

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

24 MAR 13 P4:39

SENATE
S.B. No. 2604

RECEIVED BY: 

Introduced by Senator SONNY ANGARA

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

EXPLANATORY NOTE

Throughout the years, the Seal of Good Local Governance (SGLG) has recognized the efforts of local government units (LGU) to improve their performance in upholding the principle of fostering community participation, ensuring transparency, promoting efficiency and upholding accountability, among others. This current bill aims to further enhance the criteria of excellence and accountability within LGUs.

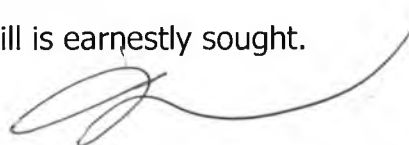
The proposed measure aims to broaden the membership the Council of Good Local Governance. This expansion is driven by the need to incorporate expertise and inputs from key government agencies, thereby fortifying the SGLG's efficacy in guiding local governance. Acknowledging the paramount importance of effective data management in the expanded SGLG provisions, the national statistician of the PSA is appointed as co-chairperson for the SGLG. The PSA serves a pivotal role in the success of the expanded SGLG by contributing expertise in data gathering, monitoring, and integration, aligning with the new provisions. The Commission on Higher Education, Philippine National Police, and the Department of Information and Communications Technology were also added to the Council as they will be crucial in gathering supplementary insights and data pertinent to the expanded criteria specified in subsequent sections of the bill.

In the augmented framework of the Seal of the Local Governance, the "Human Development Meritocracy Criteria," is introduced to scrutinize development outcomes, diverging from the original criteria's emphasis on inputs and processes. This inclusion underscores a shift toward assessing governance through the lens of meritocracy. Simultaneously, the pre-existing Seal of the Local Governance criteria,

undergoes expansion to encompass potential additional indicators within specific criteria.

By emphasizing key criteria such as financial stability, social protection, and environmental management, the Seal of the Local Governance not only recognizes exemplary governance but also encourages continuous improvement, fostering a culture of responsibility and innovation among local government units. In a nation striving for progress and sustainable development, the significance of the Seal of the Local Governance cannot be overstated, as it becomes a catalyst for positive change ultimately contributing to the nation's overall advancement.

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

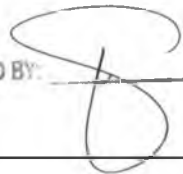


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2019" AND FOR OTHER PURPOSES

Be it enacted by the Senate and the 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 as follows:

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

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

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

11 **SEC. 4. *The Council of Good Local Governance.*** – There is
12 hereby established a Council of Good Local Governance (the
13 "Council"), which shall be composed of the following:

14 (a) Department of the Interior and Local Government (DILG);

15 (b) Department of Budget and Management (DBM);

16 (c) Department of Finance (DOF);

17 (d) Department of Health (DOH);

18 (e) Department of Social Welfare and Development (DSWD);

19 (f) Department of Education (DepEd);

20 **(g) COMMISSION ON HIGHER EDUCATION (CHED);**

21 ~~[(g)]~~ **H.** Department of Tourism (DOT);

22 ~~[(h)]~~ **I.** Department of Environment and Natural Resources (DENR);

23 ~~[(i)]~~ **J.** National Economic and Development Authority (NEDA)

24 **K. PHILIPPINE STATISTICS AUTHORITY (PSA);**

25 **L. PHILIPPINE NATIONAL POLICE (PNP);**

26 ~~[(j)]~~ **M.** Office of Civil Defense; and

27 **N. DEPARTMENT OF INFORMATION AND COMMUNICATIONS**
28 **TECHNOLOGY (DICT)**

29 **O.** One (1) representative from the basic sectors to be nominated by
30 the National Anti-Poverty Commission (NAPC)

