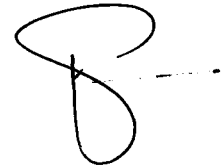


NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)

25 JAN 22 P2:26

SENATE

S. No. 2932



Introduced by Senator Jinggoy Ejercito Estrada

**AN ACT
CONSOLIDATING ALL PERFORMANCE MEASUREMENT TOOLS AND
REWARDS SYSTEMS FOR ALL LOCAL GOVERNMENT UNITS BY
INSTITUTIONALIZING A CULTURE OF MERITOCRACY IN THE
PHILIPPINES, AMENDING CERTAIN PROVISIONS OF REPUBLIC ACT NO.
11292, OTHERWISE KNOWN AS "THE SEAL OF GOOD LOCAL GOVERNANCE
ACT OF 2019" AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The efforts to promote transparency, accountability and efficiency in the local government units and to reward those who excel in espousing these principles has unceasingly been pursued by the leaders of our nation. One of these commendable efforts is the "Seal of Good Housekeeping" (SGH) and the "Performance Challenge Fund" which were rolled out in 2010 by the Department of the Interior and Local Government. SGH evolved into the Seal of Good Local Governance or SGLG which was as an initiative in line with the Philippine Open Government Partnership Commitment. Eventually, SGLG was institutionalized through legislation with the passage of Republic Act No. 11292, otherwise known as "The Seal of Good Local Governance Act of 2019".

For years now, SGLG has been both a challenge and an inspiration for LGUs to improve their services their constituents, initiate worthwhile programs and projects, and responsibly manage their financial resources. It showcases best

practices and remarkable innovations of LGUs which, in turn, serve as models to other LGUs as well as international entities.

The "*Local Governance Meritocracy Act*" seeks to amend Republic Act 11292 to expand the criteria of SGLG and increase the funding for its facilitation and operations. It proposes to expand the criteria to include human development meritocracy criteria which focuses on gauging development outcomes such as health, education, standard of living, peace and order. Through these, SGLG will be more holistic and reflective of the good governance that it continues to uphold.

In view of the foregoing, the immediate passage of this bill is highly recommended.



JINGGOY EJERCITO ESTRADA

SENATE
S. No. 2932

RES. 

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**AN ACT
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11292, OTHERWISE KNOWN AS "THE SEAL OF GOOD LOCAL GOVERNANCE
ACT OF 2019" AND FOR OTHER PURPOSES**

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

1 Section 1. *Short Title.* – This Act shall be known as the "*Local Governance*
2 *Meritocracy Act*".

3 Sec. 2. Section 2 of Republic Act No. 11292 is hereby amended to read as
4 follows:

5 "Sec. 2. *Declaration of Policy.* – x x x.

6 **"TO THIS END, A UNIFIED, PRACTICAL, AND REAL**
7 **TIME PERFORMANCE MEASUREMENT TOOL SHALL BE**
8 **INSTITUTIONALIZED TO GAUGE THE EFFECTIVENESS OF**
9 **LGUS IN ACHIEVING THEIR RESPECTIVE LOCAL**
10 **DEVELOPMENT OUTCOMES IN THE AREAS OF HEALTH,**
11 **EDUCATION, STANDARDS OF LIVING, AND PEACE AND**
12 **ORDER. LGUS UNDER THIS ACT SHALL INCLUDE**
13 **PROVINCES, CITIES, MUNICIPALITIES, AND BARANGAYS."**

1 Sec. 3. Section 4 of Republic Act No. 11292 is hereby amended to read as
2 follows:

3 "Sec. 4. *The Council of Good Local Governance.* – x x x.

4 "(a) x x x;

5 "x x x

6 "(f) x x x;

7 "**(G) COMMISSION ON HIGHER EDUCATION (CHED);**

8 "~~[(g)]~~ **(H)** Department of Tourism (DOT);

9 "~~[(h)]~~ **(I)** Department of Environment and Natural Resources
10 (DENR);

11 "~~[(i)]~~ **(J)** National Economic and Development Authority
12 (NEDA);

13 "**(K) PHILIPPINE STATISTICS AUTHORITY (PSA);**

14 "**(L) PHILIPPINE NATIONAL POLICE (PNP);**

15 "~~[(j)]~~ **(M)** Office of Civil Defense; ~~[(and)]~~

16 "**(N) DEPARTMENT OF INFORMATION AND
17 COMMUNICATIONS TECHNOLOGY (DICT); AND**

18 "~~[(k)]~~ **(O)** One (1) representative from the basic sectors to
19 be nominated by the National Anti-Poverty Commission
20 (NAPC).

