

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Philippines

EIGHTEENTH CONGRESS
First Regular Session

2011

HOUSE BILL NO. _____



INTRODUCED BY REPRESENTATIVE ALFRED VARGAS

EXPLANATORY NOTE

The "Doing Business 2018" report of the World Bank ranked the Philippines 113th among 190 countries in terms of ease of doing business, slipping from 99th place. In terms of ease of starting a business, the Philippines lags behind its Asian neighbors.

The same report noted that the Philippines improved its business regulations last year but despite the continued reports, small and medium-sized businesses still face significant regulatory challenges. For one, the regulations and process of various government agencies are often redundant and lengthy. Also contributing to the frustration of the people is the processes of getting government I.D.s, paying taxes, and obtaining permits which are very time-consuming. All these and more bureaucratic inefficiencies often discourage young entrepreneurs to put up their businesses.

The State must take the necessary actions to facilitate the reduction of regulatory burdens to allow the country to reap the fruits brought by empowered small and medium businesses.

This bill seeks to create a Government Efficiency Office which will ensure the efficient implementation of existing and proposed regulations across government agencies. Their functions also include reviewing existing regulations to recommend their repeal, amendment, or consolidation which will relieve, if not completely remove, the regulatory barriers in complying to these regulations.

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


ALFRED VARGAS

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AN ACT
IMPROVING THE QUALITY OF REGULATION AND REDUCE REGULATORY BURDEN
THROUGH THE CREATION OF A GOVERNMENT EFFICIENCY OFFICE

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

SECTION 1. Title. – This Act shall be known as the “Government Efficiency Office Act.”

SECTION 2. Declaration of Policy. – The State recognizes the need to establish a comprehensive and centralized regulatory management to improve quality of regulations, and to reduce regulatory burden. The operations of a regulatory management system shall reduce the cost of doing business; improve service delivery to the public; and strengthen decision-making, accountability, and efficiency in government and society.

SECTION 3. Definition of Terms. – For the purposed of this Act, the following terms shall refer to:

- (a) **Amendment** refers to the addition, deletion and/or change of certain provision/s of a rule or regulation.
- (b) **Consolidation** refers to the integration of multiple, similar regulations into one legal document.
- (c) **Delisting** refers to the removal of invalid rules and regulations already repealed from the agency’s website and roster of activities of issuances.
- (d) **Existing Regulation** refers to a circular, memorandum order, or executive order by the national government, a local government or other regulatory body which is already issued and is already in circulation.

- (e) **NPDIR** refers to the National Policy on the Development and Implementation of Regulations.
- (f) **Proposed Regulation** refers to a circular, memorandum order, or executive order by the national government, a local government or other regulatory body which is still in its formation or development stage.
- (g) **Regulation** refers to a legal instrument that gives effect to a government policy intervention. This may be in the form of a circular, memorandum order, or executive order issued by national government, a local or other regulatory body.
- (h) **Regulatory Burden** refers to an administrative cost of a regulation in terms of time, effort, or financial resources expended by persons to generate, maintain, or provide information to or for a government office, including the resources expended for: reviewing instructions; acquiring, installing, and utilizing technology and systems; adjusting the existing ways to comply with any previously applicable instructions and requirements; searching data resources; completing and reviewing the collection of information; and transmitting, or otherwise disclosing the information.
- (i) **Regulatory Management System** refers to a set of policies, principles, standards, institution, processes and tools employed by government to pursue and maintain good quality regulation and minimize regulatory burden.
- (j) **Regulatory Management and Review** refers to a series of actions taken on a regulation or set of regulations, including but not limited to regulatory mapping, organization, examination, research, consultation, impact analysis, recommendation and final agency action on the regulation based on the results of the analysis. The final agency action may involve the following: (i) proceeding or not proceeding with the promulgation of a new regulation or (ii) the amendment, consolidation, delisting or repeal of an existing regulation.
- (k) **Repeal** refers to the full elimination of a rule/issuance because it has been deemed no longer necessary.

SECTION 4. Establishment of the Government Efficiency Office. – To attain the purposes of this Act, the “Government Efficiency Office” is hereby created, hereinafter referred to as the “GEO”, which shall be attached to the Office of the President. The GEO shall have the primary responsibility of implementing the National Policy on the Development and Implementation of Regulations (NPDIR).

SECTION 5. National Policy on the Development and Implementation of Regulations. – The GEO, in cooperation with the National Economic and Development Authority (NEDA), National Competitiveness Council (NCC), the

Philippine Institute for Development Studies (PIDS), the Senate and Congressional Economic Planning Offices, and a representative from each national government agency, shall create the National Policy on the Development and Implementation of Regulations (NPDIR), which shall contain the regulatory management and review policies, principles, standards, and guidelines to be followed by all government agencies.