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

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

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

11 (a) Develop and promulgate the performance indicators that
12 shall serve as standards for evaluating the LGUs' compliance and/or
13 satisfaction of each of the criteria prescribed above **AND BE IN**
14 **CHARGE OF DATA COLLECTION, INTEGRATION AND**
15 **PROCESSING STANDARDS FOR THIS MEASURE AND**
16 **SUPPORT THE LGUS BY PROVIDING ANY DATA THEY NEED**
17 **TO REGULARLY UPDATE THEIR DIMENSIONS UNDER THE**
18 **HUMAN DEVELOPMENT MERITOCRACY CRITERIA:**

19 *Provided,* That the Council shall designate each Council member to
20 lead the development of performance indicators in his/her area of
21 jurisdiction or expertise and recommend the approval of such
22 performance indicators by the Council: *Provided,* further, That in the
23 development and approval of the performance indicators, the
24 Council shall take into consideration that LGUs may not be similarly
25 situated and that one (1) or more indicators may be peculiarly
26 inapplicable or extremely difficult to meet given the inherent
27 limitations or circumstances of the LGUs: **PROVIDED, FINALLY,**
28 **THAT THE COUNCIL SHALL TAKE INTO CONSIDERATION**
29 **THE INDIVIDUAL PERFORMANCE OF EACH LEVEL OF LGU**
30 **VIS-À-VIS THEIR OWN RESPECTIVE HISTORICAL**
31 **PERFORMANCES BASED ON THE STANDARDS FOR**

1 **EVALUATING EACH DIMENSION UNDER THE HUMAN**
2 **DEVELOPMENT MERITOCRACY CRITERIA AS DEFINED**
3 **UNDER SECTION 7 OF THIS ACT.**

4 (b) x x x;

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

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

22 (e) x x x; and

23 (f) x x x."

24 **SEC. 5.** Section 6 of Republic Act No. 11292 is hereby amended to read as
25 follows:

26 SEC. 6. *Implementing [Agency] AGENCIES.* -The DILG **AND THE**
27 **PSA** shall be the **JOINT** implementing [agency] **AGENCIES** of this Act.
28 [~~It~~] **THEY** shall, through **THEIR** [~~its~~] relevant bureaus and offices, and in
29 consultation and coordination with partner agencies or sectors, **THE**
30 **RESPECTIVE LEAGUES OF LGUs AND CONCERNED LGUs,** be
31 responsible for the assessment and evaluation of each LGU relative to its

1 compliance with the criteria, and **SHALL** recommend to the Council
2 whether an LGU qualifies to be conferred or awarded the SGLG **OR**
3 **OTHER APPROPRIATE ACTION AS MAY BE ALLOWED IN THIS**
4 **ACT.**

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

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

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

19 **SEC 6.** Section 7 of Republic Act No. 11292 is hereby amended to read as
20 follows:

21 *SEC. 7. Criteria.* – For the purpose of this Act, [~~the areas in the~~
22 ~~criteria shall be understood and interpreted as follows~~] **THERE WILL BE**
23 **TWO CRITERIA CATEGORIES: (I) GOVERNANCE CRITERIA,**
24 **WHICH FOCUSES ON PROCESSES AND INPUTS FOR**
25 **STRENGTHENING LOCAL GOVERNANCE AND, (II) HUMAN**
26 **DEVELOPMENT MERITOCRACY CRITERIA, WHICH FOCUSES ON**
27 **GAUGING DEVELOPMENT OUTCOMES THAT AN LGU IS EXPECTED**
28 **TO ACHIEVE.** The [~~areas~~] **DIMENSIONS** in [~~the~~] **EACH** criteria
29 **CATEGORY** shall be understood and interpreted as follows:

30 **I. GOVERNANCE CRITERIA**

1 (a) Good Fiscal or Financial Administration or Financial Sustainability –
2 This refers to the condition where an LGU demonstrates positive and
3 stable economic performance, and maintains, preserves and mandatorily
4 upholds the practice of fiscal discipline, accountability and transparency
5 by adhering to budgetary rules, public financial management, generally
6 accepted and recognized accounting and auditing standards and full
7 disclosure policy. Indicators shall include: (1) the issuance of an
8 unqualified or qualified opinion on the financial statements of an LGU by
9 the Commission on Audit (COA) in the immediately preceding year; (2)
10 full, strict, and exacting compliance with the Full Disclosure Policy (FDP)
11 of local budget and finances, bids and public offerings; and (3) posting of
12 financial documents required to be posted in the FDP portal in the local
13 government’s website.

