

S. No. 1843

H. No. 8719

Republic of the Philippines
Congress of the Philippines

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[REPUBLIC ACT NO. 11292]

AN ACT ESTABLISHING AND INSTITUTIONALIZING THE SEAL OF GOOD LOCAL GOVERNANCE FOR LOCAL GOVERNMENT UNITS, AND ALLOCATING FOR THIS PURPOSE THE SEAL OF GOOD LOCAL GOVERNANCE FUND

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 Seal of Good Local Governance Act of 2019”.

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to recognize the good performance of local government units (LGUs) in transparency and accountability in the use of public funds, preparedness for challenges posed by disasters, sensitivity to the needs of vulnerable and marginalized sectors of society, implementation of health programs, investment and employment promotion, protection of constituency from threats to life and damage to property,

and safeguarding the integrity of the environment. In such recognition, the State hopes to encourage all LGUs to take on greater challenges, encourage outcome-based performance and to reward local governments for their effort in pursuing the general welfare of their constituency and in enforcing existing laws.

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

(a) Upholding the practice of transparency and accountability in the use of public funds;

(b) Preparing for challenges brought about by unpredictable natural calamities;

(c) Demonstrating the readiness to help and sensitivity to the needs of vulnerable and marginalized sectors of society;

(d) Setting-up, implementing and sustaining health policies and programs that would strengthen and promote the well-being, healthy lifestyle and safety of the public, ensuring that all individuals especially the vulnerable have fair opportunities for better health;

(e) Instituting education reforms and programs to improve the quality of education in the country;

(f) Encouraging pro-competitive policies and government interventions that promote market efficiency and consumer welfare;

(g) Protecting constituents from threats to life and damage to property;

(h) Safeguarding and preserving the integrity of the environment through adaptive social responsibility; and

(i) Conserving local culture and heritage and fostering their value and significance for tourism opportunity.

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

- (a) Department of the Interior and Local Government (DILG);
- (b) Department of Budget and Management (DBM);
- (c) Department of Finance (DOF);
- (d) Department of Health (DOH);
- (e) Department of Social Welfare and Development (DSWD);
- (f) Department of Education (DepEd);
- (g) Department of Tourism (DOT);
- (h) Department of Environment and Natural Resources (DENR);
- (i) National Economic and Development Authority (NEDA);
- (j) Office of Civil Defense; and
- (k) One (1) representative from the basic sectors to be nominated by the National Anti-Poverty Commission.

The Secretary of the DILG shall act as Chairperson of the Council. The appropriate office of the DILG, as the latter may designate, shall serve as the Secretariat of the Council.

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

(a) Develop and promulgate the performance indicators that shall serve as standards for evaluating the LGUs' compliance and/or satisfaction of each of the criteria prescribed above: *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;

(b) Review and/or revise the performance indicators consistent with the long-term development plans of the National Government. The development of indicators should reflect outcomes that are performance-based, encouraging outputs that reflect concrete benefits to the community in terms of policy, rules, regulations, behavior, skill competencies, knowledge, or attitude;

(c) Conduct an 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 recommending any amendatory legislation. For this purpose, the Council shall institute an effective feedback mechanism where the concerns of LGUs and other stakeholders 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, 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) 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

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

SEC. 6. *Implementing Agency.* – The DILG shall be the implementing agency of this Act. It shall, through its relevant bureaus and offices, and in consultation and coordination with partner agencies or sectors, be responsible for the assessment and evaluation of each LGU relative to its compliance with the criteria, and recommend to the Council whether an LGU qualifies to be conferred or awarded the SGLG.

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

SEC. 7. *Criteria.* – For the purpose of this Act, the areas in the criteria shall be understood and interpreted as follows:

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

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

(c) Social Protection and Sensitivity Program – This refers to an LGU's sensitivity and responsiveness to the needs of its constituents, recognizing and upholding the rights and privileges particularly those belonging to the vulnerable or disadvantaged sectors, such as, but not limited to, women, children, indigenous people, elderly, persons with disability (PWD), and informal settlers. Indicators shall include: (1) providing access to justice, particularly in cases of violence against women and children; (2) providing access for PWDs, senior citizens and pregnant women in frontline services; (3) enhancing mobility for PWDs in public infrastructure like local government center and hospitals in accordance with the Accessibility Law; (4) mandatory representation of indigenous people in compliance with the Indigenous Peoples Rights Act of 1997; (5) compliance with the mandatory representation in the sanggunian with representative accorded with regular privileges and emoluments of a sanggunian member; (6) presence of at least one (1) accredited LGU-managed residential care facility for the vulnerable sectors; and (7) representation from NGOs in the local development council and other special bodies consistent with the pertinent provisions of the Local Government Code.

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

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

(f) Business Friendliness and Competitiveness – This refers to an LGU's unconventional initiative in encouraging local investment, together with local business enterprises and the working sector, through the adoption of policies, programs, systems, structures and/or local legislation that attract and

create investment opportunities, and promote a business climate conducive to sustainable business growth. Indicators shall include: (1) adoption of simplified business processing and licensing system; (2) tracking of economic data of the locality and the sharing of the same with investors; (3) designation of a local economic investment promotion officer or its equivalent; (4) existence of an updated Citizen's Charter; (5) adoption and maintenance of an updated Local Investment Incentive Code; and (6) good performance in business promotion as shown by the result of Business Friendliness or Competitiveness Assessment by the Philippine Chamber of Commerce and Industry or the National Competitiveness Council.

