



Republic of the Philippines
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT

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OFFICE OF THE SECRETARY

MARCH 24, 2014

MEMORANDUM CIRCULAR

NO.: 2014-39

TO : ALL PROVINCIAL GOVERNORS, CITY MAYORS, MUNICIPAL MAYORS, REGIONAL GOVERNOR OF THE ARMM, AND DILG REGIONAL DIRECTORS

SUBJECT : 2014 SEAL OF GOOD LOCAL GOVERNANCE: *PAGKILALA SA KATAPATAN AT KAHUSAYAN NG PAMAHALAANG LOKAL*

**PREFATORY STATEMENT
AND OBJECTIVE**

From its pilot run in 2010, the Seal of Good Housekeeping (SGH) has promoted transparency and accountability in local government operations, which assesses financial housekeeping through compliance with COA's accounting and auditing standards and the Department's Full Disclosure Policy. In 2012, 84% of provinces, cities and municipalities were conferred with the SGH. This indicates readiness of local governments to take on greater challenges.

This year, the Department scales up the Seal of Good Housekeeping into the Seal of Good Local Governance (SGLG). Good governance promotes transparency and accountability in the use of public funds by delivering basic services that are responsive to people's needs. In this context, the SGLG is a recognition of good performance of provincial, city and municipal governments, not only on financial housekeeping, but also on other areas that directly benefit the people. It is a continuing challenge for local governments to perform better, and ultimately, achieve a desirable condition where local governments: (a) Sustain the practice of transparency and accountability in the use of public funds; (b) Prepare for challenges posed by disasters; (c) Demonstrate sensitivity to the needs of vulnerable and marginalized sectors of society; (d) Encourage investment and employment; (e) Protect constituents from threats to life and security; and (f) Safeguard the integrity of the environment.

COVERAGE

The assessment covers 80 provinces, 143 cities and 1,491 municipalities.

ASSESSMENT CRITERIA

There are six components where a local government is to be assessed using the prescribed criteria. Assessment criteria vary by LGU level and income class. Assessment draws from data from other agencies, and those to be collected from the LGU itself. The general criteria in each component are as follows:

1. Good Financial Housekeeping (formerly the Seal of Good Housekeeping) – an LGU that exhibits compliance with accounting and auditing standards, rules and regulations, i.e., with an Unqualified or Qualified COA Opinion of the immediately preceding year; as well as Compliance with the Full Disclosure Policy of Local Budget and Finances, Bids and Public Offerings e.g., Annual Budget, Statement of Receipts and Expenditures, Annual Procurement Plan or Procurement List, and Bid Results On Civil Works, Goods and Services and Consulting Services, among others.
2. Disaster Preparedness - an LGU that shows preparedness for disasters, indicators include being an awardee of the National Gawad KALASAG for Best Local Disaster Risk Reduction and Management Council; or having structures, plans and systems in place for disaster preparedness e.g., Local Disaster Risk Reduction Management (DRRM) Council and local DRRM Office, Provincial Development and Physical Framework Plan/Comprehensive Land Use Plan, DRRM plan, Contingency Plan, Local Climate Change Action Plan, early warning and evacuation alert system, evacuation centers, Standard Operating Procedures, transportation, relief operations, medical services, registration, and security.
3. Social Protection - an LGU that is sensitive to the needs of vulnerable sectors like women, children, senior citizens, indigenous peoples and persons with disability (PWD), among others. This includes access to justice, especially on cases of violence against women and children; access to quality public health facilities certified by PhilHealth; support to basic education, particularly alignment of the Local School Board (LSB) Plan with the School Improvement Program certified by Department of Education-representative in the LSB; providing privilege access for PWDs, senior citizens and pregnant women in frontline services; enhancing mobility for PWDs in public infrastructures like local government centers and hospitals in accordance with the Accessibility Law; mandatory representation of indigenous people in compliance with the Indigenous Peoples Rights Act of 1997; and representation from non-government organization(s) in local development council consistent with Section 107, Local Government Code of 1991.
4. Business-friendliness and Competitiveness – an LGU that demonstrates good performance in business promotion as a result of Business-Friendliness or Competitiveness Assessment by the Philippine Chamber of Commerce and Industry or the National Competitiveness Council; or at the minimum, having a simplified business processing and licensing system, tracking of economic data, having a designated local economic investment promotion officer or its equivalent.
5. Peace and Order – an LGU that shows considerable efforts in maintaining peace and order in the community by adopting a Local Anti-Criminality Action Plan or Peace and Order Council Action Plan, providing logistical or financial support to the local police station, convening the local peace and order council, and establishing a community-oriented policing mechanism.
6. Environmental Management - an LGU that displays substantial efforts in safeguarding the integrity of the environment. The initial focus is assessing compliance with the

