

# Performance-Based Grants

## Brief Review of Current Initiatives

- Urgent need for oversight agencies to take lead in setting overall objectives on LGU performance requirements, coordinate with the sectors and ensure sufficient linkages between sectoral and multi-sectoral initiatives, esp. in terms of identification of indicators, scoring systems and assessment modes
- Selection of indicators should be balanced, following recognized principles for PBGSs. In the short term, they can be those for which data are readily available and verifiable from the desk. In the longer term, they can be more qualitative and nuanced, based on field verification
- Strong system for neutral and professional assessment of LGU performance is critical to establish credibility of the PBGS



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## **Brief Review of Current Initiatives: Possible Performance Areas and Cross-Sectoral Indicators**

- **Planning**
- **Budgeting – Own source revenues, actual vs target**
- **Fiscal capacity and revenue mobilization - % inc in own source revenues**
- **Financial mgt. and budget execution – PS/total exp.; development exp/total exp or IRA; clean audit report or progress in addressing audit findings**
- **Procurement – compliance with E-Procurement Law: BAC composition and use of website**
- **Transparency and accountability – Use of the LGPMS; submission of SIEs to BLGF**
- ❖ ***A subset of the above indicators may be adopted soon***



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## Brief Review of Current Initiatives: Levels of Coordination to be Installed

- 1) **PDF Working Group on Decentralization and Local Government to link all initiatives by GOP and its development partners**
- 2) **Steering Committee for all PBGSs with DBM, DOF (MDFO and BLGF), DILG and NEDA or MDFO-PGB, with Secretariat – to oversee all PBGSs**
- 3) **Technical coordination and clearly defined responsible unit within each sector agency (e.g. DOH or DA)**
- 4) **Organization of assessment teams and resource pool of experts**



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## Brief Review of Current Initiatives:

- **Current sectoral initiatives can proceed but aim for balance , in close coordination with oversight agencies**
- **Need sufficient project budgets to have clear operational definitions of indicators, get baseline data, choose MCs or PMs, weighting and scoring**
- **Review links to capacity building support**
- **Design of multi-sectoral PBGSs much needed to guide sectoral initiatives**

