



# **Improving LGU Competitiveness & Ease of Doing Business**

**Undersecretary Epimaco V. Densing**  
**Department of the Interior and Local Government**

9<sup>th</sup> National Convention  
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Marco Polo Hotel, Cebu City



## Ease of Doing Business (EODB) underscored in President Rodrigo Duterte socio-economic agenda

*“Reforms to ensure **competitiveness** and promote **ease of doing business** will be mandatory. Reacting to these needs, the restrictions on the economy will be needed to make more investments to come and to develop labor-intensive industries such as manufacturing, agriculture and tourism shall be pursued.”*



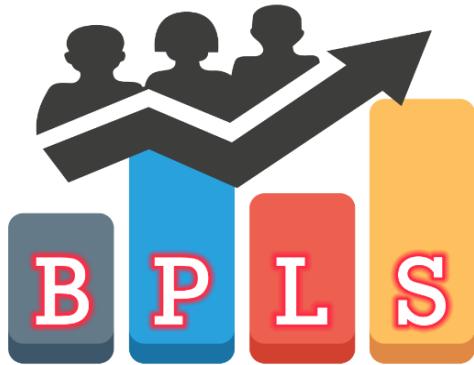


# PHILIPPINES vs ASEAN OVERALL (2011-2018)

Economy	2018 (190)	2017 (190)	2016 (189)	2015 (189)	2014 (189)	2013 (185)	2012 (183)	2011 (183)	Change 2017-2018	Change 2011-2018
Singapore	2	2	1	1	1	1	1	1	0	-1
Malaysia	24	23	18	18	6	12	18	21	-1	-3
Thailand	26	46	49	26	18	18	17	19	20	-7
Brunei Darussalam	56	72	84	101	59	79	83	112	16	56
Vietnam	68	82	90	78	99	99	98	78	14	10
Indonesia	72	91	109	114	120	128	129	121	19	49
<b>Philippines</b>	<b>113</b>	<b>99</b>	<b>103</b>	<b>95</b>	<b>108</b>	<b>138</b>	<b>136</b>	<b>148</b>	<b>-14</b>	<b>35</b>
Cambodia	135	131	127	135	137	133	138	147	-4	12
Lao PDR	141	139	134	148	159	163	166	171	-2	30
Myanmar	171	170	167	177	182	NDA	NDA	NDA	-1	11



# DILG initiatives on EODB

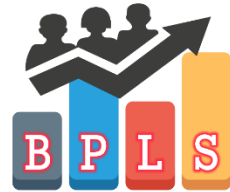






Streamlining Business  
Permits and Licenses

Streamlining Building  
Permit and Certificate  
of Occupancy



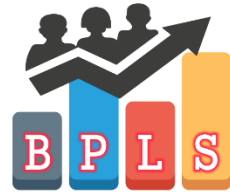
# DILG-DTI-DICT JMC 2016-01



	<b>NUMBER OF FORMS</b>	<b>BPLS Unified Form</b>	<b>BPLS forms are unified and made available on-line.</b>
	<b>NUMBER OF STEPS</b>	<b>3 Steps</b>	<b>1. Filing and verification 2. Assessment and payment 3. Claim the business permit.</b>
	<b>PROCESSING TIME</b>	<b>2 days for new 1 day for renewal</b>	
	<b>NUMBER OF SIGNATORIES</b>	<b>2 Signatories</b>	<b>Use of electronic and digital signatures also introduced.</b>



# DILG-DTI-DICT JMC 2016-01



**Overall LGU  
compliance on  
the JMC**

**New Application &  
Renewal**

**61.61%**





**934** LGUs are compliant in  
the revised standards in  
processing Business  
Permit and Licenses

*as of August 2018*



# DILG-DPWH-DICT-DTI JMC 2018-01



	<b>NUMBER OF FORMS</b>	<b>Unified Application Form</b>	<b>Combines the Office of the Building Official (OBO) and Bureau of Fire Protection (BFP)</b>
	<b>NUMBER OF STEPS</b>	<b>4 Steps</b>	<ol style="list-style-type: none"><li>1. Submission of Application Form and Documentary Requirements</li><li>2. Receipt of Order of Payment</li><li>3. Payment of fees and charges</li><li>4. Claiming of Building Permit / Certificate of Occupancy</li></ol>
	<b>PROCESSING TIME</b>	<b>5 Days</b>	<b>Including the BFP processing</b>
	<b>NUMBER OF SIGNATORIES</b>	<b>1 Signatory</b>	<b>Sign by Building Official</b>



## Establishment of One-Stop Shop for Construction Permits (OSCP)

*Co-location of the following offices in the OSCP*

- ✓ Assessor's Office
- ✓ Treasurer's Office
- ✓ Planning Development Office
- ✓ Bureau of Fire Protection (BFP)





# On-going policy development in support to EODB



## Integration of Barangay Clearance in the LGU permitting process

The city/municipality officials shall be allowed to collect *barangay* fees related to building permit and locational clearance applications, which shall then be remitted to the concerned barangays.

## Rationalization of fees and charges



In order to help LGUs build strong enabling environment for good local governance and serve the constituents fairly, particularly the business sector, all LGUs are enjoined to review, adjust, and/or if found necessary, adopt a new, fair, and uniform procedure for setting reasonable fees and charges.



