

**SEVENTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES**

Third Regular Session



'18 NOV 13 P4:15

SENATE
S.B. NO. 2088

RECORDED

Introduced by Senator Maria Lourdes Nancy S. Binay

**AN ACT
PROVIDING FOR THE ESTABLISHMENT, TESTING, AND EVALUATION
OF STRATEGIC PLANNING AND PERFORMANCE MEASUREMENT IN THE
GOVERNMENT**

EXPLANATORY NOTE

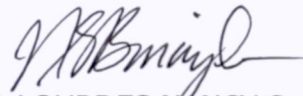
Article II, Section 27 of the 1987 Philippine Constitution provides:

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

Serving our people must be the perpetual intention and objective of all. The confidence of the people in government ought to be conserved and maintained by Efficiency and effectiveness should be the priority of all government officials.

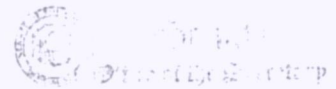
For the purpose of improving government effectiveness the proposed bill seeks to standardize, regularize, and systematize government programs by holding government agencies accountable for achieving program results through requiring for the testing, evaluation, and establishment of strategic planning and performance measurement in government.

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

A handwritten signature in black ink, appearing to read 'ML Binay', with a long horizontal flourish extending to the right.

MARIA LOURDES NANCY S. BINAY
Senator

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

Section 1. *Short Title.* – This Act shall be known as the "Government
Performance and Results Act."

Sec. 2. *Purposes.* – It is the purpose of this Act to –

- (A) Improving the confidence of the people in the capability of the government, by systematically holding agencies accountable for achieving program results;
- (B) Initiate program performance reform with a series of pilot projects in setting program goals, measuring program performance against those goals, and reporting publicly on their progress;
- (C) Improve program effectiveness and public accountability by promoting a new focus on results, service quality, and customer satisfaction;
- (D) Help managers improve service delivery, by requiring that they plan for meeting program objectives and by providing

1 them with information about program results and service
2 quality; and

- 3 (E) Improve congressional decision-making by providing more
4 objective information on achieving statutory objectives, and
5 on the relative effectiveness and efficiency of programs and
6 spending.

7
8 Sec. 3. *Definition of Terms.* – For purposes of this Act, the term:

- 9 (A) "Outcome measure" refers to an assessment of the results of
10 a program activity compared to its intended purpose;
11 (B) "Output measure" refers to the tabulation, calculation, or
12 recording of activity or effort and can be expressed in a
13 quantitative or qualitative manner;
14 (C) "Performance goal" means a target level of performance
15 expressed as tangible, measurable objective, against which
16 actual achievement shall be compared, including a goal
17 expressed as a quantitative standard, value, or rate;
18 (D) "Performance indicator" refers to a particular value or
19 characteristic used to measure output or outcome;
20 (E) "Program activity" means a specific activity or project as listed
21 in the program and financing schedules of the annual budget
22 of the government; and
23 (F) "Program evaluation" means an assessment, through objective
24 measurement and systematic analysis, of the manner and
25 extent to which governmental programs achieve intended
26 objectives.

27
28 Sec. 4. *Strategic Planning.* –

1 (A) The head of each agency shall submit to the Department of
2 Budget and Management a strategic plan for program
3 activities. Such plan shall contain –

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

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

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

11 (4) A description of how the performance goals shall be
12 related to the general goals and objectives in the
13 strategic plan;

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

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

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

24 (C) When developing a strategic plan, the agency shall consult
25 with the Congress and shall solicit and consider the views and
26 suggestion of those entities potentially affected by or
27 interested in such a plan.

28 (D) For purposes of this section the term 'agency' means an
29 Executive agency.
30

1 Sec. 5. *Annual Performance Plans and Reports.* –

2 (A) The Department of Budget and Management shall require
3 each agency to prepare an annual performance plan covering
4 each program activity set forth in the budget of such agency.
5 Such plan shall –

- 6 (1) Establish performance goals to define the level of
7 performance to be achieved by a program activity;
- 8 (2) Express such goals in an objective, quantifiable, and
9 measurable form unless permitted an alternate form
10 under paragraph (B);
- 11 (3) Establish performance indicators to be used in
12 measuring or assessing the relevant outputs, service
13 levels, and outcomes of each program activity;
- 14 (4) Provide a basis for comparing actual program results
15 with the established performance goals; and
- 16 (5) Describe the means to be used to verify and validate
17 measured values.