14 (b) Disaster Preparedness – This refers to an LGU’s preparedness for
15 any disaster or natural or man-made calamity, by adopting relevant plans,
16 taking proactive actions, and building its capacity to respond effectively to
17 emergencies when needed. Indicators shall include: (1) having structures,
18 plans and systems in place for disaster preparedness; (2) availability of a
19 Provincial Development and Physical Framework Plan/Comprehensive
20 Land Use Plan, Disaster Risk Reduction and Management (DRRM) Plan,
21 Contingency Plan, and Local Climate Change Action Plan; (3) availability
22 of working early warning and evacuation alert systems, evacuation
23 centers, standard operating procedures in the event of disaster or
24 calamity, emergency transportation facilities, relief operation equipment
25 and tools, medical services, registration and security; and (4) being an
26 awardee of the National Gawad KALASAG for Best Local Disaster Risk
27 Reduction and Management Council.

28 (c) Social Protection and Sensitivity Program – This refers to an LGU’s
29 sensitivity and responsiveness to the needs of its constituents, recognizing
30 and upholding the rights and privileges particularly those belonging to the
31 vulnerable or disadvantaged sectors, such as, but not limited to, women,

1 children, indigenous people, elderly, persons with disability (PWD), and
2 informal settlers. Indicators shall include: (1) providing access to justice,
3 particularly in cases of violence against women and children; (2) providing
4 access for PWDs, senior citizens and pregnant women in frontline
5 services; (3) enhancing mobility for PWDs in public infrastructure like local
6 government center and hospitals in accordance with the Accessibility Law;
7 (4) mandatory representation of indigenous people in compliance with the
8 Indigenous Peoples Rights Act of 1997; (5) compliance with the
9 mandatory representation in the sanggunian with representative accorded
10 with regular privileges and emoluments of a sanggunian member; (6)
11 presence of at least one (1) accredited LGU-managed residential care
12 facility for the vulnerable sectors; and (7) representation from NGOs in
13 the local development council and other special bodies consistent with the
14 pertinent provisions of the Local Government Code.

15 (d) Health Compliance and Responsiveness – This refers to the LGU's
16 capability to effectively implement and deliver health services and
17 information systems as well as pursue evidenced-based health promotion
18 and protection policies scientifically proven and accepted to advance
19 population health and individual well-being, reduce the prevalence of non-
20 communicable diseases and its risk factors, lower the incidence of new
21 infectious diseases, address mental health issues and improve health
22 status throughout the life course. Indicators shall include: (1) ensuring
23 access to nutritious, safe and affordable food; (2) regularly conducting
24 physical activities in communities and schools; (3) strict enforcement of
25 laws and ordinances that regulate tobacco sale and use, harmful alcohol
26 consumption, and use of illicit drugs; (4) providing access to safe water
27 and sanitation; (5) implementing immunization programs; (6) ensuring
28 access to primary health care including prevention programs for
29 hypertension, diabetes and cancer; and (7) establishing local surveillance
30 and epidemiology systems to monitor health service delivery.

1 (e) Programs for Sustainable Education – This refers to the initiatives of
2 an LGU to institute education reforms and programs, provide equal access
3 to quality education, promote lifelong learning opportunities for all, foster
4 sports development and instill leadership and patriotism among the youth,
5 as demonstrated by positive changes in the behavior and performance of
6 individual citizens and the community as a whole. Indicators shall include
7 positive results produced by Local School Board Policies and Programs,
8 such as: (1) increased participation rate of students; (2) decreased
9 number of drop-outs as well as out-of-school youths; (3) increase in
10 cohort survival rates; (4) increase in achievement scores as measured by
11 the national tests or assessment tools; and (5) establishment of child
12 development centers, support to special education and the alternative
13 learning system and parent effectiveness service program.