Ecological Solid Waste Management Act of 2000, particularly developing a Ten-Year Solid Waste Management Plan, or enacting an ordinance on solid waste management, having a material recovery facility or its equivalent, or access to sanitary landfill or alternative technology for final waste disposal.

The detailed assessment criteria by LGU level and income class-range are provided in Attachment A, for ready reference.

HOW TO BE AN SGLG RECIPIENT

The "3 plus 1" Principle applies. A local government, which passes all three core assessment areas, namely: Good Financial Housekeeping, Disaster Preparedness, and Social Protection; and at least one essential assessment area, namely: Business-friendliness and Competitiveness, Peace and Order, or Environmental Management, will be conferred with the Seal of Good Local Governance.

DATA COLLECTION, ASSESSMENT AND VALIDATION: GENERAL PROCEDURE

1. **Data Collection and Regional Validation (3rd Week, April to 2nd Week, July).** Cross-posting scheme shall be applied. Each DILG Regional Office shall create Regional Assessment Teams and arrange cross-posting assignments in provinces, cities and municipalities. No Provincial Director, City Director or Cluster Head shall be assigned in his or her local government field station. There shall be CSO representative(s) during regional validation process. Initial feedback on the results shall be made to the local government being assessed.

Data collection for the SGLG and Child-Friendly Local Governance Audit are to be simultaneously conducted. Details of the Child-Friendly Local Governance Audit shall be issued in a separate Circular.

2. **Data Tabulation and National Validation (2nd Week July to September).** The Bureau of Local Government Supervision (BLGS), together with DILG-partners: the Leagues of Provinces, Cities and Municipalities and Union of Local Authorities of the Philippines; other NGAs; academe; private sectors; and civil society organizations shall convene as the National Assessment Team, with the Undersecretary for Local Government (USLG) as Chairperson.

The Team shall conduct national validation -- spot checks on selected LGUs in every region, and finalize the list of LGU-passers for submission to, and adoption by, the Secretary of Interior and Local Government, through the USLG.

The National Assessment Team, in consultation with the Regional Teams, shall prepare recommendations to improve the assessment and selection process, including corrective measures on operational issues, e.g., disciplinary actions in response to deliberate misrepresentation of data, if any.

3. **Conferment of the Seal (October).** All qualified local governments are to be conferred with the Seal of Good Local Governance.

IMPLEMENTING MECHANISM

The Local Governance Performance Management System (LGPMS) shall serve as the operational platform of the Seal of Good Local Governance.

Relatedly, the Local Governance Performance Management Division of BLGS, and the Local Governance Monitoring and Evaluation Division in every DILG Regional Office shall take the lead in performance monitoring and assessment of LGUs. The LGPMS Implementing Guidelines shall supplement this Circular on the detailed rules and procedures on data gathering, verification and certification, and on-line data entry.

LINK TO THE PERFORMANCE CHALLENGE FUND

Recipients of the Seal are eligible to access the Performance Challenge Fund (PCF), a support fund to finance local development initiatives in furtherance of national government goals and strategic thrusts. Details of the PCF incentive design shall be issued in a separate Circular.

