



HOUSE OF REPRESENTATIVES

H. No. 11563

BY REPRESENTATIVES GARCIA (A.), GARCIA (M.A.), NISAY, DY (F.). MARCOS, SALCEDA, ALBA, OLIVAREZ, YAP (ERIC), SINGSON-MEEHAN, LORIA, ORETA, TULFO (R.W.), TULFO (J.), SORIANO, GOMEZ, MONTES, GLEPA, YU (J.K.), YU (J.V.), PUNO, NAVA, PASCUAL, FUENTEBELLA, CAGAS, HERNANDEZ (R.), HERNANDEZ (F.), CO-PILAR, YAMSUAN, GUINTU, YAP (A.), ATAYDE, CARI, RAMA, MARQUEZ, VELOSO-TUAZON, SALVAME, PLEYTO, GARBIN, SAKALURAN, JAVIER, ERICE, MACASAET, GATCHALIAN, BULUT-BEGTANG, TAN (K.M.), POE, SUANSING (M.A.), MIRAFLORES, HERNANDEZ (D.), CENDAÑA, ISMULA, YAP (EDVIC), ODUKADO, PRIMICIAS-AGABAS, DIONISIO, GUTIERREZ, ORTEGA, KHONGHUN AND ADIONG

AN ACT

ESTABLISHING A PERFORMANCE MEASUREMENT SYSTEM TO PROMOTE MERITOCRACY IN LOCAL GOVERNMENT, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 11292, OTHERWISE KNOWN AS "THE SEAL OF GOOD LOCAL GOVERNANCE ACT OF 2019"

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 "Seal of Meritocracy
2 and Good Local Governance Act."

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

6
7 **"SEC. 2. Declaration of Policy.** – It is hereby declared the policy
8 of the State to recognize the good performance of local government units
9 (LGUs) in transparency and accountability in the use of public funds,
10 preparedness for challenges posed by disasters, sensitivity to the needs of
11 vulnerable and marginalized sectors of society, implementation of health
12 programs, investment and employment promotion, protection of
13 constituency from threats to life and damage to property, and safeguarding
14 the integrity of the environment. In such recognition, the State hopes
15 to encourage all LGUs to take on greater challenges, encourage
16 outcome-based performance and to reward local governments for their
17 effort in pursuing **POLICIES THAT PROMOTE** the general welfare of
18 their constituency and in enforcing existing laws.

19 **THE STATE ADHERES TO THE PRINCIPLE OF**
20 **ACCOUNTABILITY OF PUBLIC OFFICERS, AS ENSHRINED IN**
21 **SECTION 1, ARTICLE XI OF THE 1987 CONSTITUTION, WHICH**

1 PROVIDES THAT "PUBLIC OFFICE IS A PUBLIC TRUST. PUBLIC
2 OFFICERS AND EMPLOYEES MUST, AT ALL TIMES, BE
3 ACCOUNTABLE TO THE PEOPLE, SERVE THEM WITH UTMOST
4 RESPONSIBILITY, INTEGRITY, LOYALTY, AND EFFICIENCY; ACT
5 WITH PATRIOTISM AND JUSTICE, AND LEAD MODEST LIVES."

6
7 TO THIS END, A UNIFIED, PRACTICAL, AND TIMELY
8 PERFORMANCE MEASUREMENT TOOL SHALL BE
9 INSTITUTIONALIZED TO ASSESS THE EFFECTIVENESS OF LGUS IN
10 ACHIEVING DEVELOPMENT OUTCOMES IN THE AREAS OF HEALTH,
11 EDUCATION, ECONOMIC STANDARDS OF LIVING, PEACE AND
12 ORDER, AND CONSUMER PRICE AFFORDABILITY.

13
14 THESE OUTCOMES SHALL BE MEASURED IN THE CONTEXT
15 OF LOCAL CONDITIONS AND HISTORICAL PERFORMANCE
16 OF LGUS.

17
18 LGUs UNDER THIS ACT SHALL INCLUDE BARANGAYS,
19 MUNICIPALITIES, CITIES, AND PROVINCES."

20
21 **SEC. 3.** Section 3 of the same Act is hereby amended to read as follows:

22
23 "[SEC. 3. *The Seal of Good Local Governance.* – The Seal of
24 Good Local Governance (SGLG) is an award, incentive, honor and
25 recognition-based program for all LGUs and is a continuing commitment for
26 LGUs to continually progress and improve their performance in the following
27 areas by:

- 28
29 (a) Upholding the practice of transparency and accountability in the use of
30 public funds;
31 (b) Preparing for challenges brought about by unpredictable natural
32 calamities;
33 (c) Demonstrating the readiness to help and sensitivity to the needs of
34 vulnerable and marginalized sectors of society;
35 (d) Setting-up, implementing and sustaining health policies and programs
36 that would strengthen and promote the well-being, healthy lifestyle and
37 safety of the public, ensuring that all individuals especially the
38 vulnerable have fair opportunities for better health;
39 (e) Instituting education reforms and programs to improve the quality of
40 education in the country;
41 (f) Encouraging pro-competitive policies and government interventions that
42 promote market efficiency and consumer welfare;
43 (g) Protecting constituents from threats to life and damage to property;
44 (h) Safeguarding and preserving the integrity of the environment through
45 adaptive social responsibility; and
46 (i) Conserving local culture and heritage and fostering their value and
47 significance for tourism opportunity.]

