

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **2385**

HOUSE OF REPRESENTATIVES	
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REGISTRATION UNIT BILLS AND INDEX SERVICE	

**AN ACT TO INSTITUTIONALIZE A SYSTEM OF PERFORMANCE PLANNING,
GRASSROOTS BUDGETING, EVALUATION AND MEASUREMENT,
IN ALL GOVERNMENT AGENCIES**

Introduced by **REP. HENEDINA RAZON- ABAD**

EXPLANATORY NOTE

Article II, Section 27 of the Constitution provides that the State shall maintain honesty and integrity in the public service and take positive measures against graft and corruption. 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.

The problems of corruption and inefficiency need to be eradicated to restore the people's trust in the government. This bill seeks to: (1) formulate and implement a system of strong budget-performance linkage; (2) transform the General Appropriations Act (GAA) into a more comprehensible, transparent, and accountable tool by making available both financial and non-financial information of the agency; and (3) institutionalize Grassroots Participatory Budgeting where basic sector organizations and other civil society organizations will have an active but limited participation in identifying, planning, and monitoring services that are responsive to the needs of the communities.

Agencies will be mandated to submit strategic plans and performance goals based on the Philippine Development Plan. Goals will be set and achieved, results will be measured, gaps will be filled, and progress reported. This way, the confidence of the people in the capability of the government will greatly improve as it will become more efficient and accountable. Moreover, this bill will reinforce Congress' decision-making by providing more objective information in attaining statutory objectives and realistic goals, fund sourcing, and disciplined government spending.

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

[Signature]
HENEDINA RAZON- ABAD

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HOUSE BILL NO. **2385**

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**AN ACT TO INSTITUTIONALIZE A SYSTEM OF PERFORMANCE PLANNING,
BUDGETING, AND ACCOUNTABILITY
IN ALL GOVERNMENT AGENCIES**

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

SECTION 1. *Short Title.* – This Act shall be known as the "Government Performance Management Act".

SECTION 2. *Declaration of Policies and Objectives.* It is hereby declared the policy of the State to formulate and implement a system of strong budget-performance linkage with the following objectives:

- a. To institutionalize a performance-informed budgeting system that transforms the General Appropriations Act (GAA) to a more comprehensible, transparent, and accountable document by making available both financial and non-financial information of each agency;
- b. To strengthen the link between and among planning, budgeting, implementation and agency performance in the context of the Philippine Development Plan;
- c. To specify the agency's intended performance outcomes and establish a reporting system that evaluates agency performance in the achievement of its goals;

- d. To institutionalize the involvement of civil society organizations (CSOs) in the identification, planning, budgeting and monitoring of government programs and projects to ensure that the services of agencies are responsive to the needs of the communities;
- e. To improve the effectiveness and efficiency of national programs by measuring results, service quality, costs, and public satisfaction; and
- f. To establish better transparency and accountability in the use of financial resources allocated to the agencies.

SECTION 3. *Definition of Terms.* -

- a. "Agency" refers to any of the various units of the government, including a department, bureau, office, instrumentality, state universities and colleges (SUCs), or government-owned and controlled corporation, or a local government or a district unit therein, as defined in Section 2 of Executive Order No. 292 or the Revised Administrative Code of 1991;
- b. "Program" refers to an integrated group of activities that contributes to a particular objective or outcome goals of a department/agency;
- c. "Outcome measure" refers to an assessment of the results of a program activity compared to its intended purpose;
- d. "Output measure" refers to the tabulation, calculation, or recording of a program activity, whether expressed in a quantitative or qualitative manner;
- e. "Performance goal" or "target" refers to a predetermined level (numerical target) of quantity, quality, timeliness, and cost of performance expressed as a tangible, measurable objective, against which actual achievement can be compared with;
- f. "Performance indicator" refers to a characteristic of performance (quantity, quality, timeliness or cost) that will be measured and will illustrate the standard of performance by which a department/agency has delivered its output or outcome.

SECTION 4. *Strategic Planning.* - Before the end of each fiscal year, the head of each agency shall ensure the preparation and updating of a strategic plan. This agency plan shall contain information on how it will link its strategic objectives with that of the government's strategic plan which is the Philippine Development Plan. This plan shall also

map out the priorities of the agency as well as note the risks that may challenge their implementation along with suggested mitigation measures.

The agency strategic plan shall cover a period of not less than five (5) years. At least once every two (2) years or as needed, the head of the agency may make adjustments in its strategic plan to reflect the impact of significant changes in the environment under which it is operating.

No later than the first Monday of February of the year following the effectivity of this Act and every year thereafter, the head of each agency shall notify the President of the Philippines and Congress of the strategic plan and any update thereto and make them available to the public through the agency website.

Section 5. *Performance-Informed Budgeting.* – To link the annual budget with the agency's strategic plan, every agency's budget in the GAA shall feature the results and outcomes it plans to achieve with the resources appropriated to it. This shall make the GAA a more comprehensible, transparent, and accountable document by making available both financial and non-financial information of each agency.

Section 6. *Institutionalization of CSO Participation.* – National government agencies (NGAs) and local government units (LGUs) shall ensure the involvement of CSOs in the identification, planning, budgeting and monitoring of programs and projects of the government.

Section 7. *Agency Annual Implementation Plan.* – Within thirty (30) days from the effectivity of the GAA, the head of each agency shall prepare and submit an Annual Implementation Plan (AIP) to the President of the Philippines and Congress, making it public through the agency website. In case of a full re-enactment of the GAA, the AIP shall be based on the authorized budget level, as re-enacted and shall be submitted within the first quarter of the year.

Section 8. *Government Implementation Plan.* – Within ninety (90) days from the effectivity of the GAA, the Secretary of the Department of Budget and Management shall prepare the overall Government Implementation Plan based on the agency AIP and submit the same to the President of the Philippines and Congress, making it public through the DBM website.

Section 9. *Program Performance Results Reporting.* – No later than April 30 of the

fiscal year following the effectivity of this Act, and every year thereafter, the head of each agency shall prepare and submit to the President of the Philippines and Congress, an Annual Accountability Report on its performance for the previous fiscal year. The Report shall compare actual performance and expenditures with the performance goals and planned spending established in the agencies' AIP under Section 7.

Section 10. *Implementing Rules and Regulations.* - Within one hundred twenty (120) days after effectivity of this Act, the Department of Budget and Management in consultation with agencies concerned shall promulgate the Implementing Rules and Regulations.

Section 11. *Separability Clause.* - If any part of this Act shall be held to be unconstitutional or invalid, other parts or provisions shall continue to be in force and effect.

Section 12. *Repealing Clause.* - All laws, presidential decrees, executive orders, or rules and regulations, which are contrary to the provisions of this Act are hereby repealed, amended, and modified accordingly.

Section 13. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,