18 (B) If an agency, in consultation with the Department, determines
19 that it is not feasible to express the performance goals for a
20 particular program activity in an objective and quantifiable
21 form, the Department may authorize an alternative form. Such
22 alternative form shall –

- 23 (1) Include separate descriptive statements of –
 - 24 (a) A minimally effective program; and
 - 25 (b) A successful program, with sufficient
26 precision and in such terms that would allow
27 for an accurate, independent determination
28 of whether the program activity performance
29 meets the criteria of either description; or

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

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

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

13 (1) National security;

14 (2) The conduct of foreign affairs; or

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

17
18 *Sec. 6. Program Performance Reports. –*

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

24 (B) Each program performance report shall set forth the
25 performance indicators established in the department or
26 agency performance plan, along with the actual program
27 performance achieved compared with the performance goals
28 expressed in the plan for that fiscal year.

29 (C) Each report shall –

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

3 (2) Evaluate the performance plan for the current fiscal
4 year relative to the performance achieved towards
5 the performance goals in the fiscal year covered by
6 the report;

7 (3) Explain and describe, where a performance goal has
8 not been met, including when a program activity's
9 performance is determined not to have met the
10 criteria of a successful program activity –

11 (a) Why the goal was not met;

12 (b) Those plans and schedules for achieving
13 the established performance goal; and

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

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

20 (5) Include the summary findings of those program
21 evaluations completed during the fiscal year covered
22 by the report.

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

27
28 *Sec. 7. Managerial Accountability and Flexibility. –*

29 (A) Beginning with the fiscal year following the passage of this
30 Act, the performance plans required under Section 5 may

1 include proposal to waive administrative procedural
2 requirements and controls. In preparing and submitting the
3 performance plan, the Department of Budget and
4 Management shall review and may approve any proposed
5 waivers. A waiver shall take effect at the beginning of the
6 fiscal year for which the waiver is approved.

7 (B) Any such proposal under paragraph (A) shall describe the
8 anticipated effects on performance resulting from greater
9 managerial or organizational flexibility, discretion, and
10 authority, and shall quantify the expected improvements in
11 performing resulting from any waiver. The expected
12 improvements shall be compared to current actual
13 performance, and to the projected level of performance that
14 would be achieved independent of any waiver.

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

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

26
27 *Sec. 8. Pilot Projects. –*

28 (A) The Secretary of the Department of Budget and Management,
29 after consultation with the head of each agency, shall
30 designate not less than ten agencies as pilot projects in

1 performance measurement for the first three fiscal years after
2 the promulgation of this Act. The selected agencies shall
3 reflect a representative range of government functions and
4 capabilities in measuring and reporting program performance.

5 (B) Pilot projects in the designated agencies shall undertake the
6 preparation of performance plans under Section 5, and
7 program performance reports under Section 6, other than
8 Section 6(C), for one or more of the major actions and
9 operations of the agency. A strategic plan shall be used when
10 preparing agency performance plans during one or more years
11 of the piloted period.

12 (C) The secretary shall submit a report to the President and to the
13 Congress which shall –

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

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

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

21
22 *Sec. 7. Separability Clause.* – If any provision or part hereof, is held invalid
23 or unconstitutional, the remainder of the law or the provision not otherwise
24 affected shall remain valid and subsisting.

25
26 *Sec. 8. Repealing Clause.* – Any law, presidential decree or issuance,
27 executive order, letter of instruction, administrative order, rule or regulation
28 contrary to or is inconsistent with the provision of this Act is hereby repealed,
29 modified, or amended accordingly.

1 Sec. 9. *Effectivity Clause.* – This Act shall take effect after fifteen (15)
2 days following its publication in the *Official Gazette* or in two (2) newspapers of
3 general circulation.

Approved,