Access to other program windows and capacity development assistance from the Department will form part of the incentives package, subject to national policies and guidelines.

APPROVAL AND PROMULGATION

The Seal of Good Local Governance is hereby approved and thereby promulgated.

Let copies of this Memorandum Circular be disseminated to all Regional Offices for eventual circulation to concerned local authorities.

EFFECTIVITY

This Circular shall take effect immediately.


MAR ROXAS
Secretary



DILG-OSEC OUTGOING 14-01920

SEAL OF GOOD LOCAL GOVERNANCE (SGLG)
Assessment Criteria for Highly Urbanized Cities (HUCs)

Criteria	Certified by:
CORE 1: Good Financial Housekeeping	
1. 2013 "Unqualified" or "Qualified" COA Opinion	COA
2. Compliance with the Full Disclosure Policy of Local Budget and Finances Bids and Public Offerings as stated in DILG Memorandum Circular No. 2013-140 (1 st Quarter posting period)	
2.1 Posting in Conspicuous Places	Reg'l Assessment Team
2.2 Posting in the FDP Portal	DILG-BLGS
CORE 2: Disaster Preparedness	
3. 2013 Gawad KALASAG Hall of Famer, or National Awardee for Best LDRRMCs, or All of the following: (i) Has structure for: (a) LDRRMC and (b) LDRRMO (ii) Has at least two of these plans: (a) Comprehensive Land Use Plan, (b) DRRM Plan, (c) Contingency Plan, (d) Local Climate Change Action Plan (iii) Has a system in place for: (a) early warning and evacuation alert system; (b) evacuation centers; (c) command line and Standard Operating Procedures; (d) transportation; (e) relief operations; (f) medical services; (g) registration; and (h) security	DND-OCDB HLURB, Reg'l Assessment Team
CORE 3: Social Protection	
Access to justice	
3. An ordinance establishing Barangay Violence Against Women and their Children (VAWC) desks, and	Reg'l Assessment Team
4. An LGU-managed Youth Home, Bahay Pag-asa or any similar care facility(ies) for the vulnerable sectors e.g., women, children, senior citizens and PWDs, or	DSWD
A licensed Local Social Welfare and Development Officer	Reg'l Assessment Team
Access to Public Health	
5. 2013 Philhealth-accreditation in at least 25% of its health facilities, i.e., main and barangay units, for Maternal care services	Philhealth
6. 2013 Philhealth-accreditation in at least 70% of its health facilities, i.e., main and barangay units, for Primary care	Philhealth
7. 2013 Philhealth-accreditation in at least 25% of its health facilities, i.e., main and barangay units, for TB detection and treatment	Philhealth
Support to Basic Education	
8. A Local School Board (LSB) Plan for CY 2013 that is aligned with the School Improvement Plan, and	DepEd Superintendent
9. Completed, at least 70%, its LSB plan for CY 2013	DepEd Superintendent
Privilege access for PWDs, Senior Citizens and Pregnant Women	
10. Designated express lanes for PWDs, Sr. Citizens and pregnant women on frontline services, and	Reg'l Assessment Team
11. Compliance with Accessibility Law i.e., provision of ramps (handrails) at the entrance/exit, special lift/elevator, and toilet with handrails in the city hall	Reg'l Assessment Team
Representation of the sectors in local decision bodies	
12. Compliance with indigenous people mandatory representation, if applicable, and	Reg'l Assessment Team
13. Representation of non-government organization(s), from any of the following sectors, in the local development council: (a) PWDs; (b) Women; (c) Farmers and landless rural workers; (d) Artisanal fisher folk; (e) Urban poor; (f) Workers in formal labor and migrant workers; (g) Workers in the informal sector; (h) Children; (i) Youth and Students; (j) Senior citizens; (k) Victims of disasters and calamities; (l) Cooperatives; or (m) other sector.	Reg'l Assessment Team

