



# PERFORMANCE CHALLENGE FUND

## Annual Accomplishment Report

# 2019

**INCENTIVIZING GOOD GOVERNANCE: EMPOWERING LOCAL GOVERNMENT UNITS THROUGH DEVELOPMENT AND CHANGE**

**"MATINO, MAHUSAY AT MAAASAHANG KAGAWARAN PARA SA MAPAGKALINGA AT MAUNLAD NA PAMAHALAANG LOKAL"**

**"COMMITTED, EXCELLENT, AND DEPENDABLE AGENCY TOWARDS A CARING AND DEVELOPED LOCAL GOVERNMENT"**

**Department of the Interior  
and Local Government**



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The Performance Challenge Fund (PCF) is an incentive package provided to Local Government Units (LGUs) in the form of a grant to finance local development projects included in their Annual Investment Program (AIP)/ Local Development Investment Program (LDIP). The PCF aims to recognize good governance performance particularly in the areas of transparency, accountability, participation and service delivery.

## THE PERFORMANCE CHALLENGE FUND (PCF) PROGRAM OF THE DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT (DILG)

Established in 2010, PCF is a **performance-based reform program** of the DILG that seeks to encourage the convergence of local development initiatives with national development agenda and priorities. It is an incentive given to eligible LGUs under the **Local Governance Performance Management Program (LGMPM)** of the Department for local development projects identified as a priority by the LGU and reflected accordingly in their Annual Investment Program (AIP) and/or Local Development Investment Program (LDIP) and/or Provincial Development Investment Program (PDIP).

The PCF program is anchored on the **Philippine Development Plan (PDP)** which articulates the development strategies and priorities of the national government. Thus, it also **aims to achieve inclusive growth and sustained development** to bolster economic growth and reduce poverty. It is acknowledged that **good governance lies at the core of ensuring sustained growth and alignment of local priorities to the national priorities** – thus DILG puts premium on the promotion of **effective and honest governance, particularly at the local level**, through an intensive campaign on full disclosure of LGU performance, implementation of systems and policies to determine competence in terms of the current state of local governance and compliance with policies, and institutionalization of performance-based LGU incentives or awards system. As this program is **geared towards the alignment of local priorities to the National Government thrusts** and advocacies, PCF projects are programmed to buttress efforts and address the current needs of the communities.

## PCF SUBSIDY, THEN AND NOW

### Scaling up of Financial Subsidy .

During its kick-off stage in 2010, a total of 30 Million pesos sourced from the Department's savings was released to several pilot LGUs. A year after, the PCF was allocated with 500 Million pesos under the General Appropriations Act (GAA) of 2011 cognizant of the success of the project's initial implementation and the promise that it holds.

From FYs 2010 to 2016, a total amount of 4.9304 Billion was released to qualified LGUs under the program. FY 2017 General Appropriations Act (GAA) has allocated One Billion and Three Million Seven Hundred Thousand Pesos (P1,003,700,000.00) for the Performance Challenge Fund which shall cover the financial subsidy to qualified LGUs under the Local Governance Performance Management Program for the implementation of projects aligned to the Philippine Development Plan.

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## PCF SUBSIDY, THEN AND NOW

*cont...*

### Raising the Bar

In CY 2010-2013, provinces, cities and municipalities that passed the Seal of Good Housekeeping were given the opportunity to access the PCF. Some of the basic requirements for passing the SGH assessment includes: (1) absence of negative COA Findings on LGU financial statements; (2) Compliance to Full Disclosure Policy (FDP); (3) Compliance to Procurement Act; and (4) Anti-Red Tape Act Report Card Survey of Civil Service Commission.

To elevate the performance standards of LGUs, the SGH was upscaled in CY 2014. Thus, evolving into the Seal of Good Local Governance.

### Dividing the Pie

In CY 2016, the Incentive Package was quite low at P4M per Province, P3.4M per City and P3M per Municipality. This was directly attributed to the sudden increase in SGLG Passers, hence increasing the number of LGUs sharing in the PCF Pie. For CY 2017, this phenomenon was further emphasized due to the influx of SGLG passers, resulting to the incentive package to drop even lower to P3M, 2.4M and 2M for Provinces, Cities and Municipalities respectively.

In CY 2018 however, the passers have decreased due to the All-In Criteria, yielding the corresponding PCF Incentive Package amounting to P7M, 5.1M and 3.2M.

## Guiding Principles in the Implementation of the PCF

The PCF focuses on **pursuing reforms** and **initiatives** aimed at effecting **transparency**, **accountability**, **responsiveness**, and **participation** which are essential elements of **good governance**.

As a government mechanism to recognize good performance and ensure LGU alignment of its priorities to national government directions and priority thrusts, the PCF Program operations and implementation is guided by the following principles:

- Support the government's advocacy of improving overall LGU performance in governance and delivery of basic services;
- Expand opportunities for performing LGUs to accelerate local economic development;
- Sustain the provision of incentives to LGUs commensurate to their performance level;
- Foster and sustain cooperation among government stakeholders, development partners, and CSOs to influence greater LGU performance;
- Amplify engagement of CSOs in project monitoring to institutionalize a participatory, balanced, and transparent PCF utilization;
- Enhance the LGU's program/project conceptualization, implementation, monitoring and evaluation; and
- Project processes shall ensure gender-sensitivity, disability-inclusiveness and consideration of other thematic concerns that promote the welfare of the most vulnerable sectors in the community.

## LEGAL BASIS AND SCOPE OF THE REPORT

Per Republic Act No. 10924, FY 2017 General Appropriations Act (GAA), specifically, Special Provision(s) No. 1 on Performance Challenge Fund thereof, requires the DILG to submit to the **Department of Budget and Management (DBM), Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations** and the **Senate Committee on Finance**, either in printed form or by way of electronic document, quarterly reports on financial and physical accomplishments and to ensure that said reports are posted on the DILG website.

Taking into consideration the information from the database system for monitoring and evaluation, the PCF website promotes transparency in the implementation of public projects, encourages participation of the citizenry in monitoring and aims to institute a mechanism for online reporting towards a paper-less submission of reports for efficiency. The report covered the **overall status of implementation of the PCF-subsidized projects in all regions of the country**, as well as a primary focus on PCF accomplishments for the months of Jan. – Dec. 2019.

## PROVISION OF FINANCIAL SUBSIDY TO LGUs



The **Seal of Good Local Governance (SGLG)** symbolizes integrity and good governance through continuing governance reform and sustained local development. It is a **progressive assessment** system adopted by the Department to give distinction to remarkable local government performance across various sectors.

In light of national government thrusts, organizational commitments, and emerging good governance frameworks, the SGLG further aligns its parameters to help meet expectations and contribute in realizing target outcomes relative to local governance. Most notably accounted for is the Philippine Development Plan (PDP) to help bring about the current Administration's vision of *inclusive growth, high-trust society, and a globally-competitive knowledge economy*, following the principles of **Malasakit, Pagbabago at Patuloy na Pag-unlad**.