48 **SEC 3. THE SEAL OF MERITOCRACY AND GOOD LOCAL**
49 **GOVERNANCE. – THE SEAL OF MERITOCRACY AND GOOD LOCAL**
50 **GOVERNANCE (SMGLG) IS AN OUTCOME-BASED AWARD AND**

1 **RECOGNITION PROGRAM FOR LGUS. LGUS SHALL BE ASSESSED**
2 **USING EMPIRICALLY VERIFIABLE METRICS AS STIPULATED UNDER**
3 **SECTION 7 OF THIS ACT."**
4

5 **SEC. 4.** Section 4 of the same Act is hereby amended to read as follows:
6

7 **"SEC. 4. The Council of MERITOCRACY AND Good Local**
8 **Governance.** – There is hereby established a Council of **MERITOCRACY**
9 **AND Good Local Governance** (the "Council"), which shall be composed of
10 the following:
11

- 12 (a) Department of the Interior and Local Government (DILG);
13 (b) Department of Budget and Management (DBM);
14 (c) Department of Finance (DOF);
15 (d) Department of Health (DOH);
16 (e) Department of Social Welfare and Development (DSWD);
17 (f) Department of Education (DepEd);
18 (g) Department of Tourism (DOT);
19 (h) Department of Environment and Natural Resources (DENR);
20 (i) [National Economic and Development Authority (NEDA)]
21 **DEPARTMENT OF ECONOMY, PLANNING, AND DEVELOPMENT**
22 **(DEPDEV);**
23 (j) Office of Civil Defense; [and]
24 (k) One (1) representative from the basic sectors to be nominated by the
25 National Anti-Poverty Commission (NAPC)[.];
26 **(L) COMMISSION ON HIGHER EDUCATION (CHED);**
27 **(M) PHILIPPINE STATISTICS AUTHORITY (PSA);**
28 **(N) PHILIPPINE NATIONAL POLICE (PNP);**
29 **(O) DEPARTMENT OF INFORMATION AND COMMUNICATIONS**
30 **TECHNOLOGY (DICT);**
31 **(P) COMMISSION ON AUDIT (COA) ;**
32 **(Q) CIVIL SERVICE COMMISSION (CSC);**
33 **(R) NATIONAL PRIVACY COMMISSION (NPC);**
34 **(S) ANTI-RED TAPE AUTHORITY (ARTA);**
35 **(T) DEPARTMENT OF TRADE AND INDUSTRY (DTI); AND**
36 **(U) UNION OF LOCAL AUTHORITIES OF THE PHILIPPINES (ULAP).**

37 The Secretary of the DILG shall act as Chairperson of the Council
38 **AND THE SECRETARY OF DEPDEV AS CO-CHAIRPERSON.** The
39 [appropriate office] **SECRETARIES** of the DILG **AND DEPDEV**[, as the
40 latter may designate,] shall **JOINTLY DESIGNATE THE APPROPRIATE**
41 **OFFICES WITHIN THEIR AGENCIES TO** serve as the Secretariat of
42 the Council.
43

44 **THE PSA, IN ACCORDANCE WITH ITS MANDATE, SHALL**
45 **PROVIDE FULL TECHNICAL ASSISTANCE TO THE COUNCIL, AS MAY**
46 **BE DIRECTED BY THE CHAIRPERSON, THE CO-CHAIRPERSON,**
47 **OR BOTH.**

1 FOR PURPOSES OF DETERMINING ELIGIBILITY FOR THE
2 GRANT OF THE SMGLG, THE COUNCIL SHALL ADOPT TWO (2) SETS
3 OF CRITERIA: (1) THE HUMAN DEVELOPMENT MERITOCRACY
4 CRITERIA; AND (2) THE LOCAL GOVERNANCE CRITERIA.
5

6 UNDER THE HUMAN DEVELOPMENT MERITOCRACY
7 CRITERIA, FIVE (5) COMMITTEES SHALL BE ESTABLISHED WITHIN
8 THE COUNCIL TO PROVIDE TIMELY AND ADEQUATE DATA ALIGNED
9 WITH THE DIMENSIONS INDICATED UNDER SECTION 7(A), NAMELY:
10

- 11 (1) COMMITTEE ON HEALTH – TO BE CHAIRED BY THE
12 SECRETARY OF THE DOH AND SUPPORTED BY THE SOCIAL
13 DEVELOPMENT COMMITTEE OF THE REGIONAL
14 DEVELOPMENT COUNCILS AND LOCAL HEALTH BOARDS;
15
- 16 (2) COMMITTEE ON EDUCATION – TO BE CHAIRED BY THE
17 SECRETARY OF THE DEPED, CO-CHAIRLED BY THE
18 CHAIRPERSON OF THE CHED, AND SUPPORTED BY THE
19 SOCIAL DEVELOPMENT COMMITTEE OF THE REGIONAL
20 DEVELOPMENT COUNCILS AND THE LOCAL SCHOOL
21 BOARDS;
22
- 23 (3) COMMITTEE ON PEACE AND ORDER AND PUBLIC SAFETY –
24 TO BE CHAIRED BY THE SECRETARY OF THE DILG AND
25 SUPPORTED BY THE NATIONAL PEACE AND ORDER COUNCIL
26 AND THE PEACE AND ORDER COUNCILS AT THE REGIONAL
27 AND LOCAL LEVELS;
28
- 29 (4) COMMITTEE ON ECONOMIC STANDARDS OF LIVING – TO BE
30 CHAIRLED BY THE DEPDEV AND SUPPORTED BY THE
31 REGIONAL AND LOCAL DEVELOPMENT COUNCILS; AND
32
- 33 (5) COMMITTEE ON CONSUMER PRICE AFFORDABILITY – TO BE
34 CHAIRLED BY THE DTI AND SUPPORTED BY THE REGIONAL
35 AND LOCAL DEVELOPMENT COUNCILS.
36

