

FIFTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )

SENATE  
OFFICE OF THE SECRETARY

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SENATE  
S. No. 1632

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Introduced by Senator Miriam Defensor Santiago

#### EXPLANATORY NOTE

The Constitution, Article 11, Section 27 provides:

The State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption.

Waste and inefficiency in various governmental programs undermine the confidence of the people in the government and reduces the government's ability to address adequately vital public needs.

Public officials are seriously disadvantaged in their efforts to improve program efficiency and effectiveness because of insufficient articulation of program goals and inadequate information on program performance, while congressional policymaking, spending decisions and program oversight are seriously handicapped by insufficient attention to program performance and results.

In order to improve governmental program effectiveness and restore the confidence of the people in the capability of the government, this bill seeks to systematically hold government agencies accountable for achieving program results, by providing for the establishment, testing and evaluation of strategic planning and performance measurement in the government.<sup>1</sup>

  
MIRIAM DEFENSOR SANTIAGO  
ncv

<sup>1</sup> This bill was re-filed during the Thirteenth Congress, First Regular Session.

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10 JUL 19 P5:11

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1 AN ACT  
2 PROVIDING FOR THE ESTABLISHMENT, TESTING, AND EVALUATION OF  
3 STRATEGIC PLANNING AND PERFORMANCE MEASUREMENT IN THE  
4 GOVERNMENT

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

5 SECTION 1. *Short Title.* - This Act shall be known as the "Government Performance and  
6 Results Act."

7 SECTION 2. *Purposes.* - It is the purpose of this Act to -

8 (A) Improve the confidence of the people in the capability of the government, by  
9 systematically holding agencies accountable for achieving program results;

10 (B) Initiate program performance reform with a series of pilot projects in setting program  
11 goals, measuring program performance against those goals, and reporting publicly on their  
12 progress;

13 (C) Improve program effectiveness and public accountability by promoting a new focus  
14 on results, service quality, and customer satisfaction;

15 (D) Help managers improve service delivery, by requiring that they plan for meeting  
16 program objectives and by providing them with information about program results and service  
17 quality; and

18 (E) Improve congressional decision-making by providing more objective information on  
19 achieving statutory objectives, and on the relative effectiveness and efficiency of programs and  
20 spending.

1 SECTION 3. *Definition of Terms.* -For purposes of this Act, the term:

2 (A)“Outcome measure” refers to an assessment of the results of a program activity  
3 compared to its intended purpose;

4 (B) “Output measure” refers to the tabulation, calculation, or recording of activity or  
5 effort and can be expressed in a quantitative or qualitative manner;

6 (C)“Performance goal” means a target level of performance expressed as a tangible,  
7 measurable objective, against which actual achievement shall be compared, including a goal  
8 expressed as a quantitative standard, value, or rate;

9 (D)“Performance indicator” refers to a particular value or characteristic used to measure  
10 output or outcome;

11 (E) “Program activity” means a specific activity or project as listed in the program and  
12 financing schedules of the annual budget of the government; and

13 (F) “Program evaluation” means an assessment, through objective measurement and  
14 systematic analysis, of the manner and extent to which governmental programs achieve intended  
15 objectives.

16 SECTION 4. *Strategic Planning.* -

17 (A) The head of each agency shall submit to the Department of Budget and Management  
18 a strategic plan for program activities. Such plan shall contain --

19 (1) A comprehensive mission statement covering the major functions and  
20 operations of agency;

21 (2) General goals and objectives, including outcome-related goals and objectives,  
22 for the major functions and operations of the agency;

23 (3) A description of how the goals and objectives are to be achieved;

24 (4) A description of how the performance goals shall be related to the general  
25 goals and objectives in the spategic plan;

1 (5) An identification of those key factors external to the agency and beyond its  
2 control that could significantly affect the achievement of the general goals and objectives; and

3 (6) A description of the program evaluations used in establishing or revising  
4 general goals and objectives, with a schedule for future program evaluations.

5 (B) The strategic plan shall cover a period of not less than five years forward from the  
6 fiscal year in which it is submitted, and shall be updated and revised at least every three years.

7 (C) When developing a strategic plan, the agency shall consult with the Congress, and  
8 shall solicit and consider the views and suggestions of those entities potentially affected by or  
9 interested in such a plan.

10 (D) For purposes of this section the term 'agency' means an Executive agency

11 SECTION 5. *Annual Performance Plans and Reports.* -

12 (A) In carrying out the provisions of section, the Department of Budget and Management  
13 shall require each agency to prepare an annual performance plan covering each program activity  
14 set forth in the budget of such agency. Such plan shall -

15 (1) Establish performance goals to define the level of performance to be achieved  
16 by a program activity;

17 (2) Express such goals in an objective, quantifiable, and measurable form unless  
18 permitted an alternative form under paragraph (B);

19 (3) Establish performance indicators to be used in measuring or assessing the  
20 relevant outputs, service levels, and outcomes of each program activity;

21 (4) Provide a basis for comparing actual program results with the established  
22 performance goals; and

23 (5) Describe the means to be used to verify and validate measured values.