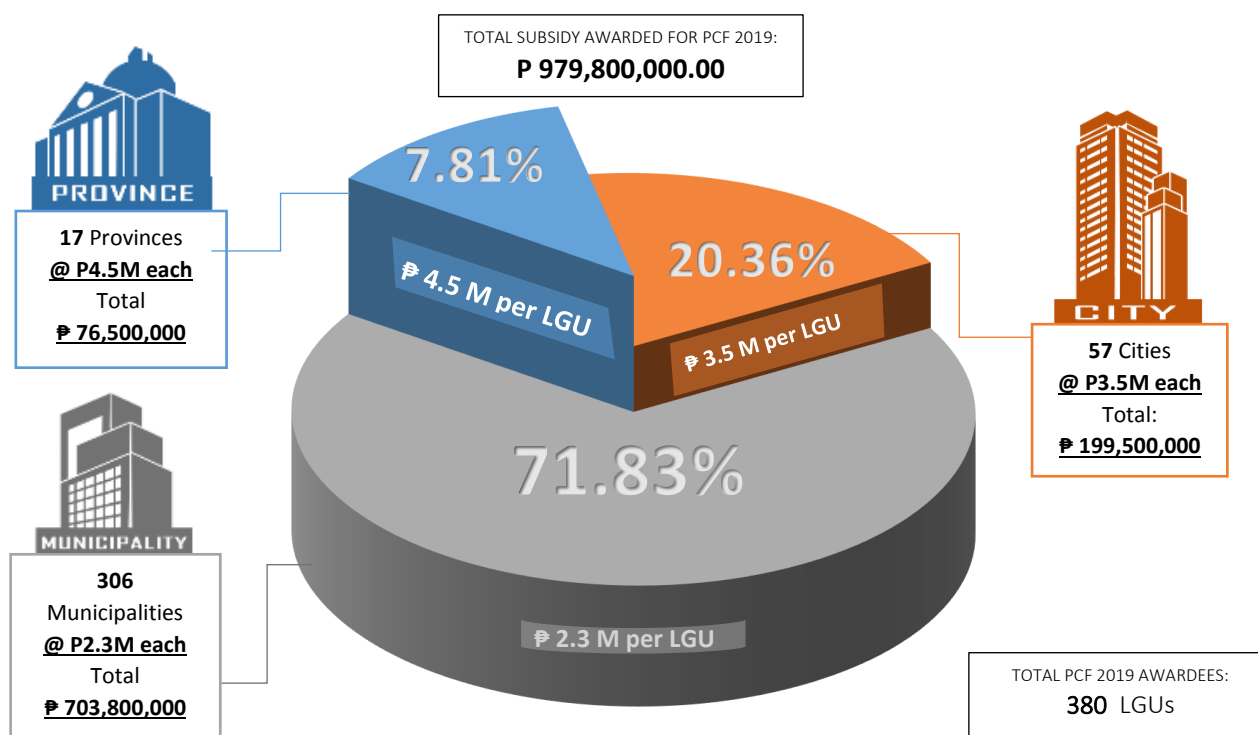
On the other hand, **PCF** pursues the DILG's banner campaign on transparency, accountability and good local governance, advocating that transparency and accountability in local government operations will lead to improved service delivery systems and ultimately result to improved living conditions of the people in the community. Furthermore, PCF contributes in the Department's campaign on encouraging continuous improvement in the performance of LGUs by raising the bar of excellence to qualify for the **incentive support** for local development projects.



For FY 2019, a total amount of **P 979.8 M** was allotted for the PCF recipient LGUs as subsidy to finance high-impact projects. The said allocation is intended specifically to those LGUs that have been conferred with the 2019 Seal of Good Local Governance (SGLG).

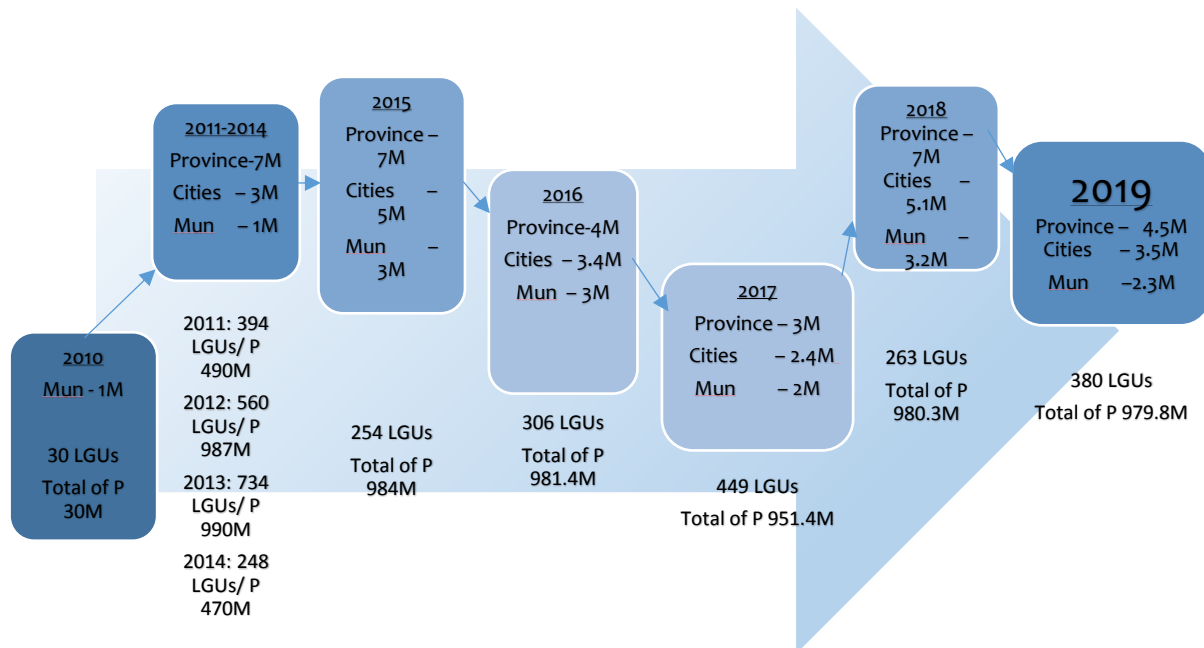
With DILG's conferment of the 2019 SGLG to the qualified LGUs, the 380 awardees are then eligible to access the **2019 PCF incentive** in the amount of **P4.5 Million per Province**, **P3.5 Million per City**, and **P2.3 Million per Municipality** to be utilized for priority projects which would aim to bring sustainable and inclusive development to the community, pursuant to applicable laws and the operating guidelines of the PCF program.

**FIGURE 1: PCF 2019 Subsidy Distribution by LGU Level (Province, City, and Municipality)**



## THE PCF SUBSIDY

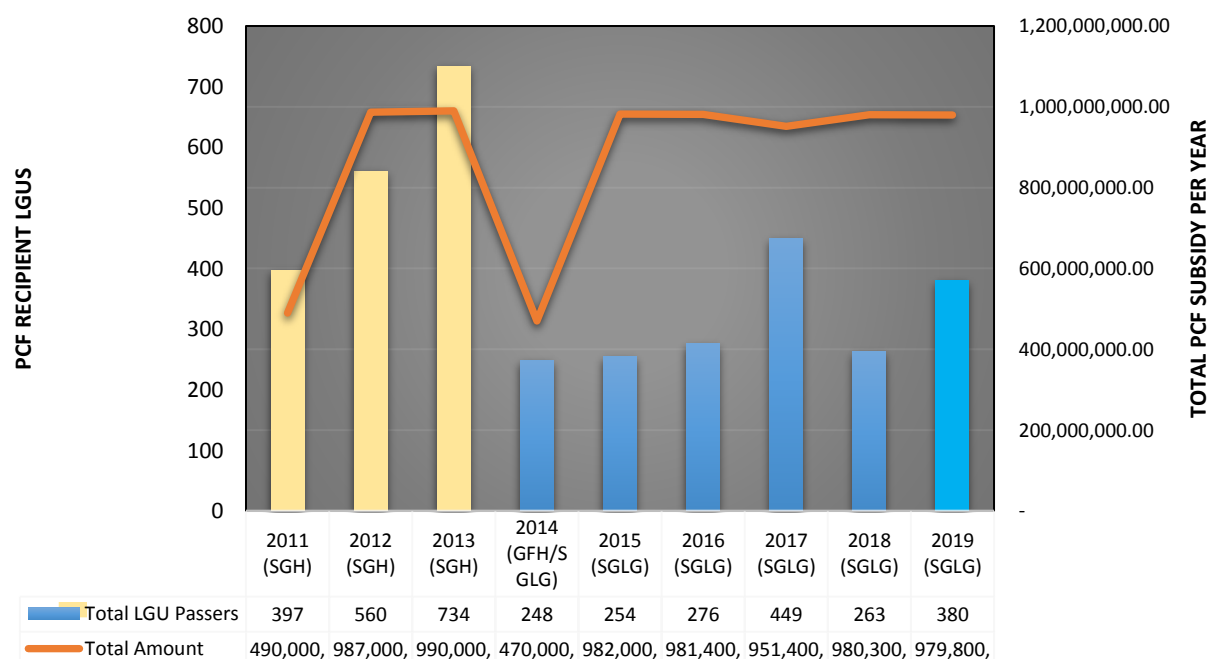
**FIGURE 2: PCF Incentive Packages from 2010 to 2019**



The PCF Incentive Package adjusts annually depending on the number of eligible LGU beneficiaries, of which the most vital qualification is to conform with the requirements and criteria set forth under the DILG LGPMP. The varying number of conferred LGUs caused the number of PCF LGU awardees to change proportionally after every assessment period.

As mentioned earlier, a total of **263 LGUs** were conferred with the SGLG for CY 2018 while **380 LGUs** were conferred with the award in 2019. Given this and the unchanged PCF allocation since 2015, and the evident increase in SGLG Passers, the foregoing caused a decrease in the overall PCF Incentive package for the year.