21 "The Secretary of the DILG shall act as Chairperson of the
22 Council, **AND THE PSA NATIONAL STATISTICIAN SHALL ACT
23 AS CO-CHAIRPERSON.** The appropriate office of the DILG, as
24 the latter may designate, shall serve as the Secretariat of the
25 Council."

26 Sec. 4. Section 5 of Republic Act No. 11292 is hereby amended to read as
27 follows:

28 "Sec. 5. *Powers and Functions of the Council.* – x x x.

29 "(a) Develop and promulgate the performance indicators
30 that shall serve as standards for evaluating the LGU's compliance
31 and/or satisfaction of each of the criteria prescribed above **AND BE
32 IN CHARGE OF DATA COLLECTION, INTEGRATION AND**

1 **PROCESSING STANDARDS FOR THIS MEASURE AND**
2 **SUPPORT THE LGUS BY PROVIDING ANY DATA THEY NEED**
3 **TO REGULARLY UPDATE THEIR DIMENSIONS UNDER THE**
4 **HUMAN DEVELOPMENT MERITOCRACY CRITERIA: *Provided,***
5 That the Council shall designate each Council member to lead the
6 development of performance indicators in his/her area of jurisdiction
7 or expertise and recommend the approval of such performance
8 indicators by the Council: *Provided, further,* That in the
9 development and approval of the performance indicators, the
10 Council shall take into consideration that LGUs may not be similarly
11 situated and that one (1) or more indicators may be peculiarly
12 inapplicable or extremely difficult to meet given the inherent
13 limitations or circumstances of the LGUs: ***PROVIDED, FINALLY,***
14 **THAT THE COUNCIL SHALL TAKE INTO CONSIDERATION**
15 **THE INDIVIDUAL PERFORMANCE OF EACH LEVEL OF LGU**
16 **VIS-À-VIS THEIR OWN RESPECTIVE HISTORICAL**
17 **PERFORMANCES BASED ON THE STANDARDS FOR**
18 **EVALUATING EACH DIMENSION UNDER THE HUMAN**
19 **DEVELOPMENT MERITOCRACY CRITERIA AS DEFINED**
20 **UNDER SECTION 7 OF THIS ACT.**

21 “(b) x x x;

22 “(c) Conduct an **IMPACT** evaluation [~~of the impact~~] of this Act
23 on the performance of the LGUs for purposes of determining the need for
24 enhancing or continuing the SGLG, rolling out the SGLG in barangays **AND**
25 **IN NATIONAL GOVERNMENT AGENCIES (NGAs)** and recommending
26 any amendatory legislation. For this purpose, the Council shall institute an
27 effective feedback mechanism where the concerns of LGUs and other
28 stakeholder on the implementation of the SGLG are appropriately
29 considered;

30 “(d) Create technical working groups, upon the recommendation of
31 the Council member concerned, composed of experts from government
32 agencies, representatives from the leagues of provinces, cities and
33 municipalities, **BARANGAYS, REGIONAL DEVELOPMENT COUNCILS**

1 (RDCS), LOCAL DEVELOPMENT AGENCIES, LOCAL HEALTH
2 BOARDS, LOCAL SCHOOL BOARDS, PEACE AND ORDER
3 COUNCILS, and other sectors, to assist the Council members in the
4 performance of their respective functions as provided for in paragraph (a)
5 of this Section;

6 "(e) x x x; and

7 "(f) x x x."

8 Sec. 5. Section 6 of Republic Act No. 11292 is hereby amended to read as
9 follows:

10 "Sec. 6. *Implementing [Agency] AGENCIES.* – The DILG
11 **AND THE PSA** shall be the **JOINT** implementing [agency]
12 **AGENCIES** of this Act. [~~It~~] **THEY** shall, through [~~it's~~] **THEIR**
13 relevant bureaus and offices, and in consultation and coordination
14 with their partner agencies or sectors, **THE RESPECTIVE**
15 **LEAGUES OF LGUs AND CONCERNED LGUs**, be responsible for
16 the assessment and evaluation of each LGU relative to its
17 compliance with the criteria, and **SHALL** recommend to the Council
18 whether an LGU qualifies to be conferred or awarded the SGLG **OR**
19 **OTHER APPROPRIATE ACTION AS MAY BE ALLOWED IN**
20 **THIS ACT.**

21 "The DILG **AND/OR THE PSA** shall call on any other
22 concerned agencies, civil society organizations (CSOs), or **PRIVATE**
23 sectors, as it may deem necessary, to assist in carrying out its
24 responsibilities under this Act.