37 UNDER THE LOCAL GOVERNANCE CRITERIA, THREE (3)
38 COMMITTEES SHALL BE ESTABLISHED WITHIN THE COUNCIL TO
39 VALIDATE AND ASSESS THE PERFORMANCE AND COMPLIANCE OF
40 LGUS WITH THE PRESCRIBED PARAMETERS UNDER SECTION 7(B),
41 NAMELY:
42

- 43 (1) COMMITTEE ON LOCAL GOVERNMENT RESILIENCE – TO BE
44 CHAIRLED BY THE SECRETARY OF THE DILG;
45
- 46 (2) COMMITTEE ON FISCAL MANAGEMENT – TO BE CHAIRED BY
47 THE SECRETARY OF THE DOF; AND
- 48 (3) COMMITTEE ON INNOVATION – TO BE CHAIRED BY THE
49 SECRETARY OF THE DEPDEV.

1 **THE COUNCIL SHALL DESIGNATE EACH COUNCIL MEMBER**
2 **TO THE APPROPRIATE COMMITTEE CONSISTENT WITH THE**
3 **MEMBER'S OFFICIAL MANDATE OR FUNCTIONS."**
4

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

7 **"SEC. 5. Powers and Functions of the Council.** – The Council
8 shall act as **A** policy-making and advisory body to ensure the proper
9 implementation of [the SGLG] **THIS ACT**. It shall perform the following
10 powers and functions:
11

12 **(A) DETERMINE THE LGUS WHICH QUALIFY FOR THE**
13 **CONFERMENT OF THE SMGLG, UPON THE**
14 **RECOMMENDATION OF THE IMPLEMENTING AGENCIES**
15 **DESIGNATED UNDER SECTION 6 OF THIS ACT;**
16

17 **[(a)] (B)** Develop and promulgate the performance indicators that shall
18 serve as standards for evaluating the LGUs' compliance [and/or] **AND**
19 satisfaction [of] **WITH** each of the criteria prescribed [above] **UNDER**
20 **SECTION 7 OF THIS ACT: Provided,** That the Council shall designate
21 each Council member to lead the development of performance
22 indicators in [his/her] **THE** area of jurisdiction or expertise and
23 recommend the approval of such performance indicators by the
24 Council: *Provided, further,* That in the development and approval of
25 the performance indicators, the Council shall take into consideration
26 that LGUs may not be similarly situated and that one (1) or more
27 indicators may be peculiarly inapplicable or extremely difficult to meet
28 given the inherent limitations or circumstances of the LGUs[;]:
29 **PROVIDED, FURTHERMORE, THAT IN ALL CASES, THE**
30 **COUNCIL SHALL TAKE INTO ACCOUNT THE INDIVIDUAL**
31 **PERFORMANCE OF EACH LGU, RELATIVE TO ITS RESPECTIVE**
32 **HISTORICAL PERFORMANCE, BASED ON THE STANDARDS**
33 **FOR EVALUATING EACH DIMENSION UNDER THE HUMAN**
34 **DEVELOPMENT MERITOCRACY CRITERIA AS PROVIDED**
35 **UNDER SECTION 7 OF THIS ACT;**
36

37 **[(b)] (C)** Review [and/] or revise the performance indicators consistent
38 with the **MEDIUM AND** long-term development plans of the
39 National Government. The [development] **IDENTIFICATION** of
40 indicators should reflect **DEVELOPMENT** outcomes that are
41 performance-based, encouraging outputs that reflect concrete
42 benefits to the community in terms of policy, rules, regulations,
43 behavior, skill competencies, knowledge, or attitude;
44

45 **[(c)] (D)** Conduct an **IMPACT** evaluation [of the impact] of this Act on the
46 performance of the LGUs for purposes of determining the need for
47 enhancing or continuing the [SGLG] **ACT**, rolling out the [SGLG]
48 **SMGLG** in barangays and recommending any amendatory legislation.
49 For this purpose, the Council shall institute an effective feedback
50 mechanism where the concerns of LGUs and other stakeholders on

the implementation of the [SGLG] **SMGLG** are appropriately considered;

[(d)] **(E)** 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[,] **AND BARANGAYS, NAPC BASIC SECTORS**, and other sectors, to assist the Council members in the performance of their respective functions as provided for in paragraph [(a)] **(B)** of this section;

[(e)] **(F)** Submit to the President of the Philippines, the President of the Senate and the Speaker of the House of Representatives, on an annual basis, copies of the performance indicators approved by the Council together with the performance indicators developed and recommended by the lead Council member, and the result of the impact assessment conducted pursuant to paragraph (c) of this section; [and]

(G) SET THE STANDARDS FOR DATA COLLECTION, INTEGRATION, AND PROCESSING FOR PURPOSES OF THIS ACT, AND PROVIDE LGUS WITH THE NECESSARY DATA TO ENABLE THE REGULAR UPDATING OF THEIR RESPECTIVE DIMENSIONS UNDER THE HUMAN DEVELOPMENT MERITOCRACY CRITERIA; AND

[(f)] **(H)** Perform such other functions as are necessary or incidental to properly carry out the purposes of this Act.”