**FIGURE 3: PCF LGU Passers vis-a-vis Subsidy amount per year (2011-2019)**



# THE PCF IMPLEMENTATION IN 2019

Since 2010, the DILG through the PCF, has been constantly implementing a progressive incentive system to deliver public services more efficiently and thus, create a business-friendly and safe environment for every LGU beneficiary. This then allows local economy to achieve evident and sustainable development. Each project creates a ripple effect which caused an impact not only to the PCF awardee itself, but to other neighboring LGUs which share the fruits and impact of the developments and convenience that each PCF project brings forth.

While 2018 paved the way for previously planned strategies, activities and innovations to be introduced accordingly in order to ensure progressive development of the program implementation, this year proves to be a great venue in speculating for other ways to improve the very foundation of the program. In search of a new paradigm to further escalate the program's impact and assessment, a series of innovations were set for integration to the PCF program this year.

## ELIGIBLE PCF PROJECTS

As mentioned earlier, the PCF aims to recognize good governance performance in transparency and accountability, planning and fiscal management, efficiency in the delivery of services, and responsiveness to the public and link with incentives and grants. Thus, each LGU awarded with PCF subsidy can utilize the fund to finance one project which is implementable within a period of 1 year, which shall support any of the following:

- **Attainment of Sustainable Development Goals:** (e.g. school buildings, rural health units/health centres, birthing or lying-in facilities, water and sanitation, housing and settlements, Rehabilitation Centre, Patrol Cars and Public Safety and Security Command Centre Equipment, etc.)
- **Stimulating Local Economic Development and Promotion of Ease of Doing Business** (e.g. core local roads and bridges, access roads, irrigation systems, post-harvest facilities, cold storage facilities, ports and wharves and other economic structures and growth enhancement projects like tourism facilities, market, slaughter house, automation of permits and licenses (hardware/software), etc.)
- **Building Resilient Communities (DRR-CCA)** (e.g. flood control, storm drainage, dikes, seawall and related flood protection measures and slope protection, evacuation centres, rainwater collection facility, early warning system/devices and rescue equipment, etc.)
- **Promoting Environmental Protection** (e.g. purchase of solid waste management equipment, material recovery facilities, sewerage system, etc.)
- **Furthering Transparency and Accountability** (e.g. website development and equipment, etc.)

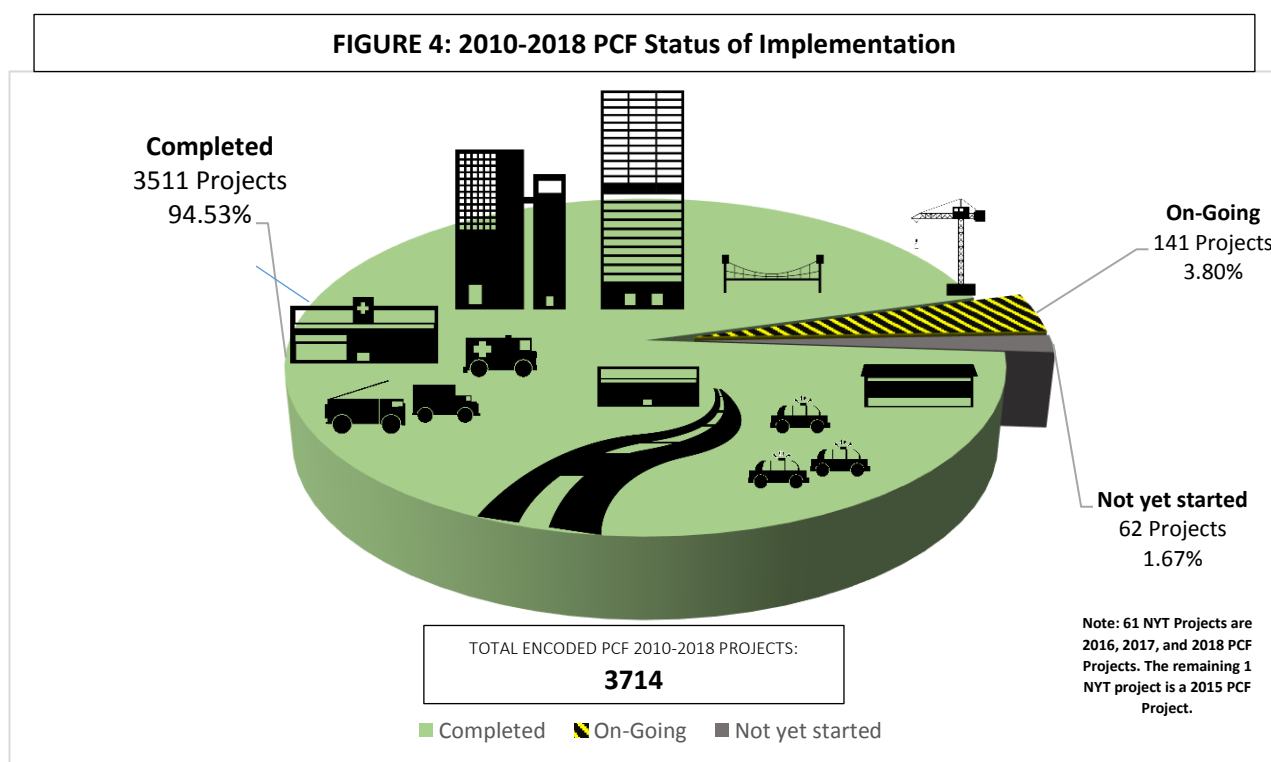
Consequently, the subsidy **shall not be used** to finance the following:

- Projects exclusively on training or capacity development;
- Financing of micro credits and loans;

- Administrative expenses such as cash gifts, bonuses, food allowance, medical assistance, uniforms, supplies, meetings, communication, water and light, petroleum products and the like;
- Salaries, wages or overtime pay;
- Travelling expenses, whether domestic or foreign;
- Registration or participation fees on training, seminars, conferences or convention;
- Construction, repair or refurbishing of administrative offices;
- Purchase of administrative office furniture, fixtures, equipment or appliances;
- Purchase of Lot; and
- Purchase of Second Hand Vehicles.

*\*Per DILG MC 2019-202, entitled: “Operational Guidelines on the Implementation of the Performance Challenge Fund (PCF) for FY 2019”*

## STATUS OF IMPLEMENTATION AS OF DECEMBER 31, 2019



Through the effective coordination between the DILG National and Regional Offices, there has been a visible increase in the completion rate of projects from 2010-2018, reflecting **94.53% (3511 Projects)** of all projects as completed while **3.80% (141 Projects)** are currently on-going, leaving a minority of **1.67% (67 Projects)** which have yet to be implemented. It is worth noting further that **61** of said 62 not-yet-started projects are **2016, 2017 and 2018 PCF Projects**.

This brings the PCF program closer to its target: 100% completion rate of all 2010-2018 PCF Projects.