25 **"THE PSA WILL SERVE AS THE PRIMARY DATA**
26 **CUSTODIAN. IT WILL BE IN CHARGE OF SETTING UP A**
27 **DATA REPOSITORY THAT WILL BE MADE ACCESSIBLE TO**
28 **THE PUBLIC IN COMPLIANCE WITH THE DATA PRIVACY**
29 **ACT. IT SHALL FINALIZE THE DATA COLLECTION,**
30 **INTEGRATION, AND PROCESSING STANDARDS THAT WILL**
31 **BE SHARED WITH AND USED BY THE LGUS.**

32 **"THE DILG, IN COORDINATION WITH THE PSA, SHALL**
33 **BE IN CHARGE OF PROVIDING CAPACITY BUILDING AND**

1 **TRAINING SESSIONS FOR LGUS IN VIEW OF FULFILLING**
2 **THEIR RESPONSIBILITIES UNDER THIS MEASURE.”**

3 Sec. 6. Section 7 of Republic Act No. 11292 is hereby amended to read as
4 follows:

5 “Sec. 7. *Criteria.* – For the purpose of this Act, **THERE WILL**
6 **BE TWO CRITERIA CATEGORIES: (I) GOVERNANCE**
7 **CRITERIA, WHICH FOCUSES ON PROCESSES AND INPUTS**
8 **FOR STRENGTHENING LOCAL GOVERNANCE AND, (II)**
9 **HUMAN DEVELOPMENT MERITOCRACY CRITERIA, WHICH**
10 **FOCUSES ON GAUGING DEVELOPMENT OUTCOMES THAT AN**
11 **LGU IS EXPECTED TO ACHIEVE. [~~the areas~~] DIMENSIONS in**
12 **[the] EACH [criteria] CATEGORY** shall be understood and
13 interpreted as follows:

14 **“I. GOVERNANCE CRITERIA**

15 “(a) x x x

16 “x x x

17 “(j) x x x

18 **“II. HUMAN DEVELOPMENT MERITOCRACY CRITERIA**

19 **“(A) HEALTH AND SOCIAL DIMENSION – THIS**
20 **DIMENSION MEASURES THE OVERALL QUALITY OF HEALTH**
21 **WITHIN LOCALITY THROUGH THE LONGEVITY OF LIFE OF**
22 **ITS CONSTITUENTS.**

23 **“(B) EDUCATION – THIS DIMENSION MEASURES THE**
24 **ACCESS TO QUALITY OF EDUCATION OF A LOCALITY’S**
25 **CONSTITUENTS.**

26 **“(C) STANDARD OF LIVING – THIS DIMENSION**
27 **MEASURES THE LEVEL OF INCOME OF CONSTITUENTS AND**
28 **ECONOMIC OPPORTUNITIES WITHIN A LOCALITY.**

29 **“(D) PEACE AND ORDER & PUBLIC SAFETY – THIS**
30 **DIMENSION MEASURES THE PREVALENCE OF CRIME**
31 **WITHIN A LOCALITY.**

1 **"EACH DIMENSION UNDER THE HUMAN**
2 **DEVELOPMENT MERITOCRACY CRITERIA SHALL BE**
3 **MEASURED USING A SET OF INDICATORS FORMULATED**
4 **AND DETERMINED BY THE COUNCIL BASED ON**
5 **ACCEPTABLE STANDARDS USED NATIONALLY OR**
6 **INTERNATIONALLY, TOGETHER WITH THE DATA IN THE**
7 **PHILIPPINE HUMAN DEVELOPMENT REPORT. THE**
8 **COUNCIL SHALL PRIORITIZE INDICATORS THAT MAY BE**
9 **RETRIEVED FROM NATIONAL GOVERNMENT AND LOCAL**
10 **GOVERNMENT SOURCES WITHOUT THE NEED FOR**
11 **PRIMARY DATA GATHERING METHODOLOGIES SUCH AS**
12 **STATISTICAL SURVEYS, CENSUS AND REGISTERS. THE SET**
13 **OF INDICATORS FOR EACH DIMENSION SHALL BE USED TO**
14 **COMPUTE FOR THE QUALIFICATIONS OF EACH LGU AND**
15 **ASSESSED BASED ON THEIR RESPECTIVE HISTORICAL**
16 **GROWTH OR PERFORMANCE SO THAT EACH LEVEL OF LGU**
17 **COMPETES AGAINST ITSELF AND NOT AS AGAINST OTHER**
18 **LGUS.**