14 (f) Business Friendliness and Competitiveness – This refers to an LGU’s
15 unconventional initiative in encouraging local investment, together with
16 local business enterprises and the working sector, through the adoption of
17 policies, programs, systems, structures and/or local legislation that attract
18 and create investment opportunities, and promote a business climate
19 conducive to sustainable business growth. Indicators shall include: (1)
20 adoption of simplified business processing and licensing system; (2)
21 tracking of economic data of the locality and the sharing of the same with
22 investors; (3) designation of a local economic investment promotion
23 officer or its equivalent; (4) existence of an updated Citizen’s Charter; (5)
24 adoption and maintenance of an updated Local Investment Incentive
25 Code; and (6) good performance in business promotion as shown by the
26 result of Business Friendliness or Competitiveness Assessment by the
27 Philippine Chamber of Commerce and Industry or the National
28 Competitiveness Council.

29 (g) Safety, Peace and Order – This refers to a condition where an LGU
30 establishes good and respectable performance in terms of maintaining
31 peace and order in the community as demonstrated by reduced crime

1 rate, effective anti-illegal drugs campaign, and efficient traffic
2 management, among others, through the implementation of activities,
3 programs and policies, and the appropriate provision of support
4 mechanisms to ensure the safety and protection of its constituencies from
5 injuries and unnecessary threats to life, security and property. Indicators
6 shall include: (1) adopting a Local Anti-Criminality Action Plan or Peace
7 and Order and Public Safety Plan; (2) providing logistical or financial
8 support to the local police; (3) convening regularly the local Peace and
9 Order Council; (4) establishing a functional local Anti-Drug Abuse Council;
10 and (5) establishing and implementing a community-oriented policing
11 mechanism.

12 (h) Environmental Management – This refers to an LGU’s initiative to
13 institute policies and programs that consistently and significantly
14 preserves and protects the integrity of the environment with primary
15 focus on solid waste management and ecological balance, as well as
16 mitigation and adaptation to climate change. Indicators shall include: (1)
17 advancing local policy and programs of action on Environmental Impact
18 Assessment; (2) promoting social awareness and social responsibility
19 programs; (3) managing and maintaining ecological balance within their
20 territorial jurisdiction; (4) complying with at least the minimum standards
21 set by the provisions of the Ecological Solid Waste Management Act of
22 2000; (5) establishing a material recovery-facility or an existing
23 partnership with an entity with facilities that may be used for such
24 purpose; (6) having access to a sanitary landfill or alternative technology;
25 (7) maintaining an organized local Solid Waste Management Board; and
26 (8) instituting policies, programs, systems, structures and/or local
27 legislation in order to support and promote environmental protection in all
28 levels of human transaction.

29 (i) Tourism, Heritage Development, Culture and Arts – This refers to an
30 LGU’s ability to promote and protect Philippine identity through local
31 heritage and culture, or local legacy, in terms of preserving the cultural,

1 historical and indigenous significance of the community, marketing the
2 characteristics which the LGU is known or recognized for, and attracting
3 foreign and local visitors and tourists to the locality. Indicators shall
4 include: (1) the presence of a Local Tourism Officer or designated officer;
5 (2) the establishment of a Tourist Information and Assistance Center; (3)
6 the establishment of a tracking system of tourism data; (4) the presence
7 of a local council for the promotion of culture and the arts; (5) the
8 approval and implementation of a budget appropriated for the
9 conservation and preservation of cultural property; and (6) existence of
10 an updated cultural property inventory in the LGU.

11 (j) Youth Development – This refers to an LGU’s ability to promote and
12 establish adequate, effective, responsive and enabling mechanisms and
13 support systems that will ensure the meaningful participation of the youth
14 in local governance and nation-building. Indicators shall include: (1)
15 adopting a local youth development program; (2) establishing a local
16 youth development council; (3) providing a youth development office
17 which shall be headed by a youth development officer; and (4) instituting
18 policies, programs and systems in order to support and promote the vital
19 role of youth in local governance.

