

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

OFFICE

JUL 27 1922

SENATE
S.B. No. 2127

RECEIVED BY:

Introduced by Senator Loren Legarda

EXPLANATORY NOTE


Article XI, Section 1 of the Constitution provides that public officers and employees must at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty and efficiency, act with patriotism and justice, and lead modest lives.

Corruption lays to waste the resources that ought to be applied to fighting poverty. Waste and inefficiency in government programs undermine the confidence of the people in government and reduce the government's ability to adequately address vital public needs.

This bill seeks to institutionalize a system of performance planning and reporting that will strengthen the accountability of government managers and motivate them to improve program efficiency and effectiveness through the articulation of program goals and the generation of information on program performance. With performance planning and reporting, congressional policymaking, spending decisions and program oversight will be better informed and focused on program performance and results.

It is further aimed that a policy of efficient public administration be developed in an environment where public officials are equipped with information that will allow them to set specific, measurable targets in their field of service.

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



LOREN LEGARDA
Senator

SENATE
S.B. No. 2127

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AN ACT
TO INSTITUTIONALIZE A SYSTEM OF PERFORMANCE PLANNING
AND REPORTING IN NATIONAL GOVERNMENT AGENCIES, AND
FOR OTHER PURPOSES

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

1 **SECTION 1. Title.** - This Act shall be known as the "Government
2 **Performance Act of 2010."**

3
4 **SEC. 2. Declaration of Policy and Objectives.** - It is hereby declared the
5 policy of the State to formulate and implement a Government Performance System
6 with the following objectives:

7 (a) To initiate program performance reform with a series of pilot projects in
8 setting program goals, measuring program performance against those goals,
9 and reporting publicly on their progress;

10 (b) To improve the effectiveness of national programs by measuring results,
11 service quality, and public satisfaction;

12 (c) To help government managers improve service delivery, by requiring that
13 they plan for meeting program objectives and providing them with
14 information about program results and service quality;

15 (d) To improve congressional decision-making by providing more objective
16 information on achieving statutory objectives, and on the relative
17 effectiveness and efficiency of government programs and spending;

18 (e) To improve internal management of the National Government; and

1 (f) To improve the confidence of the people in the capability of the government,
2 by systematically holding government agencies accountable for achieving
3 program results.

4
5 **SEC. 3. *Definition of Terms.*** - For purposes of this Act:

6 (a) "Agency" refers to any of the various units of the Government, including a
7 department, bureau, office, instrumentality, or government-owned or
8 controlled corporations, or a local government or a distinct unit therein, as
9 defined in Section 2 of Executive Order No. 292 or the Revised
10 Administrative Code of 1991;

11 (b) "Outcome measure" refers to an assessment of the results of a program
12 activity compared to its intended purpose;

13 (c) "Output measure" refers to the tabulation, calculation, or recording of a
14 program activity, whether expressed in a quantitative or qualitative manner;

15 (d) "Performance goal" refers to a target level of performance expressed as a
16 tangible, measurable objective, against which actual achievement can be
17 compared, including a goal expressed as a quantitative standard, value, or
18 rate;

19 (e) "Performance indicator" refers to a particular value or characteristic used to
20 measure output or outcome;

21 (f) "Program activity" refers to a specific activity or project as listed in the
22 program and financing schedules of the annual budget of the government;

23 (g) "Program evaluation" refers to an assessment, through objective
24 measurement and systematic analysis, of the manner and extent to which
25 government programs achieve intended objectives; and

26 (h) "Secretary" refers to the Secretary of the Department of Budget and
27 Management (DBM).

28
29 **SEC. 4. *Strategic Plan.*** - No less than thirty (30) days after the start of the
30 fiscal year, the head of each agency shall submit to the Secretary and to Congress, a
31 strategic plan for program activities, to cover a period of not less than five (5) years
32 from the fiscal year in which it is submitted, to be updated and revised at least every
33 three (3) years. Such plan shall contain:

34
35 (a) A comprehensive mission statement covering the major functions and
36 operations of the agency;

- 1 (b) General goals and objectives, including outcome- related goals and objectives,
2 for the major functions and operations of the agency;
- 3 (c) A description of how the goals and objectives are to be achieved, including a
4 description of the operational processes, skills and technology, and the
5 human, capital, information, and other resources required to meet those goals
6 and objectives;
- 7 (d) A description of how the performance goals included in the plan required by
8 Medium Term Philippine Development Plan (MTPDP) shall be related to the
9 general goals and objectives in the strategic plan;
- 10 (e) An identification of key factors external to the agency and beyond its control
11 that could significantly affect the achievement of the general goals and
12 objectives; and
- 13 (f) A description of the program evaluations used in establishing or revising
14 general goals and objectives, with a schedule for future program evaluations.

15
16 **SEC. 5. *Annual Performance Plan.*** - Aside from the strategic plan for
17 program activities, all national government agencies shall submit to the Secretary
18 and to Congress, no later than thirty (30) days after the start of the fiscal year, an
19 annual performance plan. To the extent applicable, the annual performance plan
20 shall:

- 21
- 22 (a) Establish performance goals to be achieved by a program or activity;
- 23 (b) Express such goals in an objective, quantifiable, and measurable form unless
24 authorized to be in an alternative form under Section 6 of this Act;
- 25 (c) Describe the operational processes, skills and technology, and the human,
26 capital, information, or other resources required to meet the performance
27 goals;
- 28 (d) Establish performance indicators to be used in measuring or assessing the
29 relevant outputs, service levels, and outcomes of each program activity;
- 30 (e) Provide a basis for comparing actual program results with the established
31 performance goals; and
- 32 (f) Describe the means to be used to verify and validate measured values.