ESSENTIAL 1: Business-friendliness and Competitiveness	
Ranked among the top 50 of the Competitiveness Index of the National Competitiveness Council (NCC), or a Finalist of the Philippine Chamber of Commerce and Industry's Most Business-friendly LGUs Award (2013 results), or	NCC PCCI
All items:	
1. A designated local economic and investment promotion officer (LEIPO) or its equivalent	Reg'l Assessment Team
2. Simplified business processing and licensing system: (a) Not more than 5 steps, both for new and renewal of business, (b) Not more than 1 day processing time for business renewal, (c) Not more than 5 days processing time for new business, and (d) Business One-Stop-Shop	Reg'l Assessment Team
3. Tracking of all the following economic data: (a) No. of new business, (b) No. of business renewal, (c) Amount of capital investment, derived from registered new businesses and business renewal, and (d) No. of employees, derived from registered new businesses and business renewal.	Reg'l Assessment Team
ESSENTIAL 2: Peace and Order	
Any four of the following items:	
1. Convened, at least once, the City Peace and Order Council (CPOC) in 2013 up to 1 st Quarter, 2014	Chief, PNP City Police Office (in the case of NCR, PNP City Police Station)
2. Adopted a Local Anti-Criminality Action Plan (whether a separate plan or embodied in the CPOC action plan) for CY 2013	Chief, PNP City Police Office (in the case of NCR, PNP City Police Station)
3. Completed, at least 70%, its Local Anti-Criminality Action Plan (whether a separate plan or embodied in the CPOC action plan) for CY 2013	Chief, PNP City Police Office (in the case of NCR, PNP City Police Station)
4. Provided logistical or financial support to the PNP City Police Office (in the case of NCR, PNP City Police Station or any Sub-Stations) in 2013 up to 1 st Quarter, 2014	Chief, PNP City Police Office (in the case of NCR, PNP City Police Station)
5. Support the organization of the Barangay Peacekeeping Action Teams, or its equivalent	Chief, PNP City Police Office (in the case of NCR, PNP City Police Station)
ESSENTIAL 3: Environmental Management	
Any three of the following items:	
1. An ordinance on solid waste management	Reg'l Assessment Team
2. A Material Recovery Facility (MRF), or an existing partnership with similar entity	Reg'l Assessment Team
3. Ten-Year Solid Waste Management (SWM) Plan approved by the Sanggunian or NSWMC	Reg'l Assessment Team
4. Access to sanitary landfill	Reg'l Assessment Team

SEAL OF GOOD LOCAL GOVERNANCE (SGLG)