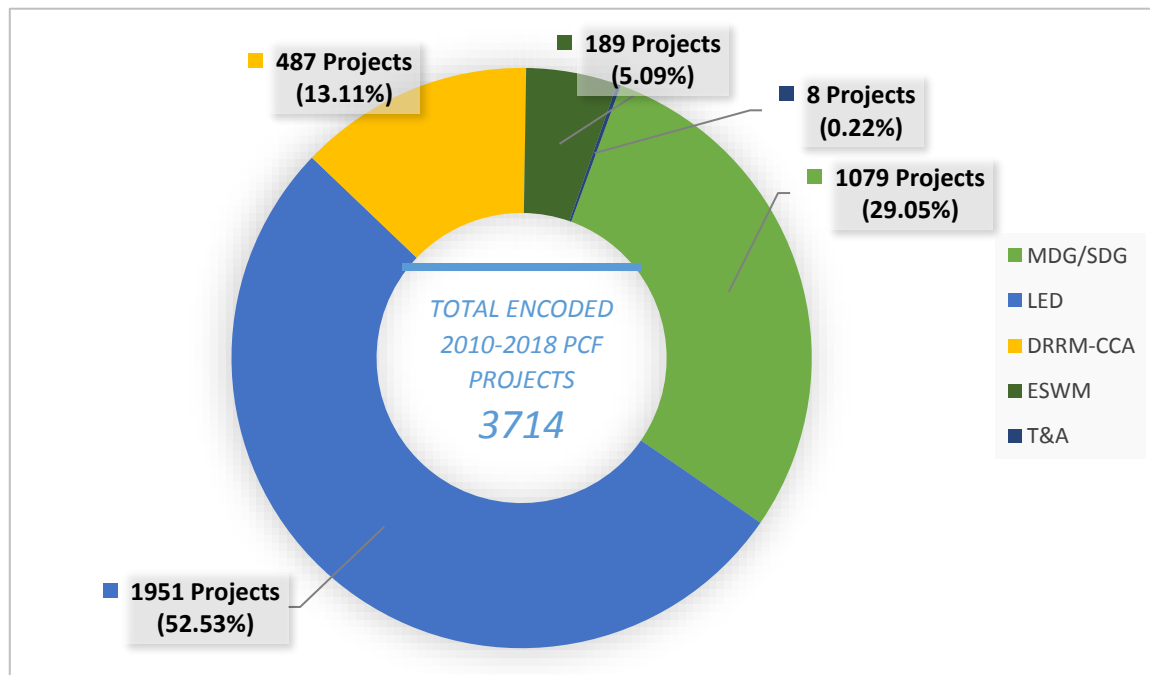
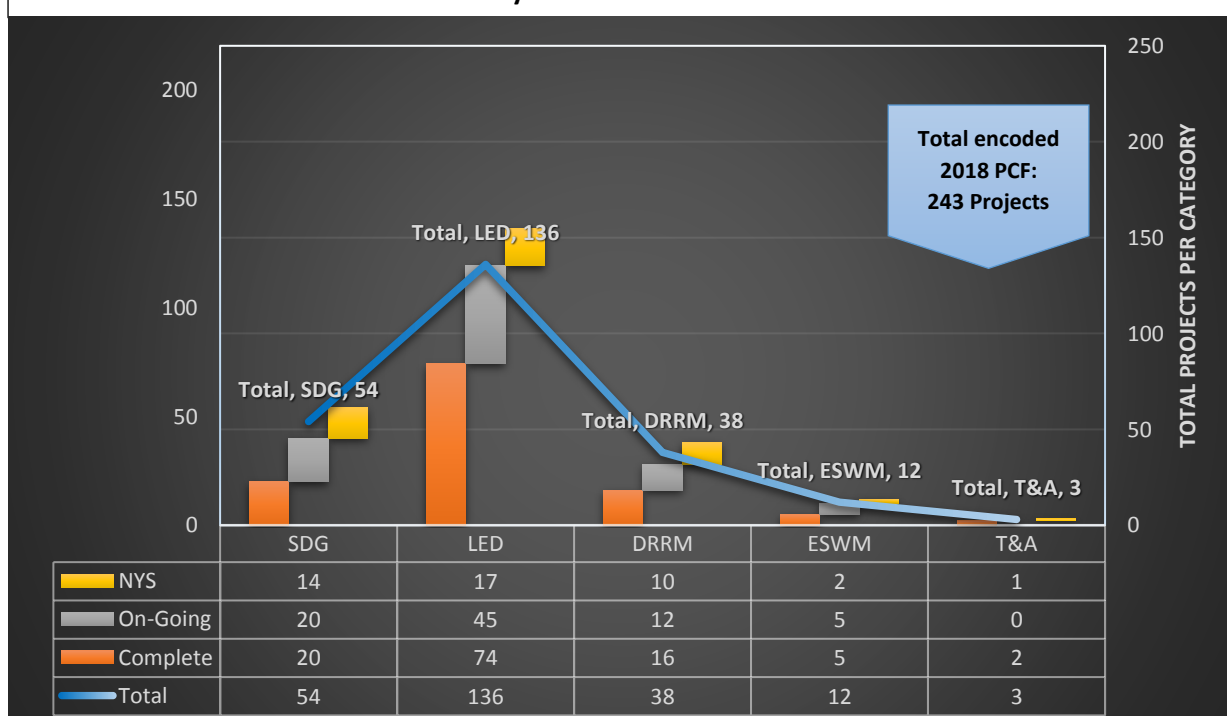
**FIGURE 5: 2010-2018 PCF Project Categories**


Figure 5 shows that majority of the approved projects lean towards **Local Economic Development (LED)**, which contribute to a total of **1951 projects (52.53% of 3714 projects)**. Disaggregation of the other categories are as follows: **MDG/SDG** with 1079 projects (29.05%); **DRRM-CCA** with 387 projects (13.11%); **ESWM** with 189 projects (5.09%); and **T&A** with 8 projects (0.22%).

## THE 2018 PERFORMANCE CHALLENGE FUND

**FIGURE 6: Data analysis of PCF 2018 Allocation and Status**


## THE PERFORMANCE CHALLENGE FUND 2018

**Figure 6** presents a graphical representation of the PCF 2018 Implementation Status as of December 31, 2019 tallying to **243 Projects**. Most PCF 2018 project implementation began early 2019 given the schedule of the conferment of SGLG 2018. Thus, there are some projects that have yet to start its implementation totalling **44 projects (18.11% of 243 encoded projects)**. However, despite the documentary, budgetary and time constraints, a total of **82 projects (33.74%)** are already on-going, noting further that a total of **117 projects (48.15%)** have already been completed. Thus, recognition is due to the efforts of the Regional and National PCF Teams for effectively utilizing new strategies for implementation and monitoring of PCF Projects, and to the respective LGU recipients for their dedication to maximize the utilization of their PCF grant.

## STATUS OF IMPLEMENTATION AS OF DECEMBER 31, 2019

<b>REGION</b>	<b>Completed</b>	<b>Not yet Started</b>	<b>On Going</b>	<b>Grand Total</b>
<b>BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO</b>	54	9	7	70
<b>CORDILLERA ADMINISTRATIVE REGION</b>	168	2	2	172
<b>NATIONAL CAPITAL REGION</b>	20	5	0	25
<b>REGION 01 - ILOCOS REGION</b>	526	4	11	541
<b>REGION 02 - CAGAYAN VALLEY</b>	308	0	14	322
<b>REGION 03 - CENTRAL LUZON</b>	377	1	18	396
<b>REGION 04A - CALABARZON</b>	336	6	6	348
<b>REGION 04B - MIMAROPA</b>	143	5	3	151
<b>REGION 05 - BICOL REGION</b>	153	2	2	157
<b>REGION 06 - WESTERN VISAYAS</b>	393	13	14	420
<b>REGION 07 - CENTRAL VISAYAS</b>	128	7	12	147
<b>REGION 08 - EASTERN VISAYAS</b>	117	2	6	125
<b>REGION 09 - ZAMBOANGA PENINSULA</b>	105	3	13	121
<b>REGION 10 - NORTHERN MINDANAO</b>	166	1	15	182
<b>REGION 11 - DAVAO REGION</b>	135	1	3	139
<b>REGION 12 - SOCCSKSARGEN</b>	151	0	6	157
<b>REGION 13 - CARAGA</b>	231	1	9	241
<b>Grand Total</b>	<b>3511</b>	<b>62</b>	<b>141</b>	<b>3714</b>

**Table 1** shows the implementation status of all PCF projects from 2010-2018 (disaggregated per Region as of December 31, 2019). Based on the data presented in Table 1, a total of **3511 (94.53% of all 2010-2018 PCF Projects)** have already been **completed**, while **141 (3.80%)** are still undergoing various stages of development leaving **62 projects (1.67%)** under the not-yet-started status. Furthermore, Region 1 still tops as the region with the greatest number of PCF Projects.

**FIGURE 7: Completed PCF Projects per category/pillar**

**Figure 7** shows the total number of completed PCF Projects from 2010-2018, disaggregated per project category. Based on the data presented previously, LED still tops with a total of 1,853 completed projects. This is followed by SDG projects with 1,026, DRRM with 450, ESW with 176 and T&A with 6 completed projects.