19 **"THE COUNCIL SHALL CONTINUOUSLY EXPLORE**
20 **ALTERNATIVE STATISTICAL INDICATORS FOR THE HUMAN**
21 **DEVELOPMENT MERITOCRACY CRITERIA, AS MAY BE**
22 **NECESSARY AND APPROPRIATE FOR PURPOSES OF FASTER**
23 **DATA COLLECTION AND PROCESSING. THESE INDICATORS**
24 **SHALL BE UPDATED ANNUALLY BY THE COUNCIL AND**
25 **SHARED WITH THE CONCERNED LGUS TO ENSURE THAT**
26 **THE DATA EFFECTIVELY REFLECTS THE KEY DIMENSIONS**
27 **OF THE HUMAN DEVELOPMENT MERITOCRACY CRITERIA.**

28 **"x x x."**

29 Sec. 7. Two (2) new sections denominated as Section 7-A and Section 7-B,
30 respectively, are inserted after Section 7 of Republic Act No. 11292 and shall read as
31 follows:

1 **"SEC. 7-A. DATA COLLECTION. – LGUS MAY BE**
2 **DESIGNATED AS THE PRIMARY DATA COLLECTOR WITHIN**
3 **THEIR RESPECTIVE LOCALITIES. FOR THIS PURPOSES,**
4 **LGUS MAY OPT TO HIRE THE NECESSARY PERSONNEL. THE**
5 **NUMBER AND POSITIONS OF WHICH SHALL BE**
6 **DETERMINED BY THE COUNCIL THROUGH THE REVISED**
7 **IMPLEMENTING RULES AND REGULATIONS (RIRR) TO BE**
8 **ISSUED THEREFOR.**

9 **"CONSISTENT WITH SECTION 7 OF THIS ACT, DATA**
10 **THAT MAY BE ACCESSED WITHOUT THE NEED FOR**
11 **PRIMARY DATA GATHERING METHODOLOGIES AS**
12 **DESCRIBED ABOVE SHALL BE PRIORITIZED.**

13 **"SEC. 7-B. FREQUENCY OF DATA COLLECTION. – FOR**
14 **THE HUMAN DEVELOPMENT MERITOCRACY CRITERIA**
15 **UNDER SECTION 7 OF THIS ACT, REGULAR AND**
16 **SYNCHRONIZED DATA COLLECTION SHALL BE CONDUCTED**
17 **BY LGUS ANNUALLY OR ON SHORTER PERIODS BASED ON**
18 **THE LATEST AVAILABILITY OF IDENTIFIED INDICATORS. IN**
19 **THE CONDUCT OF DATA COLLECTION, LGUS SHALL RECEIVE**
20 **TECHNICAL ASSISTANCE FROM THE APPROPRIATE**
21 **NATIONAL GOVERNMENT AGENCIES, AS NEEDED.**
22 **COROLLARY TO THEIR DATA COLLECTIONS, LGUS SHALL,**
23 **TO THE EXTENT POSSIBLE, MONITOR THE HUMAN**
24 **DEVELOPMENT MERITOCRACY INDICATORS.**

25 Sec. 8. Section 8 of Republic Act No. 11292 is hereby amended to read as
26 follows:

27 **"Sec. 8. Requisites to Qualify for SGLG. – An LGU, which,**
28 **according to the assessment of the DILG, complies, qualifies, and**
29 **passes all assessment criteria as provided in Section 7 of this Act,**
30 **AND APPROVED BY THE COUNCIL,** shall be conferred and
31 awarded the SGLG and granted the corresponding **RECOGNITION,**
32 **AWARDS AND MONETARY** incentive as provided under Section

1 11 of this Act. **IN ASSESSING AN LGU'S QUALIFICATION FOR**
2 **THE SGLG, GREATER CONSIDERATION SHALL BE GIVEN TO**
3 **THE COMPLIANCE WITH THE HUMAN DEVELOPMENT**
4 **MERITOCRACY CRITERIA, SUBJECT TO GUIDELINES TO BE**
5 **ISSUED BY THE COUNCIL."**

6 Sec. 9. Section 11 of Republic Act No. 11292 is hereby amended to read as
7 follows:

8 "Sec. 11. *The SGLG Incentive Fund.* – x x x

9 "x x x

10 **"RECOGNITION OF LGUS FOR THE SGLG MAY BE**
11 **CONDUCTED ANNUALLY, BI-ANNUALLY OR QUARTERLY AS**
12 **MAY BE DETERMINED BY THE COUNCIL.**

