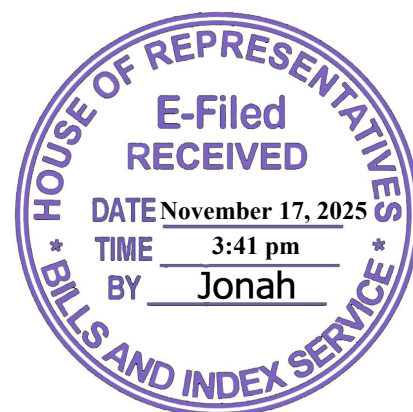


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. 6067



Introduced by Representatives ERIC G. YAP and EDVIC G. YAP

EXPLANATORY NOTE

This bill seeks to consolidate all performance measurement tools and rewards systems for local government units (LGUs) by institutionalizing a culture of meritocracy in governance. It amends Republic Act No. 11292, or the "*Seal of Good Local Governance Act of 2019*", to establish a unified, practical, and real-time performance measurement system that evaluates LGUs based on measurable development outcomes rather than compliance alone.

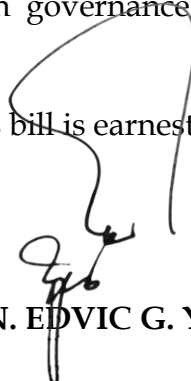
The measure aims to strengthen the Seal of Good Local Governance (SGLG) framework by creating a Human Development Meritocracy Criteria, which assesses LGUs according to their effectiveness in achieving tangible improvements in health, education, standard of living, peace, and order. LGUs will be evaluated not only by uniform benchmarks but also by their historical performance and progress, fostering self-improvement and data-driven governance.

By promoting the use of reliable and comparable data, this aligns local governance with the principles of fiscal decentralization and autonomy while also ensuring that development outcomes are measurable and responsive to the needs of constituents. The performance-based reward system under this bill also recognizes and incentivizes LGUs that demonstrate excellence and sustained improvement in governance and human development.

In view of the foregoing, the immediate passage of this bill is earnestly sought.



HON. ERIC G. YAP



HON. EDVIC G. YAP

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. **6067**

Introduced by Representatives ERIC G. YAP and EDVIC G. YAP

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

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

Section. *Short Title.* — This Act shall be known as the “*Local Governance Meritocracy Act*”.

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

“Sec. 2. Declaration of Policy. — x x x.

TO THIS END, A UNIFIED, PRACTICAL, AND REAL TIME
PERFORMANCE MEASUREMENT TOOL SHALL BE
INSTITUTIONALIZED TO GAUGE THE EFFECTIVENESS OF LGUS IN
ACHIEVING THEIR RESPECTIVE LOCAL DEVELOPMENT OUTCOMES
IN THE AREAS OF HEALTH, EDUCATION, STANDARDS OF LIVING,
AND PEACE AND ORDER. LGUS UNDER THIS ACT SHALL INCLUDE
PROVINCES, CITIES, MUNICIPALITIES, AND BARANGAYS.”

SEC. 3. Section 4 of the same Act is hereby amended to read as follows:

“Sec. 4. The Council of Good Local Governance. — x x x.

(a) x x x

x x x

(f) x x x;

(G) COMMISSION ON HIGHER EDUCATION (CHED);

[(g)] (H) Department of Tourism (DOT);

[(h)] (I) Department of Environment and Natural Resources (DENR);

[(i)] (J) National Economic and Development Authority (NEDA);

(K) PHILIPPINE STATISTICS AUTHORITY (PSA);

(L) PHILIPPINE NATIONAL POLICE (PNP);

[(j)] (M) Office of Civil Defense; [and]

(N) DEPARTMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY (DICT); AND

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

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

SEC. 4. Section 5 of of the same Act is hereby amended to read as follows:

"Sec. 5. Powers and Functions of the Council. — x x x.

