Municipality/City/Province/Region)
- 6.3 Registry Monitoring Forms Peoples Council
(Municipality/City/Province/Region)

7.0 REPORTING

The DILG field offices in the provinces, cities and municipalities shall submit their respective monthly reports, or within one (1) week after the conduct of the CSO activity in a given time using the activity reporting LCSOD Form 01. The report including the forms for the Registry for the Federation of CSOs and People's Council as provided in this MC shall be used to build up the database of CSO, and to be submitted via online to the Bureau of Local Government Supervision (BLGS) at email address: dilg.blgslgrd@gmail.com, not later than the 2nd quarter of 2021.

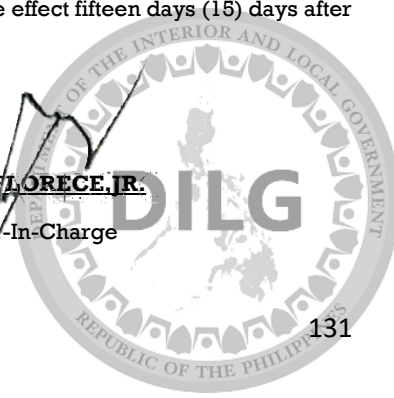
8.0 This Memorandum Circular shall take effect fifteen days (15) days after posting in the DILG Website.

9.0 APPROVING AUTHORITY

UNDERSECRETARY

BERNARDO C. FLORECE, JR.

Officer-In-Charge



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Saint Louis College Project Team

College President	Rev. Fr. Ramon R. Caluza, CICM
VP-Academics	Dr. Lea L. De Guzman
VP-Administration	Atty. Edwin C. Siapco
Technical Working Group	
Dr. Daniel B. Paguia <i>(Project Team Leader)</i>	
Dr. Wilfred F. Cabauatan	Dr. Augustina C. Dumaguin
Dr. Ma. Rosalinda Lacsamana	Dr. Joseph M. Cristobal
Dr. Ramon B. Torres	Dr. Claudine B. Valdez
Dr. Joseph M. De Guzman	Mr. Christopher F. Maynes
<i>Secretariat:</i>	
Mr. Prince Charlo N. Baga	Mr. Johnn Marck P. Almirol