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

“SEC. 6. Implementing [Agency] AGENCIES. – The DILG **AND THE DEPDEV** shall be the implementing [agency] **AGENCIES** of this Act. [It] **THEY** shall, through [its] **THEIR** relevant bureaus and offices, and in consultation and coordination with **OTHER MEMBERS OF THE COUNCIL**, partner agencies or sectors, **RESPECTIVE LEAGUES OF LGUS AND LOCAL OFFICIALS, 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] **SMGLG**.

THE IMPLEMENTING AGENCIES MAY UNDERTAKE SUCH OTHER APPROPRIATE ACTIONS AS MAY BE NECESSARY TO CARRY OUT THE PROVISIONS OF THIS ACT, INCLUDING:

(A) CALLING UPON, INDIVIDUALLY OR JOINTLY, ANY CONCERNED AGENCY OR INSTRUMENTALITY, LGU LEAGUE, CIVIL SOCIETY ORGANIZATION (CSO), SECTOR, OR OTHER BODIES, AS MAY BE NECESSARY, TO ASSIST IN CARRYING OUT THEIR RESPONSIBILITIES UNDER THIS ACT;

1 (B) DESIGNATING THE PSA AS THE PRIMARY DATA CUSTODIAN
2 AT THE NATIONAL LEVEL AND MANDATING IT TO ESTABLISH
3 AND MAINTAIN A DIGITAL DATA REPOSITORY ACCESSIBLE TO
4 THE PUBLIC, IN ACCORDANCE WITH THE DATA PRIVACY ACT
5 OF 2012, WITH THE TECHNICAL ASSISTANCE OF THE DICT;
6

7 (C) DIRECTING THE PSA, IN COORDINATION WITH THE DICT, TO
8 ESTABLISH AND FINALIZE THE STANDARDS FOR DATA
9 COLLECTION, INTEGRATION, AND PROCESSING TO BE
10 ADOPTED BY LGUS; AND
11

12 (D) PROVIDING CAPACITY-BUILDING AND TRAINING PROGRAMS,
13 WITH THE ASSISTANCE OF THE PSA AND OTHER RELEVANT
14 AGENCIES, TO SUPPORT LGUS IN COMPLYING WITH THEIR
15 RESPONSIBILITIES UNDER THIS ACT.
16

17 THE DILG SHALL RECOGNIZE WELL-PERFORMING LGUS AND
18 GRANT FINANCIAL INCENTIVES TO THE BEST-PERFORMING LGUS
19 OR ENFORCE APPROPRIATE MEASURES, AS PROVIDED IN THIS
20 ACT: *PROVIDED*, THAT SUCH MEASURES SHALL CONFORM TO THE
21 PRINCIPLE OF SUBSIDIARITY AS GUARANTEED UNDER SECTION 4,
22 ARTICLE X OF THE 1987 CONSTITUTION.
23

24 The DILG AND THE DEPDEV shall call on any other concerned
25 agencies, [civil society organizations (CSOs)] CSOS, or THE PRIVATE
26 sector[s], as it may deem necessary, to assist in carrying out [its] THEIR
27 responsibilities under this Act.”
28

29 SEC. 7. Section 7 of the same Act is hereby amended to read as follows:
30

31 “SEC. 7. *Criteria.* – For the purpose of this Act, TWO (2) CRITERIA
32 CATEGORIES SHALL BE APPLIED TO DIFFERENT ASPECTS OF
33 GOVERNANCE: (A) “HUMAN DEVELOPMENT MERITOCRACY
34 CRITERIA,” WHICH FOCUS ON MEASURING DEVELOPMENT
35 OUTCOMES THAT AN LGU IS EXPECTED TO ACHIEVE; AND (B)
36 “LOCAL GOVERNANCE CRITERIA,” WHICH EMPHASIZE THE
37 PROCESSES AND INPUTS FOR STRENGTHENING LOCAL
38 GOVERNANCE. The [areas] DIMENSIONS in [the] EACH criteria
39 CATEGORY shall be understood and interpreted as follows:
40

41 (A) HUMAN DEVELOPMENT MERITOCRACY CRITERIA
42

43 (i) HEALTH – THIS DIMENSION MEASURES THE OVERALL
44 QUALITY OF HEALTH WITHIN A LOCALITY THROUGH THE
45 LONGEVITY OF LIFE OF ITS CONSTITUENTS. INDICATORS
46 FOR MEASUREMENT UNDER THIS DIMENSION MAY
47 INCLUDE THE REDUCTION IN COMMUNICABLE AND
48 NON-COMMUNICABLE DISEASES, AND MATERNAL AND
49 CHILD DEATHS.

