

**[ADMINISTRATIVE ORDER NO. 204, December
19, 1990]**

**DIRECTING THE DEPARTMENT SECRETARIES AND HEADS OF
AGENCIES OF THE NATIONAL GOVERNMENT INCLUDING
GOVERNMENT OWNED OR CONTROLLED CORPORATIONS TO
ADOPT A PERFORMANCE CONTRACT SYSTEM AS A BASIS FOR
THE EVALUATION/APPRaisal OF THE PERFORMANCE OF THEIR
OFFICIALS IN THE THIRD LEVEL**

WHEREAS, public officials are at all times accountable to the people and are required to serve them with utmost responsibility, integrity, loyalty and efficiency;

WHEREAS, corollary to the principle that appointment of officials in the Civil Service shall be determined according to merit and fitness is the concomitant obligation and responsibility to maintain an acceptable level of performance, to keep fit, to maintain merit and to exercise responsiveness and efficiency in office;

WHEREAS, the adoption of measures for the promotion of morale, efficiency, integrity, responsiveness and courtesy in the Civil Service is a continuing policy of the government to account for their accomplishments or performance while in office;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the power vested in me by law, do hereby order:

SECTION 1. Performance Contract. All department secretaries and heads of agencies of the National Government including Government-Owned or Controlled Corporations shall require all third level officials in their respective Departments and Agencies to prepare and enter into a semi-annual/annual performance contract with them. The performance contract shall be based on the mandates, objectives, programs, projects and activities of the respective offices of these officials for the Calendar Year.

SEC. 2. Purpose of Performance Contract. The performance contract shall serve as a basis for the periodic evaluation of the performance of third level officials to be conducted by the Heads of Departments and Agencies.

SEC. 3. This Administrative Order shall take effect immediately.

DONE in the City of Manila, this 19th day of December in the year of Our Lord, nineteen hundred and ninety.

(Sgd.) **CORAZON C. AQUINO**
President of the Philippines