SECTION 6. *Functions of the Government Efficiency Office.* – As the highest overseeing body for all regulatory activities of national and local government agencies and units, the GEO shall have the following functions:

- a) Head the implementation of the NPDIR in coordination with the concerned government agencies;
- b) Develop, coordinate and oversee the regulatory management system for the implementation of the NPDIR;
- c) Provide directions and guidelines for the regulatory management and review process at the agency and inter-agency level;
- d) Set an annual government-wide goal for reduction of regulatory burden by at least ten percent (10%) during each of the next three years, and set annual agency goals to reduce regulatory burden imposed on the public that represent the maximum practicable opportunity in each agency;
- e) Provide direction on the acquisition and use of tools on the expertise in information technology, behavioral science, user experience design, and any other fields that contribute to the reduction of regulatory burden and the improvement of service delivery to the public;
- f) Recommend policies, processes and systems to improve regulatory management and review in ways that increase the productivity, efficiency, and effectiveness of the government agencies and programs, including service delivery to the public;
- g) Submit advisory opinions, studies, and annual special reports to Congress on proposed national legislation to reduce regulatory burden;
- h) Coordinate with legislative-Executive Development Advisory Council (LEDAC) on proposed national legislation to reduce regulatory burden; and
- i) Ensure the dissemination of the public access to information on the regulatory management system and changes in laws and regulations relevant to the public.

SECTION 7. *Organization of the Government Efficiency Office.* – The GEO shall be headed by an Executive Director appointed by the President who shall be internally supported by the following units: (1) Proposed Regulations Review Unit, (2) Existing Regulations Review Unit, (3) Research and Capacity Building Unit, (4) Behavioral Insights Unit, (5) User Experience Design Unit, and (6) Communication Unit. These units shall comprise the GEO. The Efficiency Office shall also work in coordination with each agency's Internal Regulatory Management Unit and may form other units for the effective implementation of its work.

SECTION 8. *Internal Regulatory Management Unit.* – It is hereby mandated that each government agency shall create an Internal Regulatory Management Unit, hereinafter referred to as IRMU, to directly handle all activities in relation to regulatory management and review of proposed and existing regulations. It shall have a representative in relation to regulatory management and review to serve as a liaison to the Government Efficiency Office. This representative shall also form part of Technical Working Groups (TWGs) for purposes of regulatory management and review. This representative shall also be responsible for submitting documents required by GEO in relation, but not limited to, internal inventory, prioritization, cost benefit analysis, impact analysis and evidence-based research, for the regulatory management and review of proposed and existing regulations.

SECTION 9. *Proposed Regulations Review Unit.* – The Proposed Regulations Review Unit shall have the following specific functions and responsibilities:

- (a) Establish and implement the process for the management and review of existing regulations as indicated in the NPDIR;
- (b) Coordinate with government agencies' IRMU for the management and review of existing regulations;
- (c) Generate, maintain, and update records of reviewed existing regulations, regulatory impact analyses, regulatory impact statements, and all other relevant information;
- (d) Assess and provide advice to Congress and the LEDAC on the regulatory impact of proposed legislation; and
- (e) Perform other functions relating to the aforementioned functions as may be provided by law or assigned by the Executive Director.

SECTION 10. *Existing Regulations Review Unit.* – The Existing Regulations Review Unit shall have the following specific functions and responsibilities:

- (a) Establish and implement the process for the management and review of proposed regulations as indicated in the NPDIR;
- (b) Coordinate with government agencies' IRMU for the management and review of proposed regulations;
- (c) Generate, maintain and update records of reviewed proposed regulations, regulatory impact analyses, regulatory impact statements, and all other relevant information;
- (d) Identify and submit to Congress and the LEDAC proposed legislation to repeal or amend existing laws found to be causing unnecessary and/or significant regulatory burden; and
- (e) Perform other functions relating to the aforementioned functions as may be provided by law or assigned by the Executive Director.

SECTION 11. *Research and Capacity Building Unit.* – The Research and Capacity Building Unit shall have the following specific functions and responsibilities:

- (a) Undertake research, data collection, analysis and dissemination of regulatory research and statistics, laws, policies, agreements, and other related information;
- (b) Benchmark best practices in regulatory management and easing regulatory burden;
- (c) Collaborate with government and non-government research institutions on regulatory management policies and studies;
- (d) Partner with the Philippine Institute for Development Studies (PIDS) in conducting sectoral and macro level impact assessment and potential effects of regulatory burden;
- (e) Conduct or facilitate the conduct of trainings and courses for the benefit of the technical staff of the Government Efficiency Office and other government personnel directly or indirectly engaged in regulatory management policy in order to build, improve, and enhance their capacity and competence in regulatory management and review;
- (f) Design and implement a regulatory management consultancy fellowship program that shall deploy experienced management consultants to partner government agencies and assist them in reducing regulatory burden and improving service delivery to the public;
- (g) Perform other functions relating to the aforementioned functions as may be provided by law or assigned by the Executive Director.