20 **II. HUMAN DEVELOPMENT MERITOCRACY CRITERIA**

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

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

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

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

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

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

29 The foregoing criteria may be expanded by the Council to align with
30 the thrusts of the National Government and attune them with the
31 changing times.

1 **SEC. 7.** Two new sections denominated as Section 7-A and Section 7-B
2 respectively are inserted after Section 7 of Republic Act No. 11292 to read as
3 follows:

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

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

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

26 **SEC. 8.** Section 8 of Republic Act No. 11292 is hereby amended to read as
27 follows:

28 "SEC. 8. *Requisites to Qualify for SGLG.* - An LGU, which, according
29 to the assessment of the DILG, complies, qualifies, and passes all
30 assessment criteria as provided in Section 7 of this Act, **AND**
31 **APPROVED BY THE COUNCIL,** shall be conferred and awarded the

1 SGLG and granted the corresponding **RECOGNITION, AWARDS AND**
2 **MONETARY** incentive as provided under Section 11 of this Act. **IN**
3 **ASSESSING AN LGU'S QUALIFICATION FOR THE SGLG,**
4 **GREATER CONSIDERATION SHALL BE GIVEN TO THE**
5 **COMPLIANCE WITH THE HUMAN DEVELOPMENT MERITOCRACY**
6 **CRITERIA, SUBJECT TO GUIDELINES TO BE ISSUED BY THE**
7 **COUNCIL."**

8 **SEC. 9.** Section 11 of Republic Act No. 11292 is hereby amended to read as
9 follows:

10 **SEC. 11.** *The SGLG Incentive Fund.* – There is hereby created a
11 special account under the General Appropriations Act (GAA) called the
12 "SGLG Fund". The Fund shall be utilized only to pay out the incentives
13 granted to LGUs which qualify for the SGLG.

14 The Council established under Section 4 of this Act shall have the
15 authority to determine the monetary incentives for LGUs based on the
16 number of awardees. It shall also have the authority to re-evaluate and
17 increase the amount of SGLG incentive to be awarded to
18 LGUs; *Provided,* That, the increase shall be subject to the sufficiency of
19 the Fund at the time the increment is implemented.

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

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

30 **SEC. 10.** Section 12 of Republic Act No. 11292 is hereby amended to read as
31 follows:

1 SEC. 12. *Utilization and Limitations on Expenditures of the*
2 *Incentives Under the SGLG Fund.* - The use of the incentives paid out of
3 the SGLG Fund shall be governed by the policies governing the utilization
4 of the twenty percent (20%) of the annual [~~Internal Revenue Allotment~~
5 (~~IRA~~)] **NATIONAL TAX ALLOTMENT (NTA)** for local development
6 projects, the Annual Investment Program (AIP) and the Local
7 Development Investment Program (LDIP).

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

10 (a) x x x;"

11 x x x."

12 **SEC. 11.** Section 14 of Republic Act No. 11292 is hereby amended to read as
13 follows:

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

20 **SEC. 12.** Section 15 of Republic Act No. 11292 is hereby amended to read as
21 follows:

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

1 **SEC. 13.** Section 16 of Republic Act No. 11292 is hereby amended to read as
2 follows:

3 SEC. 16. *SGLG Operating Fund.* - The activities and operational
4 expenses, other than the incentive payouts, related to the implementation
5 of this Act shall be initially funded from the DILG's Performance Challenge
6 Fund. Thereafter, the DILG shall include in its annual budget to be
7 incorporated in the GAA, the item for the SGLG operating fund in the
8 amount equivalent to **NOT LESS THAN FIVE** [~~two~~] percent [~~(2%)~~]
9 **(5%)** of the SGLG Fund.

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

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

18 **SEC 16. Separability Clause.** – If any provision or part of this Act is held
19 unconstitutional or invalid, the remaining parts or provisions not affected shall
20 remain in full force and effect.

21 **SEC 17. Repealing Clause.** – Any law, presidential decree, executive order,
22 letter of instruction, administrative order, rule or regulation contrary to or
23 inconsistent with the provisions of this Act is hereby repealed, modified, or amended
24 accordingly.

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

Approved,