1 (ii) EDUCATION – THIS DIMENSION MEASURES THE ACCESS OF
2 A LOCALITY'S CONSTITUENTS TO QUALITY EDUCATION.
3 INDICATORS FOR MEASUREMENT UNDER THIS DIMENSION
4 MAY INCLUDE THE INCREASE IN THE NUMERACY,
5 LITERACY, AND COMPLETION RATE.
6

7 (iii) PEACE AND ORDER AND PUBLIC SAFETY – THIS DIMENSION
8 MEASURES THE PREVALENCE OF CRIMES WITHIN A
9 LOCALITY. INDICATORS FOR MEASUREMENT UNDER THIS
10 DIMENSION MAY INCLUDE REDUCTION IN THE CRIME INDEX,
11 AND IN ACCIDENTS.
12

13 (iv) ECONOMIC STANDARDS OF LIVING – THIS DIMENSION
14 MEASURES THE LEVEL OF INCOME OF CONSTITUENTS AND
15 ECONOMIC OPPORTUNITIES WITHIN A LOCALITY.
16 INDICATORS FOR MEASUREMENT UNDER THIS DIMENSION
17 MAY INCLUDE TOTAL HOUSEHOLD ELECTRICITY
18 CONSUMPTION, PERCENTAGE OF POPULATION EMPLOYED,
19 AND POVERTY INCIDENCE.
20

21 (v) CONSUMER PRICE AFFORDABILITY – THIS DIMENSION
22 MEASURES THE AFFORDABILITY OF BASIC GOODS AND
23 SERVICES WITHIN A LOCALITY. INDICATORS FOR
24 MEASUREMENT UNDER THIS DIMENSION SHALL INCLUDE
25 THE INFLATION RATE, THE CONSUMER PRICE INDEX, AND
26 THE PRICES OF BASIC COMMODITIES.
27

28 EACH DIMENSION UNDER THE HUMAN DEVELOPMENT
29 MERITOCRACY CRITERIA SHALL BE MEASURED USING
30 INDICATORS CITED ABOVE AND OTHER INDICATORS TO BE
31 FORMULATED AND DETERMINED BY THE CONCERNED COMMITTEE
32 AND APPROVED BY THE COUNCIL BASED ON ACCEPTABLE
33 NATIONAL OR INTERNATIONAL STANDARDS. IN DETERMINING
34 SUCH, THE COUNCIL SHALL PRIORITIZE INDICATORS THAT CAN BE
35 GENERATED FROM NATIONAL AND LOCAL GOVERNMENT
36 SOURCES WITHOUT THE NEED FOR PRIMARY DATA GATHERING
37 METHODOLOGIES SUCH AS STATISTICAL SURVEYS, CENSUS,
38 AND REGISTERS.
39

40 THE SET OF INDICATORS FOR EACH DIMENSION SHALL BE
41 USED TO COMPUTE THE QUALIFICATIONS OF EACH LGU AND TO
42 ASSESS THEM BASED ON THEIR RESPECTIVE HISTORICAL
43 GROWTH OR PERFORMANCE, SO THAT EACH LEVEL OF LGU
44 COMPETES AGAINST ITSELF AND NOT AGAINST OTHER LGUS.
45

46 THE COUNCIL SHALL CONTINUOUSLY EXPLORE AND ADOPT
47 ALTERNATIVE STATISTICAL INDICATORS FOR THE HUMAN
48 DEVELOPMENT MERITOCRACY CRITERIA, AS MAY BE NECESSARY,
49 TO FACILITATE MORE EFFICIENT DATA COLLECTION AND
50 PROCESSING. THESE INDICATORS SHALL BE UPDATED ANNUALLY
51 BY THE CONCERNED AGENCIES AND SHARED WITH RELEVANT

1 LGUS TO ENSURE THAT THE DATA ACCURATELY REFLECT THE
2 KEY DIMENSIONS UNDER THIS CRITERIA, AS PROVIDED UNDER
3 THIS ACT, AND REMAIN TRANSPARENT AND ACCESSIBLE FOR
4 EFFICIENT COLLECTION AND PROCESSING.
5

6 **(B) LOCAL GOVERNANCE CRITERIA**
7

8 [(a) Good Fiscal or Financial Administration or Financial
9 Sustainability. –
10 xxx

- 11 (b) xxx
12 (c) xxx
13 (d) xxx
14 (e) xxx
15 (f) xxx
16 (g) xxx
17 (h) xxx
18 (i) xxx
19 (j) xxx]

20
21 (i) **FISCAL MANAGEMENT – THIS DIMENSION UPHOLDS THE**
22 **PRACTICE OF TRANSPARENCY, ACCOUNTABILITY, AND**
23 **EFFICIENCY IN THE USE OF PUBLIC FUNDS.**
24

25 (ii) **LOCAL GOVERNMENT RESILIENCE – THIS DIMENSION**
26 **STRENGTHENS THE CAPACITY OF LGUS TO PROTECT**
27 **LIVES AND PROPERTY, ENHANCE COMMUNITY RESILIENCE**
28 **AGAINST DISASTERS AND OTHER SHOCKS, AND**
29 **ENSURE THE CONTINUOUS, INCLUSIVE, AND RESPONSIVE**
30 **DELIVERY OF SOCIAL PROTECTION AND BASIC SERVICES,**
31 **THEREBY PROMOTING EQUITABLE ACCESS TO QUALITY**
32 **PUBLIC SERVICE.**
33