Assessment Criteria for Independent Component Cities (ICCs) and Component Cities

Criteria	Certified by:
CORE 1: Good Financial Housekeeping	
1. 2013 "Unqualified" or "Qualified" COA Opinion	COA
2. Compliance with the Full Disclosure Policy of Local Budget and Finances Bids and Public Offerings as stated in DILG Memorandum Circular No. 2013-140 (1 st Quarter posting period)	
2.1 Posting in Conspicuous Places	Reg'l Assessment Team
2.2 Posting in the FDP Portal	DILG-BLGS
CORE 2: Disaster Preparedness	
3. 2013 Gawad KALASAG Hall of Famer, or National Awardee for Best LDRRMCs, or All of the following: (i) Has structure for: (a) LDRRMC and (b) LDRRMO (ii) Has at least two of these plans: (a) Comprehensive Land Use Plan, (b) DRRM Plan, (c) Contingency Plan, (d) Local Climate Change Action Plan (iii) Has a system in place for: (a) early warning and evacuation alert system; (b) evacuation centers; (c) command line and Standard Operating Procedures; (d) transportation; (e) relief operations; (f) medical services; (g) registration; and (h) security	DND-OCD HLURB, Reg'l Assessment Team
CORE 3: Social Protection	
Access to justice	
4. An ordinance establishing Barangay Violence Against Women and their Children (VAWC) desks	Reg'l Assessment Team
5. An LGU-managed Youth Home, Bahay Pag-asa or any similar care facility(ies) for the vulnerable sectors e.g., women, children and senior citizens, or A licensed Local Social Welfare and Development Officer	DSWD Reg'l Assessment Team
Access to Public Health	
6. 2013 Philhealth-accreditation in at least 25% of its health facilities, i.e., main and barangay units, for Maternal care services	Philhealth
7. 2013 Philhealth-accreditation in at least 70% of its health facilities, i.e., main and barangay units, for Primary care	Philhealth
8. 2013 Philhealth-accreditation in at least 25% of its health facilities, i.e., main and barangay units, for TB detection and treatment	Philhealth
Support to Basic Education	
9. A Local School Board (LSB) Plan for CY 2013 that is aligned with the School Improvement Plan, and 10. Completed, at least 70%, its LSB plan for CY 2013	DepEd Superintendent DepEd Superintendent
Privilege access for PWDs, Senior Citizens and Pregnant Women	Reg'l Assessment Team
11. Designated express lanes for PWDs, Sr. Citizens and pregnant women on frontline services, and 12. Compliance with Accessibility Law i.e., provision of ramps (handrails) at the entrance/exit, special lift/elevator, and toilet with handrails in the city hall	Reg'l Assessment Team
Representation of the sectors in local decision bodies	Reg'l Assessment Team
13. Compliance with indigenous people mandatory representation, if applicable, and 14. Representation of non-government organization(s), from any of the following sectors, in the local development council: (a) PWDs; (b) Women; (c) Farmers and landless rural workers; (d) Artisanal fisher folk; (e) Urban poor; (f) Workers in formal labor and migrant workers; (g) Workers in the informal sector; (h) Children; (i) Youth and Students; (j) Senior citizens; (k) Victims of disasters and calamities; (l) Cooperatives; or (m) other sector.	Reg'l Assessment Team

ESSENTIAL 1: Business-friendliness and Competitiveness	
Ranked among the top 50 of the Competitiveness Index of the National Competitiveness Council (NCC), or a Finalist of the Philippine Chamber of Commerce and Industry's Most Business-friendly LGUs Award (2013 results, or	NCC PCCI
All items:	
1. A designated local economic and investment promotion officer (LEIPO) or its equivalent	Reg'l Assessment Team
2. Simplified business processing and licensing system: (a) Not more than 5 steps, both for new and renewal of business, (b) Not more than 1 day processing time for business renewal, (c) Not more than 5 days processing time for new business, and (d) Business One-Stop-Shop	Reg'l Assessment Team
3. Tracking of three the following economic data: (a) No. of new business, (b) No. of business renewal, (c) Amount of capital investment, derived from registered new businesses and business renewal, and (d) No. of employees, derived from registered new businesses and business renewal.	Reg'l Assessment Team
ESSENTIAL 2: Peace and Order	
Any three of the following items:	
1. Convened, at least once, the City Peace and Order Council (CPOC) in 2013 up to 1 st Quarter, 2014	PNP City Police Office
6. Adopted a Local Anti-Criminality Action Plan (whether a separate plan or embodied in the PPOC action plan) for CY 2013	PNP City Police Office
7. Completed, at least 70%, its Local Anti-Criminality Action Plan (whether a separate plan or embodied in the PPOC action plan) for CY 2013	PNP City Police Office
8. Provided logistical or financial support to the PNP City Police Office in 2013 up to 1 st Quarter, 2014	PNP City Police Office
9. Support the organization of the Barangay Peacekeeping Action Teams, or its equivalent	PNP City Police Office
ESSENTIAL 3: Environmental Management	
Any two of the following items:	
1. An ordinance on solid waste management	Reg'l Assessment Team
5. A Material Recovery Facility (MRF), or an existing partnership with similar entity	Reg'l Assessment Team
6. Ten-Year Solid Waste Management (SWM) Plan approved by the Sanggunian or NSWMC	Reg'l Assessment Team
7. Access to sanitary landfill	Reg'l Assessment Team