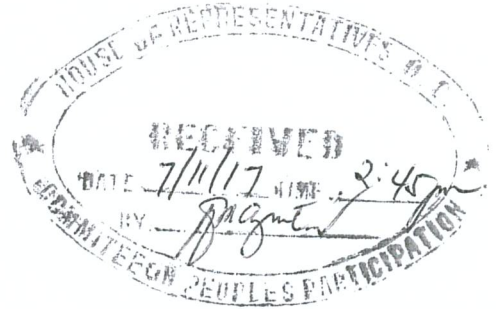




04 July 2017

**Representative KAKA J. BAG-AO**  
Chairperson  
Committee on People's Participation  
House of Representatives  
Quezon City



Dear **Chairperson Bag-ao**,

The Department of Social Welfare and Development respectfully submits its proposed language of Sections 5, 7, 8, 13, 14 and 16 of House Bill No. 1598 or An Act Providing for the Accreditation of Non-Government Organizations and People's Organizations Eligible to Access Government Funds and for the System of Accountability and Transparency for the Use of These Funds, as follows:

1. Section 5. Accreditation. No NGO/PO shall be eligible to implement any publicly-funded program or project unless it has been accredited pursuant to this Act.

An NGO/PO seeking to implement a publicly-funded program or project shall be accredited by the government agency such program or project. The accreditation shall be based on the minimum criteria set forth in Section 6 hereof and on any additional requirement that the agency concerned may impose based on specific circumstances or special needs of the program or project.

Accrediting government agencies may charge NGOs/POs reasonable fees to defray the cost incurred in the accreditation and validation processes.

The accreditation given to an NGO/PO shall be valid for at least one (1) year, and may, after review and assessment by the government agency concerned, be renewed yearly thereafter.

2. Section 6, letter d requiring the NGOs/POs to submit Mayor's Permit, we suggest to further review said provision and consult the Local Government Units (LGUs). Per our experience, the LGUs do not uniformly require NGOs/POs to secure Mayor's Permit since these organizations are non-profit by nature.
3. Section 7. Validation. Within thirty (30) days from accreditation, the accrediting government agency shall validate the accredited NGO/PO. The validation process shall ensure the legitimacy and capacity of the NGO/PO through a combination of documentary, physical, and field reviews, including interviews with previous and current clients, and peer feedback. The procedures for this system shall be outlined in the Implementing Rules and Regulations of this Act.

The accrediting government agency shall certify under oath to the authenticity and capacity of the NGO/PO to implement programs and projects using government funds.

4. Section 8. Accrediting and Repository Agency. Each government agency shall keep, update and publish a database of the NGOs/POs which have applied with it for accreditation and which it has accredited.

This proposal is in line with Section 65 of the GAA for FY 2017 which allowed the decentralization of accreditation while setting certain requirements to ensure that government funds are channeled only to legitimate CSOs.

5. Section 13. Submission and posting of Fund Utilization Report. Within one (1) month after the actual disbursement of government funds and every month thereafter until the completion of the program or project, the NGO/PO shall submit a Fund Utilization Report (FUR) to the government agency concerned. The FUR shall be posed physically in the public information boards and in the websites of the government agency concerned and of the NGO/PO concerned, if available.
6. Section 14. Monitoring and Evaluation. The government agency concerned shall, in coordination with representatives of the NGOs/POs, monitor the proper usage of government funds entrusted to NGOs/POs, the proper implementation of the subject programs and projects, the proper distribution to intended beneficiaries, and compliance with time schedules for the completion of programs and projects.

Government agencies concerned shall validate the reports through onsite assessment and field interviews. Monitoring results shall be used to evaluate problems and issues and to provide the framework of intervention by the government agency concerned.

The Department of Budget and Management (DBM) and the Commission on Audit (COA) shall serve as oversight agencies to monitor the utilization of funds transferred to NGOs/POs.

7. Section 16. Implementing Rules and Regulations. The DBM and the COA, in consultation with all government accrediting agencies and with NGOs/POs, shall formulate the Rules and Regulations of this Act within thirty (30) days from the effectivity hereof.

Thank you.

Very truly yours,



**MARIA LOURDES TURALDE-JARABE**  
Undersecretary and Officer-In-Charge