(a) Develop and promulgate the performance indicators that shall serve as standards for evaluating the LGU's compliance and/or satisfaction of each of the criteria prescribed above **AND BE IN CHARGE OF DATA COLLECTION, INTEGRATION AND PROCESSING STANDARDS FOR THIS MEASURE AND SUPPORT THE LGUS BY PROVIDING ANY DATA THEY NEED TO REGULARLY UPDATE THEIR DIMENSIONS UNDER THE HUMAN DEVELOPMENT MERITOCRACY CRITERIA:** *Provided,* That the Council shall designate each Council member to lead the development of performance indicators in his/her area of jurisdiction or expertise and recommend the approval of such performance indicators by the Council: *Provided, further,* That in the development and approval of the performance indicators, the Council shall take into consideration that LGUs may not be similarly situated and that one (1) or more indicators may be peculiarly inapplicable or extremely difficult

to meet given the inherent limitations or circumstances of the LGUs: **PROVIDED, FINALLY, THAT THE COUNCIL SHALL TAKE INTO CONSIDERATION THE INDIVIDUAL PERFORMANCE OF EACH LEVEL OF LGU VIS-À-VIS THEIR OWN RESPECTIVE HISTORICAL PERFORMANCES BASED ON THE STANDARDS FOR EVALUATING EACH DIMENSION UNDER THE HUMAN DEVELOPMENT MERITOCRACY CRITERIA AS DEFINED UNDER SECTION 7 OF THIS ACT.**

(b) x x x;

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

(d) Create technical working groups, upon the recommendation of the Council member concerned, composed of experts from government agencies, representatives from the leagues of provinces, cities and municipalities, **BARANGAYS, REGIONAL DEVELOPMENT COUNCILS (RDCs), LOCAL DEVELOPMENT AGENCIES, LOCAL HEALTH BOARDS, LOCAL SCHOOL BOARDS, PEACE AND ORDER COUNCILS**, and other sectors, to assist the Council members in the performance of their respective functions as provided for in paragraph (a) of this Section;

(e) x x x; and

(f) x x x.”

SEC. 5. Section 6 of of the same Act is hereby amended to read as follows:

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

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

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

THE DILG, IN COORDINATION WITH THE PSA, SHALL BE IN CHARGE OF PROVIDING CAPACITY BUILDING AND TRAINING SESSIONS FOR LGUS IN VIEW OF FULFILLING THEIR RESPONSIBILITIES UNDER THIS MEASURE."

SEC. 6. Section 7 of of the same Act is hereby amended to read as follows:

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

I. GOVERNANCE CRITERIA

(a) x x x;

x x x;

(j) x x x.

II. HUMAN DEVELOPMENT MERITOCRACY CRITERIA

(A) HEALTH AND SOCIAL DIMENSION – THIS DIMENSION MEASURES THE OVERALL QUALITY OF HEALTH WITHIN LOCALITY THROUGH THE LONGEVITY OF LIFE OF ITS CONSTITUENTS.

(B) EDUCATION – THIS DIMENSION MEASURES THE ACCESS TO QUALITY OF EDUCATION OF A LOCALITY'S CONSTITUENTS.

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

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

EACH DIMENSION UNDER THE HUMAN DEVELOPMENT MERITOCRACY CRITERIA SHALL BE MEASURED USING A SET OF INDICATORS FORMULATED AND DETERMINED BY THE COUNCIL BASED ON ACCEPTABLE STANDARDS USED NATIONALLY OR INTERNATIONALLY, TOGETHER WITH THE DATA IN THE PHILIPPINE HUMAN DEVELOPMENT REPORT. THE COUNCIL SHALL PRIORITIZE INDICATORS THAT MAY BE RETRIEVED FROM NATIONAL GOVERNMENT AND LOCAL GOVERNMENT SOURCES WITHOUT THE NEED FOR PRIMARY DATA GATHERING METHODOLOGIES SUCH AS STATISTICAL SURVEYS, CENSUS AND REGISTERS. THE SET OF INDICATORS FOR EACH DIMENSION SHALL BE USED TO COMPUTE FOR THE QUALIFICATIONS OF EACH LGU AND ASSESSED BASED ON THEIR RESPECTIVE HISTORICAL GROWTH OR PERFORMANCE SO THAT EACH LEVEL OF LGU COMPETES AGAINST ITSELF AND NOT AS AGAINST OTHER LGUS.