34 (iii) **INNOVATION – THIS DIMENSION RECOGNIZES LOCAL**
35 **GOVERNMENT PROGRAMS, PROJECTS, AND ACTIVITIES**
36 **(PPAS) THAT DEMONSTRATE ORIGINALITY, MEASURABLE**
37 **IMPACT, SCALABILITY, SUSTAINABILITY, STAKEHOLDER**
38 **ENGAGEMENT, AND ALIGNMENT WITH NATIONAL GOALS,**
39 **INCLUDING INNOVATIVE APPROACHES TO FINANCIAL**
40 **LITERACY AND ECONOMIC EMPOWERMENT PROGRAMS**
41 **THAT ENHANCE FINANCIAL CAPABILITY AND STRENGTHEN**
42 **HOUSEHOLD ECONOMIC RESILIENCE.**
43

44 **IN THE APPLICATION AND MEASUREMENT OF ALL**
45 **DIMENSIONS UNDER BOTH CRITERIA, THE COUNCIL AND THE**
46 **CONCERNED COMMITTEES SHALL ENSURE THAT THE INDICATORS**
47 **AND RESULTING OUTCOMES ARE CONSISTENT WITH THE**
48 **PRINCIPLES OF SUSTAINABLE DEVELOPMENT.**

1 The foregoing **HUMAN DEVELOPMENT MERITOCRACY AND**
2 **LOCAL GOVERNANCE** criteria may be expanded by the Council to align
3 with the thrusts of the National Government and attune them [with] **TO** the
4 changing times.”

5
6 **SEC. 8.** Two new sections, denominated as Section 7-A and Section 7-B,
7 respectively, are hereby inserted after Section 7 of the same Act to read as follows:
8

9 **“SEC. 7-A. DATA COLLECTION. – LGUS SHALL COLLECT THE**
10 **DATA NECESSARY FOR THE IMPLEMENTATION OF THIS ACT. IN**
11 **DOING SO, THEY SHALL ENGAGE IN OPEN DATA SHARING AND**
12 **OTHER NECESSARY COLLABORATIVE ARRANGEMENTS SUBJECT**
13 **TO APPLICABLE DATA PRIVACY LAWS AND REGULATIONS.**
14

15 **FOR PURPOSES OF THIS ACT, LGUS MAY HIRE THE**
16 **NECESSARY PERSONNEL, INCLUDING STATISTICIANS AND OTHER**
17 **RELEVANT STAFF, THE NUMBER AND POSITIONS OF WHICH SHALL**
18 **BE DETERMINED BY THE COUNCIL THROUGH THE REVISED**
19 **IMPLEMENTING RULES AND REGULATIONS (IRR) TO BE ISSUED**
20 **FOR THIS PURPOSE.**
21

22 **THE PSA SHALL CREATE ADDITIONAL POSITIONS AT**
23 **THE PROVINCIAL LEVEL TO MONITOR AND MANAGE**
24 **ENUMERATION ACTIVITIES OF LGUS WITHIN THEIR JURISDICTION,**
25 **SUBJECT TO THE EVALUATION AND APPROVAL OF THE**
26 **DEPARTMENT OF BUDGET AND MANAGEMENT, IN ACCORDANCE**
27 **WITH CIVIL SERVICE AND OTHER PERTINENT LAWS, RULES,**
28 **AND REGULATIONS.**
29

30 **LGUS AND THE PSA MAY UTILIZE ARTIFICIAL INTELLIGENCE**
31 **AND OTHER APPROPRIATE TECHNOLOGIES IN THE PERFORMANCE**
32 **OF THEIR FUNCTIONS UNDER THIS ACT, IN ACCORDANCE WITH**
33 **APPLICABLE LAWS, REGULATIONS, AND DATA PRIVACY**
34 **STANDARDS.**
35

36 **CONSISTENT WITH SECTION 7 OF THIS ACT, DATA THAT**
37 **MAY BE ACCESSED WITHOUT THE NEED FOR PRIMARY**
38 **DATA-GATHERING METHODOLOGIES SHALL BE PRIORITIZED.**
39

40 **SEC. 7-B. PERIODICITY OF DATA COLLECTION. – FOR THE**
41 **HUMAN DEVELOPMENT MERITOCRACY CRITERIA UNDER SECTION**
42 **7 OF THIS ACT, LGUS SHALL CONDUCT REGULAR AND**
43 **SYNCHRONIZED DATA COLLECTION EVERY QUARTER, BASED ON**
44 **THE LATEST AVAILABLE DATA FOR IDENTIFIED INDICATORS, OR**
45 **ON SHORTER INTERVALS, WHENEVER FEASIBLE. IN THE CONDUCT**
46 **OF DATA COLLECTION, APPROPRIATE NGAS SHALL PROVIDE**
47 **TECHNICAL ASSISTANCE.”**