33

34 **SEC. 6. *Alternative Reporting.*** - If an agency, in consultation with the DBM,
35 determines that it is not feasible to express the performance goals for a particular
36 program activity in an objective, quantifiable, and measurable form, the Secretary

1 may authorize an alternative form of reporting. Such alternative form shall state
2 why it is not feasible or practical to express a performance goal in any form for the
3 program activity and shall include separate descriptive statements of:

- 4
- 5 (a) A minimally effective program and a successful program;
 - 6 (b) Such alternative as authorized by the Secretary, with sufficient precision and
7 in such terms that would allow for an accurate, independent determination of
8 whether the program activity's performance meets the criteria.
- 9

10 An agency may aggregate, disaggregate, or consolidate program activities,
11 except that any aggregation or consolidation may not omit or minimize the
12 significance of any program activity constituting a major function or operation for
13 the agency.

14

15 **SEC. 7. Confidentiality.** - An agency may submit with its annual performance
16 plan an appendix covering any portion of the plan that is specifically authorized
17 under criteria established by an executive order to be kept secret in the interest of
18 national defense or foreign policy, or is properly classified pursuant to such
19 executive order.

20

21 **SEC. 8. Program Performance Reports.** - No later than thirty (30) days after
22 the start of the fiscal year immediately following the effectivity of this Act, and every
23 year thereafter, the head of each agency shall prepare and submit to the President of
24 the Philippines and to Congress, a report on program performance for the previous
25 fiscal year.

26

27 Each program performance report shall set forth the performance indicators
28 established in the agency performance plan under Section 5 of this Act, along with
29 the actual program performance achieved compared with the performance goals
30 expressed in the plan for that fiscal year.

31

32 Where a performance goal has not been met, including when a program
33 activity's performance is determined not to have met the criteria of a successful
34 program activity or a corresponding level of achievement if another alternative form
35 is used, the report shall contain the following:

- 36 (a) Reasons for failure to achieve the goal; and

1 (b) Proposals for achieving the established performance goal, or if the
2 performance goal is impractical or infeasible, the reasons for such and the
3 corresponding recommended action.
4

5 If performance goals are specified in an alternative form under Section 6 of
6 this Act, the results of such program shall be described in relation to such
7 specifications, including whether the performance failed to meet the criteria of a
8 minimally effective or successful program.
9

10 **SEC. 9. Exemption.** - The Secretary may exempt from the requirements of
11 Sections 4 and 5 of this Act, any agency with an annual outlay of less than Fifty
12 Million Pesos (PhP50,000,000).
13

14 **SEC. 10. Piloting.** - The Secretary, after consultation with the head of each
15 agency, shall designate not less than ten (10) agencies as pilot projects in
16 performance measurement for the first three (3) fiscal years immediately following
17 the effectivity of this Act. The selected agencies shall reflect a representative range of
18 government functions and capabilities in measuring and reporting program
19 performance.
20

21 Pilot projects in the designated agencies shall undertake the preparation of
22 performance plans under Section 4, and program performance reports under Section
23 5, for one or more of the major functions and operations of the agency. A strategic
24 plan shall be used when preparing agency performance plans during one or more
25 years of the pilot period.
26

27 No later than the end of the third fiscal year from the start of the piloting, the
28 Secretary shall submit a report to the President and to Congress, which shall assess
29 the benefits, costs and usefulness of the plans and reports prepared by the pilot
30 agencies in meeting the purposes of this Act.
31

32 **SEC. 11. Training.** - The National Economic and Development Authority
33 (NEDA) shall, in consultation with the DBM and the Commission on Audit (COA),
34 develop a strategic planning and performance measurement training component for
35 its management training program and otherwise provide managers with an

1 orientation on the development and use of strategic planning and program
2 performance measurement.

3

4 **SEC. 12. *Compliance.*** - The mandated functions under this Act shall be
5 considered inherently governmental functions. The drafting of performance plans
6 and reports shall be performed only by National Government employees.

7

8 **SEC. 13. *Construction.*** - No provision or amendment made by this Act may be
9 construed as:

10 (a) Creating any right, privilege, benefit, or entitlement for any person who is not
11 an officer or employee of the Philippine government acting in such capacity,
12 and no person who is not an officer or employee of the Philippine
13 government acting in such capacity shall have standing to file any civil action
14 in a court of the Philippines to enforce any provision or amendment made by
15 this Act; or

16 (2) Superseding any statutory requirement, including any requirement under
17 Book VI of Executive Order No. 292 or the Revised Administrative Code of
18 1991.

19

20 **SEC. 14. *Repealing Clause.*** - All laws, presidential decrees, executive orders,
21 or rules and regulations, which are contrary to the provisions of this Act are hereby
22 repealed, amended and modified accordingly.

23

24 **SEC. 15. *Separability Clause.*** - If any part of this Act shall be held to be
25 unconstitutional or invalid, other parts or provisions hereof which are not affected
26 thereby shall continue to be in full force and effect.

27

28 **SEC. 16. *Effectivity.*** - This Act shall take effect fifteen (15) days after its
29 publication in at least two (2) newspapers of general circulation.

30

31 Approved,