(g) Safety, Peace and Order – This refers to a condition where an LGU establishes good and respectable performance in terms of maintaining peace and order in the community as demonstrated by reduced crime rate, effective anti-illegal drugs campaign, and efficient traffic management, among others, through the implementation of activities, programs and policies, and the appropriate provision of support mechanisms to ensure the safety and protection of its constituencies from injuries and unnecessary threats to life, security and property. Indicators shall include: (1) adopting a Local Anti-Criminality Action Plan or Peace and Order and Public Safety Plan; (2) providing logistical or financial support to the local police; (3) convening regularly the local Peace and Order Council; (4) establishing a functional local Anti-Drug Abuse Council; and (5) establishing and implementing a community-oriented policing mechanism.

(h) Environmental Management – This refers to an LGU's initiative to institute policies and programs that consistently and significantly preserves and protects the integrity of the environment with primary focus on solid waste management and ecological balance, as well as mitigation and adaptation to climate change. Indicators shall include: (1) advancing local policy and programs of action on Environmental Impact Assessment; (2) promoting social awareness and social responsibility programs; (3) managing and maintaining ecological balance within their territorial jurisdiction; (4) complying with at least the minimum

standards set by the provisions of the Ecological Solid Waste Management Act of 2000; (5) establishing a material recovery facility or an existing partnership with an entity with facilities that may be used for such purpose; (6) having access to a sanitary landfill or alternative technology; (7) maintaining an organized local Solid Waste Management Board; and (8) instituting policies, programs, systems, structures and/or local legislation in order to support and promote environmental protection in all levels of human transaction.

(i) Tourism, Heritage Development, Culture and Arts – This refers to an LGU's ability to promote and protect Philippine identity through local heritage and culture, or local legacy, in terms of preserving the cultural, historical and indigenous significance of the community, marketing the characteristics which the LGU is known or recognized for, and attracting foreign and local visitors and tourists to the locality. Indicators shall include: (1) the presence of a Local Tourism Officer or designated officer; (2) the establishment of a Tourist Information and Assistance Center; (3) the establishment of a tracking system of tourism data; (4) the presence of a local council for the promotion of culture and the arts; (5) the approval and implementation of a budget appropriated for the conservation and preservation of cultural property; and (6) existence of an updated cultural property inventory in the LGU.

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

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

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, shall be conferred and awarded the SGLG and granted the corresponding incentive as provided under Section 11 of this Act.

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

SEC. 10. *Implementing Rules and Regulations.* – The Council shall formulate and promulgate the rules and regulations to implement the provisions of this Act within ninety (90) days from the effectivity thereof.

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

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

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) for local development projects, the Annual Investment Program (AIP) and the Local Development Investment Program (LDIP).

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

- (a) Financing micro credits and loans;
- (b) Travel expenses, whether domestic or foreign, except when the purpose is in furtherance of the purposes of this Act;
- (c) Administrative expenses of the LGU including, but not limited to, cash gifts, bonuses, food allowances, staff uniforms, communication bills, utilities, transportation costs and the like;
- (d) Purchase, maintenance or repair of any motor vehicles or motorcycles not directly used for the SGLG undertaking;
- (e) Salaries, wages, emoluments, *per diems* or overtime pay of employees;
- (f) Construction, repair, or refurnishing of administrative offices; and
- (g) Loan guarantee.

SEC. 13. *Technical Assistance for Capacity-Building.* – The DILG shall release the governance assessment report which shall, in part, identify the local governance gaps to the respective LGUs. The national government agencies concerned shall provide technical assistance for capacity-building on identified gaps of LGUs which have not qualified for the SGLG award.

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 included in the budget of the DILG under the GAA.

SEC. 15. *Guarantee of Local Government Autonomy.* – The autonomy 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 power under the general welfare clause.

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 two percent (2%) of the SGLG Fund.

SEC. 17. *Separability Clause.* – Should any part or provision of this Act be held unconstitutional or invalid, all other provisions hereof which are not affected thereby shall continue to be in full force and effect.

SEC. 18. *Repealing Clause.* – All laws, presidential decrees, executive orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

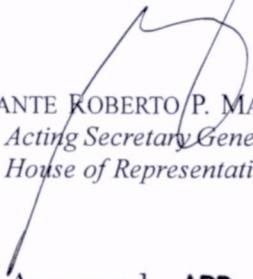
SEC. 19. *Effectivity.* – This Act shall take effect after fifteen (15) days following its complete publication in the *Official Gazette* or in a newspaper of general circulation whichever is earlier.

Approved,


GLORIA MACAPAGAL-ARROYO
*Speaker of the House
of Representatives*


VICENTE C. SOTTO III
President of the Senate

This Act which is a consolidation of Senate Bill No. 1843 and House Bill No. 8719 was passed by the Senate of the Philippines and the House of Representatives on February 4, 2019 and February 6, 2019, respectively.


DANTE ROBERTO P. MALING
*Acting Secretary General
House of Representatives*


MYRA MARIE D. VILLARICA
Secretary of the Senate

Approved: **APR 12 2019**




RODRIGO ROA DUTERTE
President of the Philippines

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