1 **SEC. 9.** Section 8 of the same Act is hereby amended to read as follows:
2

3 **“SEC. 8. *Requisites to Qualify for [SGLG] SMGLG.*** – An LGU,
4 which, according to the assessment of the DILG, complies, qualifies, and
5 passes all assessment criteria as provided in Section 7 of this Act, **AND**
6 **APPROVED BY THE COUNCIL**, shall be conferred and awarded the
7 **[SGLG] SMGLG** and granted the corresponding **RECOGNITION,**
8 **AWARDS, AND MONETARY** incentiveS as provided under Section 11 of
9 this Act.
10

11 **IN ASSESSING AN LGU'S QUALIFICATION FOR THE SMGLG,**
12 **GREATER WEIGHT SHALL BE GIVEN TO ITS COMPLIANCE WITH THE**
13 **HUMAN DEVELOPMENT MERITOCRACY CRITERIA UNDER SECTION**
14 **7 OF THIS ACT. FOR THIS PURPOSE, SEVENTY PERCENT (70%) OF**
15 **THE TOTAL ASSESSMENT WEIGHT SHALL BE ASSIGNED TO THE**
16 **HUMAN DEVELOPMENT MERITOCRACY CRITERIA, WHILE THIRTY**
17 **PERCENT (30%) SHALL BE ASSIGNED TO THE GOVERNANCE**
18 **CRITERIA.”**
19

20 **SEC. 10.** A new section to be denominated as Section 8-A is hereby inserted
21 after Section 8 of the same Act to read as follows:
22

23 **“SEC. 8-A. *PERFORMANCE-BASED BONUS.*** – THE STRATEGIC
24 **GOALS AND PERFORMANCE TARGETS OF ALL LGUS SHALL BE**
25 **ALIGNED WITH THE DIMENSIONS OF THE HUMAN DEVELOPMENT**
26 **MERITOCRACY CRITERIA. EACH DEPARTMENT, OFFICE, OR**
27 **DIVISION WITHIN AN LGU SHALL, IN TURN, BE ASSESSED BASED**
28 **ON ITS IDENTIFIED CONTRIBUTIONS TO THESE DIMENSIONS,**
29 **WHICH SHALL SERVE AS THE BASIS FOR DETERMINING**
30 **ELIGIBILITY AND RATES UNDER THE PERFORMANCE-BASED**
31 **BONUS AND ASSESSMENT SYSTEM, CONSISTENT WITH THE**
32 **STRATEGIC PERFORMANCE MANAGEMENT SYSTEM (SPMS) OF**
33 **THE CSC.**
34

35 **THE DILG, IN COORDINATION WITH THE DBM, SHALL**
36 **JOINTLY DESIGN AND IMPLEMENT A PERFORMANCE-BASED**
37 **BONUS SYSTEM FOR BARANGAY OFFICIALS AND WORKERS,**
38 **CONSISTENT WITH APPLICABLE LAWS AND COA RULES. THE CSC**
39 **SHALL BE CONSULTED ON ALIGNMENT WITH CIVIL SERVICE**
40 **PRINCIPLES INsofar AS APPLICABLE TO APPOINTIVE**
41 **BARANGAY PERSONNEL, WITHOUT PREJUDICE TO EXISTING**
42 **CLASSIFICATIONS AND JURISDICTIONS.”**
43

44 **SEC. 11.** Section 9 of the same Act is hereby amended to read as follows:
45

46 **“SEC. 9. *Rules of Interpretation.*** – In order to ensure and preserve
47 the prestige of the **[SGLG] SMGLG**, in the interpretation of the provisions
48 of this Act, all definitions of the criteria and all rules and regulations issued
49 pursuant to this Act shall be strictly construed against the LGUs. It shall be
50 the burden of an LGU to show that it qualifies for the **[SGLG] SMGLG.”**

1 **SEC. 12.** Section 11 of the same Act is hereby amended to read as follows:
2

3 **"SEC. 11. *The [SGLG] SMGLG Incentive Fund.*** – There is hereby
4 created a special account under the General Appropriations Act (GAA)
5 called the ["SGLG Fund"] **'SMGLG FUND'**. The Fund shall be utilized only
6 to pay out the incentives granted to LGUs which qualify for the [SGLG]
7 **SMGLG**.
8

9 The Council established under Section 4 of this Act shall have the
10 authority to determine the monetary incentives for LGUs based on the
11 number of awardees. It shall also have the authority to re-evaluate and
12 increase the amount of [SGLG] **SMGLG** incentive to be awarded to LGUs:
13 *Provided, That, the increase shall be subject to the sufficiency of the Fund*
14 *at the time the increment is implemented.*
15

16 **TO ENSURE THE EFFECTIVE IMPLEMENTATION OF THIS ACT,**
17 **ALL NATIONAL GOVERNMENT AGENCIES SHALL ACCORD**
18 **PRIORITY IN THE PREPARATION OF THEIR RESPECTIVE**
19 **ANNUAL BUDGET PROPOSALS TO PROGRAMS, ACTIVITIES, AND**
20 **PROJECTS FOR THE BENEFIT OF LGUS CONFERRED WITH THE**
21 **SMGLG UNDER THIS ACT. THE DBM SHALL ADHERE TO SUCH**
22 **MERITOCRACY-BASED BUDGETING FRAMEWORK IN THE**
23 **CONSIDERATION OF SUCH PROGRAMS, ACTIVITIES, AND**
24 **PROJECTS (PAPS) IN THE PREPARATION OF THE NATIONAL**
25 **BUDGET FOR THE SUCCEEDING FISCAL YEAR.**
26