THE COUNCIL SHALL CONTINUOUSLY EXPLORE ALTERNATIVE STATISTICAL INDICATORS FOR THE HUMAN DEVELOPMENT MERITOCRACY CRITERIA, AS MAY BE NECESSARY AND APPROPRIATE FOR PURPOSES OF FASTER DATA COLLECTION AND PROCESSING. THESE INDICATORS SHALL BE UPDATED ANNUALLY BY THE COUNCIL AND SHARED WITH THE CONCERNED LGUS TO ENSURE THAT THE DATA EFFECTIVELY REFLECTS THE KEY DIMENSIONS OF THE HUMAN DEVELOPMENT MERITOCRACY CRITERIA.”

SEC. 7. Two (2) new sections denominated as Section 7-A and Section 7-B, respectively, are inserted after Section 7 of the same Act, and shall read as follows:

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

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

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

SEC. 8. Section 8 of the same Act is hereby amended to read as follows:

"Sec. 8. *Requisites to Qualify for SGLG.* – An LGU, which, according to the assessment of the DILG, complies, qualifies, and passes all assessment criteria as provided in Section 7 of this Act, AND APPROVED BY THE COUNCIL, shall be conferred and awarded the SGLG and granted the corresponding RECOGNITION, AWARDS AND MONETARY incentive as provided under Section 11 of this Act. IN ASSESSING AN LGU'S QUALIFICATION FOR THE SGLG, GREATER CONSIDERATION SHALL BE GIVEN TO THE COMPLIANCE WITH THE HUMAN DEVELOPMENT MERITOCRACY CRITERIA, SUBJECT TO GUIDELINES TO BE ISSUED BY THE COUNCIL."

SEC. 9. Section 11 of of the same Act is hereby amended to read as follows:

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

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

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

SEC. 10. Section 12 of of the same Act is hereby amended to read as follows:

"Sec. 12. *Utilization and Limitations on Expenditures of the Incentives under the SGLG Fund.* – The use of the incentives paid out of the SGLG Fund shall be governed by the policies governing the utilization of the twenty percent

(20%) of the annual [Internal Revenue Allotment (IRA)] **NATIONAL TAX ALLOTMENT (NTA)** for local development projects, the Annual Investment Program (AIP) and the Local Development Investment Program (LDIP).

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

(a) x x x;

x x x."

SEC. 11. Section 14 of of the same Act is hereby amended to read as follows:

*"Sec. 14. Management and Administration of the SGLG Fund. — The SGLG Fund established under Section 11 of this Act shall be managed and administered by the DILG with the supervision of the Council. Appropriation to replenish the amount paid out from the Fund during the year and/or to augment the Fund shall be proposed by and **ANNUALLY** included in the budget of the DILG under the GAA."*

SEC. 12. Section 15 of of the same Act is hereby amended to read as follows:

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

SEC. 13. Section 16 of of the same Act is hereby amended to read as follows:

*"Sec. 16. SGLG Operating Fund. — The activities and operational expenses, other than the incentive payouts, related to the implementation of this Act shall be initially funded from the DILG's Performance Challenge Fund. Thereafter, the DILG shall include in its annual budget to be incorporated in the GAA, the item for the SGLG operating fund in the amount equivalent to **NOT LESS THAN [two] FIVE percent [2%] (5%)** of the SGLG Fund."*

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

SEC. 15. *Implementing Rules and Regulations.* — Within ninety (90) days from the effectivity of this Act, the members of the Council led by the DILG and the PSA, in

coordination with the Union of Local Authorities of the Philippines (ULAP) and the Leagues of LGUs and local officials, shall promulgate the implementing rules and regulations necessary for the effective implementation of this Act.

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

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

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

Approved,