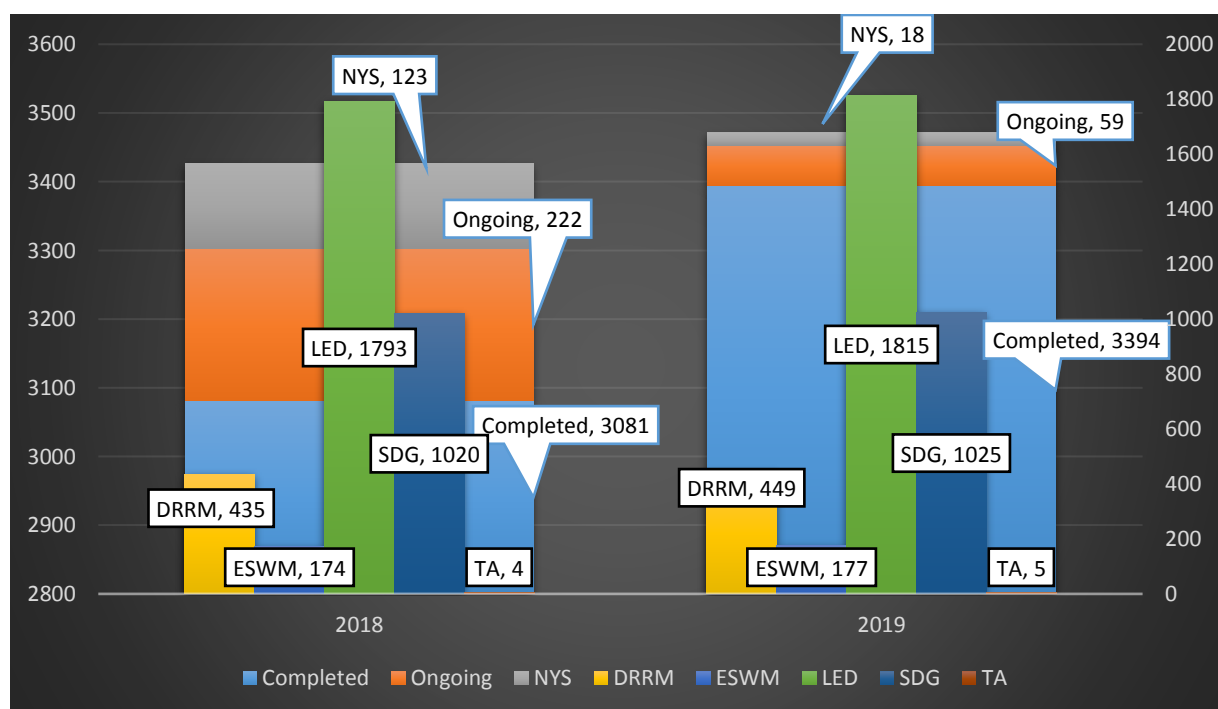
**TABLE 2: PCF 2018 Implementation Status as of December 31, 2019**

Performance Challenge Fund (PCF) 2018				
Category	Completed	Not yet Started	On Going	Grand Total
DRRM	16	10	12	38
Ecological Solid Waste Management	5	2	5	12
Local Economic Development	74	17	45	136
Sustainable Development Goals	20	14	20	54
Promote Transparency and Accountability	2	1		3
<b>Grand Total</b>	<b>117</b>	<b>44</b>	<b>82</b>	<b>243</b>

**Table 2** shows the implementation status of PCF projects for 2018 as of December 31, 2019. Following the scheduled SGLG conferment held on the last quarter of 2018, some of the PCF recipient LGUs are still on the latter phases of project implementation. However, it is worth noting that 117 PCF Projects have already been completed despite the various difficulties in project implementation.

# DATA COMPARISON

**FIGURE 8: Encoding rate of PCF 2010-2017 projects for 2018 and 2019**



**Figure 8** features a comparative chart showing the over-all progress of PCF 2010-2017 project implementation during CY 2019. Evident positive movement of data has been observed with regards to the implementation status of PCF projects for the year compared to the data registered by the end of CY 2018.

The most evident data movement is the stark rise of PCF projects which are registered as completed (Blue stacked bar) for the year, with a total of **313** projects. Also, there is also visible reduction in the number of PCF projects which are undergoing the various stages of development (Orange and Grey stacked bars), from **245** projects to **77** not-yet-started and on-going projects. Furthermore, there is also a visible increase in the encoding rate of PCF projects for the year, with a total of **45** PCF Projects encoded aside from the PCF 2018 projects which were also monitored during CY 2019. The continuous and improved monitoring and validation of PCF projects from 2010 to 2017 (both through the PCF Website and through field visits/validations) has contributed into ensuring that the data encoded in the website is up-to-date and reliable.

This data proves the effectiveness and efficiency of the new monitoring, reporting and validation strategies implemented, as well as the constant communication, coordination and interfacing between the DILG CO and the respective DILG ROs for the PCF program during CY 2019.



# The PCF in 2019

As mentioned earlier, CY 2018 paved the way for innovative strategies for PCF implementation to ensure improvement with regard to project status monitoring, data validation, advocacy development and coordination between units. For CY 2019, there are more planned innovations and scheduled activities for the enhancement of the program and in preparation for the conduct of another PCF Summit in 2020, in celebration of its 10<sup>th</sup> year of implementation.

## PCF MILESTONES

### 1<sup>st</sup> Quarter 2019:

- **PCF Stakeholders' Dialogue/Consultation Meetings**  
**March 5 and March 27, 2019**
  - Reporting of relevant/noteworthy accomplishments during CY 2018
  - Identification of and target setting and planning for CY 2019 Activities
  - Review on PCF 2018 implementation/encoding status
  - Initial planning on the conduct of PCF Summit 2020 (10<sup>th</sup> Year Implementation)
  - Discussion on integrating Gender perspective in PCF validation tools

### 2<sup>nd</sup> Quarter 2019:

- **PCF Stakeholders' Dialogue/Consultation Meetings**  
**May 6, June 4 and June 25, 2019**
  - Review of targets for CY 2019 Activities
  - Discussion and analysis of PCF 2010-2018 implementation/encoding status
  - Planning on the conduct of Interfacing Dialogue with Regional Offices on the implementation of the PCF Program
  - Discussion on the learnings and outputs of the pilot testing of the validation instruments to institutionalize an inclusive M&E system for the PCF Program
- **1<sup>st</sup> Interfacing Dialogue with Regional Offices on the Implementation of the PCF**  
**May 30-31, 2019**
  - The first interfacing dialogue was conducted with the purpose of augmenting the linkages between the PCF CMT and the DILG ROs. The interface is done between the heads of the respective units from both the BLGD and the DILG ROs, including relevant functionaries in order to re-assess the implementation of the PCF program and all related PPAs, increasing

awareness and closing the gap between the DILG CO and the DILG ROs. This is notably the first attempt of interfacing amongst the said officials since the inception of the Program, and is one of the most fruitful dialogues conducted by the team. The program tackled not only the PCF program but also the implementation of all BLGD PPAs from central office and how these programs are interpreted down to the field offices.

### **3<sup>rd</sup> Quarter 2019**

- **PCF Stakeholders' Dialogue/Consultation Meetings**

- August 9 and September 4, 2019**

- Discussion on the conduct of Consultative Conference with National and Regional PCF Teams on the 2019 Implementation of the PCF Program
    - Discussion on the RbME style of validation activities for PCF LGU projects
    - Discussion on the use of the MSC Technique
    - Discussion and Orientation on the conduct of 2019 M&E of 2016-2018 PCF Projects by DILG CO Personnel (2019 PCF Validation Activities)

- **Consultation Dialogue with National and Regional PCF Teams**

- August 13-16, 2019**

- The PCF CMT annually conducts Consultation Dialogues with its regional counterparts in order to address the evolution of the program: incorporating learnings from the past years, recent developments and innovations to improve program implementation and M&E. The consultation dialogue is an effective venue for implementers and stakeholders to debate on the necessary direction of the PCF program, through a review of the tools, activities and to develop the draft Operational policy guidelines to be applied for the current PCF year. For CY 2019, the Consultation Dialogue was hosted by DILG Region 1, including a field visits to one LGU with exemplary implementation of PCF projects in the region.

### **4<sup>th</sup> Quarter 2019**

- **PCF Stakeholders' Dialogue/Consultation Meetings**

- December 18, 2019**

- Evaluation of PCF 2019 accomplishments
    - Planning on PCF 2020 proposed activities
    - Looking forward to the transition to SGLG Fund (per SGLG Act)
    - Planning for PCF 2020 Summit and necessary IEC materials
    - Clarification on unclear provisions in the PCF Guidelines
    - Review of PCF Validation activity outputs and learnings
    - Planning for the re-organization/restructuring of the Bureau, its Divisions and PPAs

- **PCF 2019 Operational Policy National Rollout cum Interfacing Dialogue with Regional Offices on the Implementation of the PCF**  
**November 12-14, 2019**
  - In order to ensure efficiency in the utilization of funds, and to avoid redundancy in attendance of participants, the PCF 2019 Operational Policy National Rollout was conducted back-to-back with the 2<sup>nd</sup> Interfacing Dialogue with Regional Offices on the Implementation of the PCF. Held last November 12-14, 2019 and was again hosted by DILG Region 1. The program began with the Rollout of the DILG MC on the Operational Guidelines on the Implementation of the PCF for FY 2019, discussing thoroughly each and every provision of the guidelines and providing clarifications for frequently asked questions. The rest of the program focused on the 2<sup>nd</sup> Interfacing dialogue where accomplishments of targets set during the first dialogue were assessed while new and fresh insights were solicited from the DILG ROs relative to the upcoming future of the PCF as SGLG Fund.
  