24 (B) If an agency, in consultation with the Department, determines that it is not feasible to  
25 express the performance goals for a particular program activity in an objective and quantifiable  
26 form, the Department may authorize an alternative form. Such alternative form shall --

27 (1) Include separate descriptive statements of -

1 (a) A minimally effective program, and

2 (b) A successful program, with sufficient precision and in such terms that  
3 would allow for *an* accurate, independent determination of whether the program  
4 activity performance meets the criteria of either description; or

5 (2) State why it is infeasible or impractical to express a performance goal in any  
6 form for the program activity.

7 (C) In preparing a comprehensive and informative plan under this section, an agency may  
8 aggregate, disaggregate, or consolidate program activities, provided that any aggregation *or*  
9 consolidation does *not* omit or minimize the significance of *any* program activity constituting a  
10 major function or operation for the agency.

11 (D) An agency may prepare a classified or non-public annex to its plan covering program  
12 activities or parts of program activities relating to -

13 (1) National security;

14 (2) The conduct of foreign affairs; or

15 (3) The avoidance of interference with criminal prosecution or revenue collection

16 SECTION 6. *Program Performance Reports.* -

17 (A) No later than 31 March of the year following the promulgation of this Act, and no  
18 later than March 31 of each year thereafter, the head of each agency shall prepare and submit to  
19 the President and the Congress, a report on program performance for *the* previous fiscal year.

20 (B) Each program performance report shall set fourth the performance indicators  
21 established in the departmental or agency performance plan, along with the actual program  
22 performance achieved compared with the performance goals expressed in the plan for that fiscal  
23 year.

24 (C) Each report shall -

25 (1) Review the success of achieving the performance goals of the fiscal year;

26 (2) Evaluate the performance plan for the current fiscal year relative to the  
27 performance achieved towards the performance goals in the fiscal year covered by the report;

1 (3) Explain and describe, where a performance goal has not been met, including  
2 when a program activity's performance is determined not to have met the criteria of a  
3 successful program activity -

4 (a) Why the goal was not met;

5 (b) Those plans and schedules for achieving the established performance  
6 goal; and

7 (c) If the performance goal is impractical or infeasible, why that is the case  
8 and what action is recommended;

9 (4) Describe the use and assess the effectiveness in achieving performance goals  
10 of any waiver under this title; and

11 (5) Include the summary findings of those program evaluations completed during  
12 the fiscal year covered by the report.

13 (E) The agency head may include all program performance information required  
14 annually under this section in annual financial statement if any such statement is  
15 submitted to the Congress no later than March 31 of the applicable fiscal year.

16 *SECTION 7. Managerial Accountability and Flexibility. -*

17 (A) Beginning with the fiscal year following the passage of this Act, the performance  
18 plans required under Section 5 may include proposals to waive administrative procedural  
19 requirements and controls. In preparing and submitting the performance plan, the Department of  
20 Budget and Management shall review and may approve any proposed waivers. A waiver shall  
21 take effect at the beginning of the fiscal year for which the waiver is approved.

22 (B) Any such proposal under paragraph (A) shall describe the anticipated effects on  
23 performance resulting from greater managerial or organizational flexibility, discretion, and  
24 authority, and shall quantify the expected improvements in performance resulting from any  
25 waiver. The expected improvements shall be compared to current actual performance, and to the  
26 projected level of performance that would be achieved independent of any waiver.

1 (C) Any proposal waiving limitations on compensation or remuneration shall precisely  
2 express the monetary change in compensation or remuneration amounts, such as bonuses or  
3 awards, that shall result from meeting, exceeding, or failing to meet performance goals.

4 (D) A waiver shall be in effect for one (1) or two (2) years. A waiver may be renewed for  
5 a subsequent year. After a year has been in effect for three consecutive years, the performance  
6 plan prepared under Section 5 may propose that a waiver, other than a waiver of limitations on  
7 compensation or remuneration, be made permanent.

8 SECTION 8. *Pilot Projects.* -

9 (A) The secretary of Department of Budget and Management, after consultation with the  
10 head of each agency, shall designate not less than ten (10) agencies as pilot projects in  
11 performance measurement for the first three fiscal years after the promulgation of this Act. The  
12 selected agencies shall reflect a representative range of government functions and capabilities in  
13 measuring and reporting program performance.

14 (B) Pilot projects in the designated agencies shall undertake the preparation of  
15 performance plans under Section 5, and program performance reports under Section 6, other than  
16 Section 6(C), for one or more of the major actions and operations of the agency. A strategic plan  
17 shall be used when preparing agency performance plans *during* one (1) *or* more years of *the* pilot  
18 period.

19 (C) The secretary shall submit a report to the President and to the Congress which shall -

20 (1) Assess the benefits, costs, and usefulness of the plans and reports prepared by  
21 the pilot agencies in meeting the purposes of this Act;

22 (2) Identify any significant difficulties experienced by the pilot agencies in  
23 preparing plans and reports; and

24 (3) Set forth any recommended changes in the requirements of the provisions of  
25 this Act.

26

1           SECTION 9. *Separability Clause.* - If any provision or part hereof, is held invalid or  
2 unconstitutional, the remainder of the law of the provision not otherwise affected shall remain  
3 valid and subsisting.

4           SECTION 10. *Repealing Clause.* - Any law, presidential decree or issuance, executive  
5 order, letter of instruction, administrative order, rule or regulation contrary to, or inconsistent  
6 with, the provisions of this Act is hereby repealed, modified or amended accordingly.

7           SECTION 11. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its  
8 publication in at least two (2) newspapers of general circulation.

Approved,