# **RA No. 11032: EASE OF DOING BUSINESS AND EFFICIENT GOVERNMENT SERVICE DELIVERY ACT OF 2018**





# SALIENT FEATURES OF RA 11032

## Coverage (Sec. 3)

All government offices and agencies including:



**National  
Government  
Agencies (NGAs)**



**Local  
Government  
Units (LGUs)**



**Government  
Owned &  
Controlled  
Corporations  
(GOCCs)**



**Other Government  
Instrumentalities  
(whether located in  
the Philippines or  
abroad)**



# SALIENT FEATURES OF RA 11032

## Reengineering of Systems and Procedures (Sec. 5)

All government agencies shall:

Undertake cost compliance analysis, time and motion studies

Undergo evaluation and improvement of their transaction systems and procedures

Undergo regulatory impact assessment to the proposed regulations

Initiate review of existing policies and operations

Commence with the reengineering of their systems and procedures.



# SALIENT FEATURES OF RA 11032

## Citizen's Charter (Sec. 6)

All government agencies shall set up their most current and updated Citizen's Charter. Must indicate:



Comprehensive and uniform checklist of requirements for each type of application or request



Procedure to obtain a particular service



Person/s responsible for each step



Maximum time to conclude the process



Document/s to be presented by the applicant or requesting party



Amount of fees



Procedure for filing complaints



# SALIENT FEATURES OF RA 11032

## New Provision: Adoption of Zero Contact Policy (Sec. 7)

All government agencies including local government units (LGUs) shall adopt a zero-contact policy.

Exception is during the preliminary assessment of the request and evaluation of sufficiency of submitted requirements.

No government officer or employee shall have any contact, in any manner, unless strictly necessary with any requesting party concerning an application or request.





# SALIENT FEATURES OF RA 11032

## Reduced Processing Time and Signatories (Sec. 9.B.1, 9.D)



Working days for **simple transactions**

**45 working days**

This can be extended for another twenty (20) working days



Working days for **complex transactions**

*Application or request for license, clearance, permit or authorization which require the approval of the local Sangguniang Bayan, Sangguniang Panlungsod, or the Sangguniang Panlalawigan.*



Working days for **Highly Technical Application**



# SALIENT FEATURES OF RA 11032

## Streamlined Procedures for the Issuance of Local Business Licenses, Clearances, Permits or Authorizations (Sec. 11)



Use of Unified Business Application Form



Establishment of Business One Stop Shop (BOSS)



Cities/Municipalities are mandated to automate their business permitting and licensing system within 3 years.



Barangay clearances and permits related to doing business shall be applied, issued, and collected at the city/municipality. (Co-location with LGUs)

*At the local government level, the city or municipal business process and licensing office shall not require the same documents already provided by an applicant or requesting party to the local government departments.*





# SALIENT FEATURES OF RA 11032

New Provision: Streamlined Procedures for Securing Fire Safety Evaluation Clearance, Fire Safety Inspection Certificate, and Certification of Fire Incidents for Fire Insurance. (Sec. 12)

TYPE OF APPLICATION	NUMBER OF DAYS
Fire Safety Evaluation Clearance (FSEC)	seven (7) working days.
Fire Safety Inspection Clearance (FSIC)	seven (7) working days.
Certification of Fire Incident (CFI)	twenty (20) working days (extended once)



# SALIENT FEATURES OF RA 11032

New Provision: Streamlined Procedures for Securing Fire Safety Evaluation Clearance, Fire Safety Inspection Certificate, and Certification of Fire Incidents for Fire Insurance. (Sec. 12)



Co-location with the Business One Stop Shop (BOSS)



Enter into agreements with LGUs and develop an online or electronic mechanism for such applications.



Bureau of Fire Protection shall not sell, offer or recommend specific brands of fire extinguishers and other fire safety equipment to any applicant or requesting party or business entity. Any violation thereof shall be punishable by imprisonment of one (1) year to six (6) years and a penalty of not less than Php 500,000.00 but not more than Php 2,000,000.00.



# SALIENT FEATURES OF RA 11032

## Violations and Persons Liable (Sec. 21)

**Any person who performs or cause the performance of the following acts shall be liable:**

- a. Refusal to accept application or request with complete requirements being submitted by an applicant or requesting party without due cause;
- b. Imposition of additional requirements other than those listed in the Citizen's Charter;
- c. Imposition of additional costs not reflected in the Citizen's Charter;
- d. Failure to give the applicant or requesting party a written notice on the disapproval of an application/request;



# SALIENT FEATURES OF RA 11032

## Violations and Persons Liable (Sec. 21)

**Any person who performs or cause the performance of the following acts shall be liable:**

- e. Failure to render government services within the prescribed processing time on any application and/or request without due cause;
- f. Failure to attend to applicants or requesting parties who are within the premises of the office or agency concerned prior to the end of official working hours and during lunch break;
- g. Failure or refusal to issue official receipts; and
- h. Fixing and/or collusion with fixers in consideration of economic and/or other gain or advantage.



# SALIENT FEATURES OF RA 11032

## Penalties and Liabilities (Sec. 22)



### FIRST OFFENSE

6 months suspension without pay  
(administrative liability)



### SECOND OFFENSE

Disqualification from public office and forfeiture of retirement benefits and imprisonment of one (1) to six (6) years with a fine of not less than Five Hundred Thousand Pesos (P500,000.00) but not more than Two Million Pesos (P2,000,000.00) (administrative and criminal liability)



Criminal liability shall also be incurred through the commission of bribery, extortion, or when the violation was done deliberately and maliciously to solicit favor in cash or in kind.



# DILG initiatives on the law

Phase 1: Drafting of the IRR and issuances of Memorandum Circulars

Phase 2: Orientation to Local Chief Executive (LCE), local functionaries, Liga ng Barangay President and BFP

Phase 3: Organization and Capacity Building for EODB Coaches

Phase 4: Re-engineering of LGU system and procedures

Phase 5: Monitoring and Evaluation of LGU compliant on EODB law



**THANK YOU!**