- **2019 Validation or Spot Checking of PCF projects**  
**September to December 2019**
  - In order to augment and validate data encoded in the PCF website, the PCF CMT annually conducts a series of on-site/field validations and spot checking of selected PCF projects nationwide. This is to verify the implementation status of PCF projects in the website vis-à-vis actual and first hand data. The conduct of PCF validation activities counter-checks the data as encoded by PCF focal persons in field offices and ensures that the data is up to date and reliable. The activities are part of the inclusive M&E system of the program, and provides in-depth analysis and evaluation of the actual status of the project and obtaining inputs from actual PCF beneficiaries and testimonials from the functionaries or local executives themselves. The activities also involve physical assessment of the project and document audit to check compliance of the selected projects to the guidelines.
  
- **Other notable accomplishments:**
  - Awarding of the PCF 2019 incentives to qualified LGUs
  - PCF Impact Assessment: “An Assessment of the Performance Challenge Fund and the Seal of Good Local Governance: Perceptions from Municipalities (Outsourced – PIDS)
  - Development of PCF 2019 Audio Visual Presentation (In-house PCF Team)
  - Development of the PCF Validator’s Toolkit Brochure (In-house PCF Team)
  - Re-calibration/Streamlining of PCF Validation Tools
  - Performance Audit/Evaluation and Most Significant Change (MSC) Technique in the conduct of PCF Validation Activities
  - Over-all improvement of the PCF Website (features, interface and security)

# THE PCF PROGRAM DURING THE DECADE



Since its inception in 2010, the PCF program has been successfully implemented as an incentive mechanism aimed at supporting the development of local development projects identified by LGUs. Hence, it is a fact that the implementation of the program has grown and evolved throughout the decade. The developments and changes to the program were aligned to the evolution of the Department's Local Governance Performance Management Program (LGPM) itself, specifically with the annual evolution of the SGLG Program and the criteria for eligibility of LGUs.

CY 2020 sparks the 10<sup>th</sup> year of the PCF Program's implementation, thousands of LGUs were already provided with incentive grants in order to support their priority projects. Thus, thousands of PCF supported projects have already been implemented which ripple development across adjacent communities. However, despite the development and progress of the program throughout the years, there were no significant efforts for in-depth evaluation of its implementation per se and how the program changed the LGUs and affected the lives of the Filipino people.

This year, the Department commissioned the Philippine Institute for Development Studies (PIDS) for a comprehensive impact evaluation and survey of the Local Government Support Fund – Assistance to Municipalities (LGSF-AM) program, of which an impact evaluation and survey of the PCF program was also included due to the similarity of study indicators and baseline.

The PIDS study entitled “Assessment of the Performance Challenge Fund and the Seal of Good Local Governance (SGLG): Perceptions from Municipalities”, underlined PCF's initiatives, design, and its development since 2010. It also included a study on the development and changes of the SGLG itself, and provided inputs that might aid in the design of the SGLG and the inevitable transition of PCF to the SGLG Fund pursuant to the implementation of RA 11292 or the SGLG Act of 2019.

Noteworthy inputs from the study highlighted that the PCF and SGLG has undergone necessary changes by taking into consideration the learnings from the challenges and best practices it has experienced throughout the years. The noted changes to the program were mainly focused on streamlining of the system and its processes, encouraging transparency and accountability and balancing of incentives and criteria.

However, the data from the survey also shows that the least number of PCF recipients were actually the poorer LGUs (4<sup>th</sup> – 6<sup>th</sup> Class Municipalities), while most of the recipients and hall of famers were actually those of the higher income class LGUs. This is with due connection to the rigorous criteria of the SGLG which is annually re-designed, increasing



the difficulty for passing every year which continuously challenges LGUs to strive and perform better than the previous assessment period.

While this initiative has been proven to be effective, it has also limited the potential LGU passers from complying with the initial requirements, especially the low income LGUs that cannot afford to provide for the necessary infrastructure, services, programs and personnel as required to pass the core criteria of the program. Thus, fewer lower income LGUs were able to pass the SGLG assessment and hence are able to access the PCF incentives packages. This is one of the primary reasons for the predominance of higher income LGUs as recipients of the PCF incentives through the years.

While these developments stay true of the PCF's current objective of incentivizing high-performing LGUs, it also greatly detaches the program from its initial objective during its inception in 2010 which was to prioritize incentivizing the lower income class LGUs due to their capacity to commit and perform based on the elevated standards/criteria. This makes it fairly difficult for the program implementers to weigh priorities for the program, and thereby reassess which direction the program should proceed from here. It could choose to focus more on incentivizing performing LGUs or to provide and capacitate the poorer LGUs, or probably come into an ideal solution which may involve and maximize both outcomes. Therefore, one of the general recommendations from the study was to consider these phenomena in the design of the SGLG and the SGLG Fund following the impending full implementation of RA 11292 and its IRR.

## PCF VALIDATION AND SPOT-CHECKING ACTIVITIES



Photo taken during one of the PCF Stakeholders' Meetings where PCF program issues and recommendations, with regards to implementation and policy issuances, including validation procedures are being discussed amongst the PCFCMT and PCF Focal persons from nearby DILG ROs.

Since all pertinent data on PCF project implementation such as documentary requirements and physical and financial status reports/updates for each project is electronically stored and monitored in the PCF database through the PCF Website ([pcf.dilg.gov.ph](http://pcf.dilg.gov.ph)), encoding, updating and monitoring of PCF projects status could be done anywhere and be accessed remotely by authorized users via any mobile device or computer. This practice streamlines

document processing, standardizing data encoding process, promotes transparency and accountability for the users while it promotes accessibility to guests and researchers who are looking into the official data.

While the system is efficient and effective, there is also a need to re-validate the data in order to ensure that the data is reliable and up-to-date. Thus, the PCF Central Management Team, along with its regional counterparts, annually conduct validation activities and PCF project spot-checking. To do this, validators conduct field/site visits to target LGUs in order to assess and evaluate the real-time status of PCF projects especially those which were progressing slowly on their implementation based on the data entries in the PCF website.



PCF Validator's Guide 2019 (frontmost and folded on the upper left) with the releases from the preceding years (cascaded behind the 2019 version).

For 2019, the PCF team has introduced various innovations to the PCF monitoring and reporting system such as streamlined validation tools, development of guides and manuals on the use of validation tools as well as the use of the Most Significant Change (MSC) technique in interviewing project beneficiaries during validation activities (see page 29). The team also continued to develop PCF Validator's Guides (in form of printed brochures) which contain

necessary information to guide validators during the conduct of validation activities.

TABLE 3: CY 2019 PCF Validation Activities: Summary of Validated PCF Projects	
Category	Count
<b>Disaster Risk Reduction Management and Climate Change Adaptation</b>	<b>17</b>
Evacuation Centers	1
Flood Control	7
Rescue Equipment	6
Seawall and Related Flood Protection Measures and Slope Protection	1
Storm Drainage	1
<b>Ecological Solid Waste Management</b>	<b>4</b>
Material Recovery Facilities	2
Sanitary Landfill	2
<b>Local Economic Development</b>	<b>37</b>
Core Local Roads and Bridges	30
Farm-to-Market Roads	4
Public Market Stalls	1
Tourism Facilities	2
<b>Sustainable Development Goals</b>	<b>20</b>
Housing and Settlements	2
Procurement of Patrol Car	2
Rural Health Units/Health Centers	4
School Buildings	10
Senior Citizen's Center	2
Water and Sanitation	1
<b>Grand Total</b>	<b>78</b>

During the CY 2019 PCF Validation Activities, a total of 78 PCF projects (see Table 3) were validated by a number of PCF teams composed of 2-3 members, this has far exceeded the annual target of 50 PCF projects for validation. Prior to the validation activities, the pilot testing of the new and streamlined validation tools as well as the introduction of the MSC in PCF Validation were also conducted (see page 29). Thus, the validation activities this year has become more comprehensive and in-depth than those conducted in the previous years. Further, a few spot-checking activities were also conducted on some PCF projects near the vicinity of the targeted projects.