13 **"LGUS EXPERIENCING PERSISTENT AND**
14 **UNJUSTIFIABLE DECLINES IN THE INDICATORS TO BE**
15 **IDENTIFIED UNDER THE HUMAN DEVELOPMENT**
16 **MERITOCRACY CRITERIA MAY BE DISINCENTIVISED:**
17 ***PROVIDED*, THAT EXTERNAL SHOCKS, SUCH AS NATURAL**
18 **CALAMITIES, PANDEMICS, OR UNFORESEEABLE EVENTS**
19 **BEYOND THE CONTROL OF THE LGUS SHALL BE**
20 **CONSIDERED AS JUSTIFIABLE CAUSES."**

21 Sec. 10. Section 12 of Republic Act No. 11292 is hereby amended to read as
22 follows:

23 "Sec. 12. *Utilization and Limitations on Expenditures of the*
24 *Incentives under the SGLG Fund.* – The use if the incentives paid
25 out of the SGLG Fund shall be governed by the policies governing
26 the utilization of the twenty percent (20%) of the annual [~~Internal~~
27 ~~Revenue Allotment (IRA)] **NATIONAL TAX ALLOTMENT (NTA)**
28 for local development projects, the Annual Investment Program
29 (AIP) and the Local Development Investment Program (LDIP).~~

30 "The **MONETARY** incentives paid out of the SGLG Fund shall
31 not be used for any of the following:

32 "(a) x x x;

1 "x x x."

2 Sec. 11. Section 14 of Republic Act No. 11292 is hereby amended to read as
3 follows:

4 "Sec. 14. *Management and Administration of the SGLG Fund.*

5 – The SGLG Fund established under Section 11 of this Act shall be
6 managed and administered by the DILG with the supervision of the
7 Council. Appropriation to replenish the amount paid out from the
8 Fund during the year and/or to augment the Fund shall be proposed
9 by and **ANNUALLY** included in the budget of the DILG under the
10 GAA."

11 Sec. 12. Section 15 of Republic Act No. 11292 is hereby amended to read as
12 follows:

13 "Sec. 15. *Guarantee of Local Government Autonomy.* – The

14 **LOCAL** autonomy **AND FISCAL DECENTRALIZATION** of LGUs
15 shall be respected at all times. Nothing in this Act shall be
16 interpreted as limiting the autonomy of LGUs to establish policies
17 and pursue programs and projects designed not only to qualify for
18 the SGLG award but also to ensure the enjoyment of their
19 constituency the right to life, liberty, property, health, education,
20 balanced and healthful ecology, among others, in the exercise of
21 their **POLICE** power under the general welfare clause."

22 Sec. 13. Section 16 of Republic Act No. 11292 is hereby amended to read as
23 follows:

24 "Sec. 16. *SGLG Operating Fund.* – The activities and

25 operational expenses, other than the incentive payouts, related to
26 the implementation of this Act shall be initially funded from the
27 DILG's Performance Challenge Fund. Thereafter, the DILG shall
28 include in its annual budget to be incorporated in the GAA, the item
29 for the SGLG operating fund in the amount equivalent to **NOT LESS**
30 **THAN** ~~[two]~~ **FIVE** percent ~~[2%]~~ **(5%)** of the SGLG Fund.

1 Sec. 14. *Data Privacy.* – This data collection system shall respect the
2 fundamental human right of privacy, ensure data quality, and uphold data protection
3 principles of legitimate purpose, transparency, and proportionality.

4 Sec. 15. *Implementing Rules and Regulations.* – Within ninety (90) days from
5 the effectivity of this Act, the members of the Council led by the DILG and the PSA,
6 in coordination with the Union of Local Authorities of the Philippines (ULAP) and the
7 Leagues of LGUs and local officials, shall promulgate the implementing rules and
8 regulations necessary for the effective implementation of this Act.

9 Sec. 16. *Separability Clause.* – If any provision or part hereof is held invalid
10 or unconstitutional, the remainder of the law or the provision or part not otherwise
11 affected shall remain valid and subsisting.

12 Sec. 17. *Repealing Clause.* – Any law, presidential decree or issuance,
13 executive order, letter of instruction, administrative order, rule, or regulation
14 contrary to or inconsistent with the provisions of this Act are hereby repealed,
15 modified, or amended accordingly.

16 Sec. 18. *Effectivity.* – This Act shall take effect fifteen (15) days after its
17 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,