27 **MONETARY AND NON-MONETARY INCENTIVES FOR LGUS**
28 **UNDER THIS ACT MAY ALSO BE SOURCED FROM OTHER FUND**
29 **ASSISTANCE SOURCES TO LGUS UNDER THE DILG OR OTHER**
30 **GOVERNMENT AGENCIES AND INSTITUTIONS SUCH AS THE LOCAL**
31 **GOVERNMENT SUPPORT FUND (LGSF). LGUS CONFERRED WITH**
32 **THE AWARD MAY ALSO BE GIVEN PRIORITY ACCESS TO NATIONAL**
33 **GOVERNMENT PROGRAMS AND ASSISTANCE, AS WELL AS TO**
34 **GRANTS, LOANS, AND OTHER FINANCIAL INSTRUMENTS PROVIDED**
35 **BY THE GOVERNMENT AND DEVELOPMENT PARTNERS, AS MAY BE**
36 **DETERMINED SUBJECT TO FURTHER GUIDELINES OR THE IRR.**
37

38 **LGUS EXPERIENCING PERSISTENT AND UNJUSTIFIABLE**
39 **DECLINE IN THE INDICATORS IDENTIFIED UNDER THE HUMAN**
40 **DEVELOPMENT MERITOCRACY CRITERIA UNDER SECTION 7 OF**
41 **THIS ACT MAY BE DISINCENTIVIZED IN THE FORM OF LOWER OR**
42 **ZERO INCENTIVE: *PROVIDED, THAT THESE DECLINES ARE NOT***
43 **DUE TO EXTERNAL SHOCKS, SUCH AS NATURAL CALAMITIES,**
44 **PANDEMICS, OR UNFORESEEABLE EVENTS BEYOND THE**
45 **CONTROL OF THE LGUS: *PROVIDED, FURTHER, THAT THE***
46 **SPECIFIC BENCHMARKS OR STANDARDS ABOUT THE QUALIFYING**
47 **PERCENTAGE DECREASE AND THE SUPPLEMENTARY CRITERIA**
48 **WILL BE DETERMINED BY THE COUNCIL."**

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

3
4 **“SEC. 13. Technical Assistance for Capacity-Building.** – The
5 DILG shall release the governance assessment report which shall, in part,
6 identify the local governance gaps to the respective LGUs. The national
7 government agencies concerned shall provide technical assistance for
8 capacity-building on identified gaps of LGUs which have not qualified for the
9 [SGLG] **SMGLG** award.”

10
11 **SEC. 14.** Section 15 of the same Act is hereby amended to read
12 as follows:

13
14 **“SEC. 15. Guarantee of Local Government Autonomy.** – The
15 **LOCAL AND FISCAL** autonomy of LGUs, **AS GUARANTEED UNDER**
16 **THE 1987 CONSTITUTION**, shall be respected at all times. Nothing in this
17 Act shall be interpreted as limiting the autonomy of LGUs to establish
18 policies and pursue programs and projects designed not only to qualify for
19 the [SGLG] **SMGLG** award but also to ensure the enjoyment of their
20 constituency the right to life, liberty, property, health, education, balanced
21 and healthful ecology, among others, in the exercise of their **POLICE** power
22 under the general welfare clause. **THE CONSTITUTIONAL MANDATE ON**
23 **SUBSIDIARITY PURSUANT TO THE PRESIDENT’S SUPERVISION**
24 **POWER OVER LGUS SHALL BE RESPECTED AT ALL TIMES.”**

25
26 **SEC. 15.** Section 16 of the same Act is hereby amended to read
27 as follows:

28
29 **“SEC. 16. [SGLG] SMGLG Operating Fund.** – The activities and
30 operational expenses, other than the incentive payouts, related to the
31 implementation of this Act shall be initially funded from the DILG’s
32 Performance Challenge Fund. Thereafter, the DILG **AND THE DEPDEV**
33 shall include in [its] **THEIR RESPECTIVE** annual budgets to be
34 incorporated in the GAA[, the] itemS for the [SGLG] **SMGLG** operating fund
35 in the amount equivalent to two percent (2%) of the SGLG Fund.”

36
37 **SEC. 16. Data Privacy.** – This data collection system shall respect the
38 fundamental human right of privacy, ensure data quality, and uphold data protection
39 principles of legitimate purpose, transparency, and proportionality.

40
41 **SEC. 17. Implementing Rules and Regulations.** – Within ninety (90) days after
42 the effectivity of this Act, the members of the Council, led by the DILG and the DEPDEV,
43 in coordination with the ULAP and the Leagues of LGUs and local officials, shall
44 promulgate the rules and regulations necessary for the effective implementation of
45 this Act.

46 **SEC. 18. Separability Clause.** – If any provision or part of this Act is held
47 unconstitutional or invalid, the remaining parts or provisions not affected shall remain in
48 full force and effect.

1 **SEC. 19. *Repealing Clause.*** – All laws, presidential decrees, executive orders,
2 letters of instructions, administrative orders, rules and regulations contrary to or
3 inconsistent with the provisions of this Act are hereby repealed, amended, or modified
4 accordingly.

5
6 **SEC. 20. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
7 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,