Data from the validation activities are being counterchecked with the data uploaded in the PCF website, while findings, comments and recommendations are being prepared into consolidated post validation reports which shall be submitted back to the project implementers through the respective DILG ROs for their ready reference as inputs for further planning and appropriate action. In turn, all collected data and testimonials from the 2019 validation activities shall form part as inputs for the redesign of the program as SGLG Fund in 2020, and as further inputs for policy direction and further enhancement of the system and processes involved in the PCF program implementation.

Furthermore, collected statistical data and documented projects will be processed for reports and IEC materials which could also be featured in the upcoming PCF Summit 2020. On the other hand, products of the MSC will also be evaluated by the composite PCF teams in order to come up with the best stories of change, which is planned to be redocumented and thus also be featured during the upcoming summit.

## SAMPLE PCF PROJECTS FROM THE 2019 PCF VALIDATION ACTIVITIES

### 1. CONSTRUCTION OF PUBLIC MARKET STALLS (PCF 2018)

Region 2 - Municipality of Naguilian, Isabela

PCF Subsidy – P3,200,000.00



The PCF 2018 project of the Municipality of Naguilian, Isabela was the construction of 5 Units Market Stalls with a total lot area of 272 m<sup>2</sup> which was known as the “SGLG Arcade”.

Before the implementation of the project, the old public market stalls were quite inefficient and unfavorable. The stalls used to be made up of light materials and the whole public market was very crowded and congested. This condition makes it difficult for businessmen to secure their businesses in the area, while consumers find it difficult to shop in the market for their necessities and supplies. Furthermore, it is fairly unsafe due to the fact that stalls were made of light materials, making it susceptible to deterioration, damage and even fire, while the crowded space might cause accidents and are also exploited by pickpockets and the like. The revenue from the public market was below average, and businessmen seem to veer away from investing or securing their businesses in the market due to its condition.

Thus, after being conferred with the SGLG 2018 and being awarded with PCF 2018 incentive grant amounting to P3,200,000.00, the Municipality eagerly implemented the construction of the new five-unit public market stalls and dubbed it as the “SGLG Arcade”, with high hopes that it could promote local economic development in the area. Now made of sturdy materials and efficiently designed for accessibility, the Arcade has become a safer, preferable and more accessible public market for the residents of the Municipality, and is hoped to catch the eye of more businessmen to invest for the Arcade.

The project is expected to increase the Municipality’s revenue collection, promote economic progress and provide more business and livelihood opportunities to the people. The Grand opening of the SGLG Arcade was scheduled to be conducted a week after the conduct of the PCF validation activities.



## 2. INSTALLATION OF STREET LIGHTS (PCF 2017)

Region 3 - Municipality of Quezon, Nueva Ecija

PCF Subsidy – P2,000,000.00



The access road along Barangay Pulong Bahay provides ease to all commuters/travelers since it lessens the travel time going to other towns such as Licab, Guimba and Sto. Domingo going to Cabanatuan City and/or other places like Pampanga.

However, as the night falls the road begins to be covered in darkness due to the lack of ample lighting in the area. With only the moonlight to shine over the span of the road, it becomes near inaccessible and hazardous to pedestrians, and has become a target of criminals who exploit the darkness. This situation has resulted to a record of road accidents and crimes such as robbery. Hence, the road was dangerous at night to both pedestrians and motorists alike, and even to the livelihood of the people within the vicinity.

Using the PCF subsidy granted to the Municipality of Quezon, they installed a total of 60 units of solar-powered street lights along the road, with intervals of 30 meters per street light and covering a vast area. The project has contributed in minimizing the road accidents and crime rate within the area. The project not only enhanced the safety of the public but also stimulated local economic development and safe and accessible interconnectivity between communities.

Furthermore, the solar-powered street lights uses safe and renewable energy making it sustainable and efficient. Projects such as this shows the shift of local government planners to access, implement and promote new and efficient technology for developmental projects, doing away with the traditional project menus and going for innovative alternatives.

### 3. CONSTRUCTION OF MULTI-PURPOSE BUILDING (POST-HARVEST FACILITY) (PCF 2017)

Region 8 - Municipality of Padre Burgos, Southern Leyte

PCF Subsidy – P2,000,000.00



The validated PCF 2017 project for the Municipality of Padre Burgos was the construction of Multi-Purpose Building which stands as a Post-Harvest Facility.

Prior to the establishment of the post-harvest facility, the local farmers and sellers from the Municipality of Padre Burgos had a difficult time in processing and/or showcasing their produce to the general public. According to the local farmers and sellers, they used to promote and sell their products by laying the produce on the ground. By being laid bare into the environment, the produce becomes exposed to various harmful elements from virtually anything like dirt, bacteria and even parasites. Elongated exposure might make their products not viable for consumption, and thus lessens the marketable life of the produce themselves. Considering that the location itself is not conducive for selling makes it much more impractical for farmers and sellers to do so, however they do not have any other viable alternatives and thus strive to continue with this system.

In general, this situation was detrimental to the municipality's agriculture and, according to the LGU itself, even its tourism industry was negatively affected by this. Hence, using the PCF Incentive granted to the Municipality in 2017, they immediately proposed and constructed the post-harvest facility to accommodate their local farmers and sellers, business very conducive for them. The post-harvest facility serves as the direct marketplace for where the farmers can directly sell their fresh fruits and vegetables after harvesting, leaving little worry for spoilage and exposure to harmful elements.

Consumers now patronize the products without worry, and farmers and sellers themselves can market their produce with confidence of its quality and marketable life. The establishment of this post-harvest facility gave the LGU its much needed boost in agriculture and tourism, as well as spurring economic activity in the vicinity.



#### 4. CONCRETING OF MUNICIPAL ROAD (PCF 2017)

Region 12 - Municipality of Surallah, South Cotabato

PCF Subsidy – P2,000,000.00



The validated PCF Project is the concreting of a municipal road within Barangay Libertad. The road, with a span of 200m x 6m, is closely situated in the central business district of the Municipality of Surallah and is directly connected with a national highway, making the road a strategic area to promote interconnectivity and local economic development. The road is very critical for residents of Zone II-A and Zone II-B since it provides ingress and egress for Zone II-A and an additional road connection for Zone II-B residents to access the central business district and the national highway.

Before the implementation of the project, traversing the road used to be very difficult especially during rainy season since rainwater causes mudholes along the road making it tougher to cross. Rainwater also makes the road slippery and uneven causing it to be very hazardous for motorists and residents of the area. Thus, peace and order officials and enforcers find it difficult to respond to emergencies and provide social services immediately when the need arise.

With the completion of the project, the Municipality of Surallah was able to improve accessibility of the local community of Zone II-A and Zone II-B through the concreted Municipal road network. Furthermore, the concreted road provided safe means of travel and transportation for the residents, especially the students of Surallah East Elementary School. Lastly, it provided ease of access to peace and order officials and was able to contribute in enhancing the safety and security of the local community in general.

However, for Mr. Eduardo, a 60-year old resident of Barangay Libertad, adjustment to the concreted road became fairly difficult. As a tricycle driver, Mr. Eduardo stated that it seems that his income was lessened because fewer commuters now avail of public transportation such as his because of the concreting of the road. According to Mr. Eduardo, this is due to the fact that residents started to buy their own vehicles since it has become much more

efficient and safer to traverse the road within their vicinity. As of late, Mr. Eduardo was finding it more difficult to find commuters compared to the situation when it was still unpaved.

In the end, Mr. Eduardo still expressed his gratitude to the government because it has become evident that the community is enjoying the benefits of the project. Residents now have a secure and smooth way of travelling and making travel much faster and more efficient. Mr. Eduardo also enjoys the ease in travel especially during rainy season.

Adjustments might prove it fairly difficult for project beneficiaries like Mr. Eduardo, but priority projects such as this promote general development to the community and spurs economic activity within the area and its adjacent neighborhood. Further, now that the road is fully and safely accessible during in any season, government services and emergency response can be deployed immediately and without delay, making the community enjoy more efficient, prompt and evident government services.



Mr. Eduardo (on Tricycle), 60-year old Tricycle driver and PCF Project beneficiary.