SECTION 12. *The Behavioral Insights Unit.* – The Behavioral Insights Unit shall have the following specific functions and responsibilities:

- (a) Provide behavioral science advice to the GEO, relevant government offices, and to Congress towards improving the design and impact of laws and regulations through the introduction of more realistic models of human behavior, with guidance from experts in economics, psychology, and relevant fields;
- (b) Collaborate with the local and international research institutions with regards to the use of behavioral science in redesigning regulation and public service.
- (c) Generate, maintain and update records of the local application of behavioral science in regulatory management and policy-making;
- (d) Conduct or facilitate the conduct of tests and trials that provide empirical data towards the use of behavioral science in the design of regulation and public services; and
- (e) Perform other functions relating to the aforementioned functions as may be provided by law or assigned by the Executive Director.

SECTION 13. *The User Experience Design Unit.* – The User Experience Design Unit shall have the following specific functions and responsibilities:

- (a) Generate, maintain and update records of users experience best practices in government;

- (b) Provide users experience advice to the GEO, relevant government offices and to Congress towards improving the design and impact of laws and regulations;
- (c) Design and undertake crowdsourcing activities and public consultations for purposes of gathering information relevant to the regulatory management and review process; and
- (d) Perform other functions relating to the aforementioned functions as may be provided by law or assigned by the Executive Director.

SECTION 14. *The Communication Unit.* – The Communication shall have the following specific functions and responsibilities:

- (a) Promote the functions, objectives, and accomplishments of the GEO to the public;
- (b) Formulate and implement the communications strategy of the GEO to ensure alignment of regulatory management objectives among government agencies;
- (c) Create and handle the GEO's website shall contain all updates on regulations; and
- (d) Perform other functions relating to the aforementioned functions as may be provided by law or assigned by the Executive Director.

SECTION 15. *Proposed Regulations.* – In accordance with the NPDIR, all national and local government agencies shall be required to submit all new proposed regulations to the GEO, which shall then assess and inform the submitting government unit within five (5) working days whether the said agency needs to take undertake a regulatory impact analysis for the proposed regulation. Should the GEO fail to assess the proposed regulation within five (5) days, the submitting government units shall be deemed allowed to move forward with the proposed regulation.

Should the GEO assess that the proposed regulation needs to undergo regulatory impact analysis the submitting government agency shall carry out such and report its results to the GEO within thirty (30) days. The Office shall review the report of the submitting government unit and shall conduct final examination and issuance of a regulatory impact statement for consideration by the government agency.

SECTION 16. *Existing Regulations.* – In accordance with the NPDIR, the GEO shall determine government- wide and agency targets to reducing regulatory burden per year. It shall also identify priority thematic and sectoral areas for the same. Based on the identified priorities and targets, the GEO shall promulgate the necessary policies, guidelines and schedules for the annual management and review process for existing regulations on the agency and inter-agency levels, and notify the concerned government agencies of the same. Upon release of such concerned government agencies, the IRMUs of each concerned agency shall conduct an internal mapping of regulations and submit a complete list of existing regulations in line with identified priority area. The GEO shall then coordinate with the concerned agencies for the

completion of the regulatory management and review process in accordance with the guidelines and schedules provided.

SECTION 17. *The Rule of the Department of Budget and Management.* – The Department of Budget and Management (DBM) shall consider the regulatory management and review targets and accomplishment of each government agency in DBM's assessment of the respective agency's annual budget proposals.

SECTION 18. *Publication.* – The GEO must periodically release a list of all repealed and amended regulations to the public through the official website and/or a publication of general circulation.

SECTION 19. *Implementing Rules and Regulations.* – The Government Efficiency Office, in consultation with the National Economic and Development Authority (NEDA), the National Competitiveness Council (NCC), The Department of Budget and Management (DBM), the Department of Trade and Industry (DTI), the Department of Finance (DoF), and Department of Interior and Local Government (DILG), shall issue the rules and regulations necessary to implement the provisions of this Act ninety (90) days from the date of appointment of the GEO Executive Director.

SECTION 20. *Appropriations.* – The amount necessary to implement the provisions of this Act shall be charged against the current year's appropriations of the Office of the President. Thereafter, such sums as may be necessary for its continued implementation shall be included in the annual General Appropriations Act.

SECTION 21. *Separability Clause.* – If any provision of this Act shall be declared invalid or unconstitutional, such declaration shall not affect the validity of the remaining provisions of this Act.

SECTION 22. *Repealing Clause.* – All provisions of laws, presidential decrees, letters of instruction and other presidential issuances that are incompatible or inconsistent with the provisions of this Act are hereby deemed amended or repealed.

SECTION. 23. *Effectivity.* – This Act shall take effect fifteen (15) days following its publications in the Official Gazette or in any two (2) newspapers of general circulation.

Approved,