



19 July 2017

HON. LOREN B. LEGARDA
Chairperson
Committee on Finance
Senate of the Philippines
Roxas Blvd., Pasay City

Dear **Senator Legarda**:

This has reference to the request of the Senate Committee on Finance for our Department's official position on Senate Bill No. 466, authored by Sen. Antonio F. Trillanes IV, which seeks to amend Republic Act No. 9184, otherwise known as the "Government Procurement Reform Act of 2003".

The SBN 466 seeks to expand the coverage of the procurement law to include civil society organizations who are "recipients of government funds." However, there are activities of government which, in the operation of programs, necessitate transfer funds to CSOs either as implementing partner or as a beneficiary. Both cases are not procurement activities.

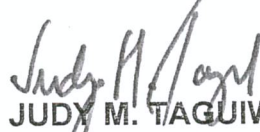
As an example, DSWD's Sustainable Livelihood Program provides micro-enterprise grants to people's organizations as beneficiaries. SBN 466, if enacted, will have the unintended consequence of subjecting these organizations to both the accreditation and procurement processes.

Congress, in the effort to regulate government transfer of funds to CSOs, included Section 65 in the 2017 General Appropriations Act General Provisions. This provision set minimum requirements for accreditation and accountabilities for which government agencies should follow before they can transfer funds to CSOs.

We are of the present opinion that the provisions of the 2017 GAA mentioned above strikes the balance between safeguarding of public fund and continuing partnership with civil society organizations.

Thank you.

Very truly yours,


JUDY M. TAGUIWALO
Secretary

Cc: **Yolanda D. Doblón**
Director General,
LBRMO, Senate of the Philippines