## 5. SLOPE PROTECTION AND DRAINAGE CANAL (PCF 2017)

Region 13 – Municipality of Dinagat, Province of Dinagat Islands

PCF Subsidy – P2,000,000.00



Per project proposal, this P2 million Slope Protection and Drainage Canal project consists of 100-meter drainage canal and a 100-meter slope protection. The actual output has a 150-meter for concrete pavement extension per LGU request to the winning contractor. The project is also coincidentally connected to the 200-meter Bottom-up Budgeting (BuB) road project last 2015.

In an interview with Jeanelyn P. Echin, a 33 year-old housewife who is both a resident in the vicinity and a proud beneficiary of the project, she has stated that it used to be very difficult for pedestrians to traverse the area especially for children who have to go to their schools, and the other residents who needed to seek medical attention and checkups in their district hospitals. Area where the project is now situated used to be inaccessible and hazardous, hence people had to take another lengthier route just to reach their destinations.



Mrs. Jeanelyn P. Echin, interviewee, resident of the Municipality of Dinagat and a direct beneficiary of the P2,000,000.00 Slope Protection and Drainage Canal Project (PCF 207)

With the completion of the project, the area has now been well paved and cemented, making it an efficient and safe route for pedestrians and motorists to take and reach their destinations promptly. During the interview, Mrs. Echin expressed her gratitude for the project as it has made her travel to the port area and to the centro/población much easier and faster.



*"Iparating ko lang ang pasasalamat sa DILG dahil maganda ang kanilang mga layunin sa pagbibigay nila ng mga programa kahit dito sa LGU-Dinagat that belong to a 5<sup>th</sup> class municipality."*

-Dinagat Vice Mayor Petnel O. Sombrado

Hon. Petnel O. Sombrado, the Municipal Vice Mayor of the Municipality of Dinagat also shared his sentiments regarding the project. During an interview with him, he has stated that they are very blessed to have been awarded with the PCF Incentive package through their conferment with the SGLG. To him, it was very rewarding given that while Dinagat is only a 5<sup>th</sup> Class Municipality, the LGU still complied with all the rigorous criteria of the seal. In turn, they are

more challenged but still did their best to become more competent and transparent all for the pride and glory of attaining the seal and the PCF Incentive along with it. He stated that a P2,000,000.00 PCF incentive can make a very huge difference and that it could be life changing for their constituents, just as they did.

The impact of development becomes felt only if the implementers and the citizens themselves embrace development, and if the leaders practice strict compliance to regulations and faithfully work for exemplary and transparent local governance.

## PROPOSED PCF 2019 PROJECTS

With the recent conferment of the SGLG 2019 during the last quarter of this 2019, PCF LGU awardees are still on the initial stages of PCF project identification and design. However, with the streamlined requirements and processes in PCF program implementation, as well as the effective supervision and coordination of the respective DILG Regional Offices, various project proposals from LGU awardees have already been collected. To date, the recurrent PCF 2019 project proposal titles and categories submitted by LGUs to the DILG ROs include the following:

1. Construction of Multi-Purpose Building
2. Procurement of Motor Vehicle
3. Rehabilitation of Road with Improvement of Drainage Canal
4. Construction of Day Care Center
5. Website Design and Development
6. Procurement of Fully Automated Hematology Analyzer with Re-Agents
7. Procurement and Installation of LED Board
8. Construction of Materials Recovery Facility (MRF)
9. Construction of Flood Control
10. Rehabilitation of Drainage Canal
11. Rehabilitation and Construction of Irrigation Canal
12. Construction of Health Center Clinic
13. Provision of Complete DRRM Equipment
14. Rehabilitation/Improvement of Local Access Road
15. Procurement of Mass Transport Vehicle
16. Provision of Water Supply
17. Provision of Core Shelter
18. Construction of River Flood Control
19. Construction of Tourism Building
20. Construction of two (2) Classroom School Building
21. Procurement and Installation of CCTV
22. Construction of Post-Harvest Facility
23. Purchase of Heavy Equipment
24. Upgrading of Farm to Market Road (FMR)
25. Rehabilitation of FMR with Street Lighting
26. Site Development of Central Kitchen
27. Installation of CCTV Cameras with AutoMesh Technology
28. Construction of Bahay Kalinga Homeless Shelter
29. Procurement of Patrol Vehicle
30. Establishment of Eco-Tourism Facility
31. Installation of Street Lighting System
32. Rehabilitation of Municipal Road Drainage System
33. Construction of Slaughterhouse
34. Construction of Youth Development Center

35. Purchase of Rescue Vehicle
36. Procurement of One (1) Unit Water Truck
37. Construction of Slope Protection
38. Construction of Market Stalls
39. Concreting of Core Local Road
40. Construction of Early Childhood & Development Center
41. Purchase of Equipment for Command Center
42. Rehabilitation of Local Governance Center
43. Construction of ten (10) Housing Units
44. IT Equipment for EODB – One Stop Shop for Construction Permit
45. Acquisition of 1-unit Garbage Truck
46. Construction of Wet Section
47. Construction of Manpower Human Development Center/Training Center
48. Model Housing with Livelihood Component for Indigenous People (IPs)
49. Construction of Concrete Revetment
50. Purchase of Combined Harvester – Thresher
51. Solid Waste Management Equipment
52. Water Augmentation Program – Procurement of Water Tanker
53. Sewerage System – Safe Closure & Rehabilitation of Closed Dumpsite
54. Green Renewable Energy
55. Construction of Centralized Data Banking System
56. Augmentation, Installation and Deployment of Wireless/IP Security Cameras and Transmitters
57. Construction of Multi-purpose Hall for Solid Waste Management Equipment
58. Construction of Park and Plaza
59. Construction of 92 units Individual Latrine
60. Construction of New Rural Health Unit
61. Establishment of Municipal Library
62. Purchase of Ambulance
63. Construction of Evacuation Center
64. Installation and Commissioning of a 24.84 KWp Grid Tie Solar System
65. Construction of Evacuation Facility and Purchase of one-unit Rescue Vehicle
66. Construction of Rain Water Collector
67. Improvement of Sanitary Landfill
68. Automation of Permits and Licenses
69. Concreting of Access road and construction of solar dryer
70. Construction of Multi-purpose covered court with toilet and bath, food court and bleachers
71. Fabrication and installation of RC Pipes
72. Improvement of Municipal Gymnasium – Construction of Bleachers with Steel truss and roofing including repair of CF and Fabrication of Window Grills

*\*Said recurrent project proposal titles and categories are still subject to the review and approval of the respective DILG ROs compliant with the prevalent PCF Operational Policy Guidelines.*



## INTERFACING DIALOGUE WITH REGIONAL OFFICES

The Department, through the Bureau of Local Government Development, always seek for the best ways to innovate strategies in ensuring efficiency in the implementation of its Programs, Projects and Activities. Following the success of the PCF Summit held last 2018 which became a venue for giving the much deserved recognition not only to the LGUs but also to the DILG Regional and Field Offices in contributing to the success of the PCF Program, the Bureau has then again formulated an activity that would change the usual way that the Program has always been implemented and assessed through the conduct of the 1<sup>st</sup> Interfacing Dialogue with the Regional Offices in the Implementation of PCF.



*"The Beginning of a Relationship is knowing each other"*  
- Dir. Anna Liza F. Bonagua, CESO III, DILG-BLGD

Held last May 30-31, 2019, the Dialogue proved to be an effective venue to augment the linkages of the PCF Central Management Team to the DILG Regional Offices by taking into consideration the holistic operations in the respective field offices. For several years of the program's implementation, the planning, reporting and assessment of the program is done in coordination with the DILG Regional Directors and PCF Focal Persons, however there is an evident gap in the awareness of the respective Division Chiefs in the implementation of PCF. Thus, the

Dialogue aimed not only to increase awareness of the Division Chiefs on the program, but also to seek new and fresh insights on how to further improve and sustain the program's implementation.



*"We really need the assistance of everyone... that is why we decided to build a collaborative engagement with the front-liners of the Department"*  
- Asst. Dir. Alfonso S. Maralli Jr., CESE, DILG-BLGD

The over-all operationalization of the program is discussed as well as the implementation of the various PPAs lodged under the BLGD, focusing not only on the PPAs' status of implementation but also on how each PPA could be interconnected with each other. This makes it easier for the participants to appreciate the inner dynamics of the work they do at the field offices and how heavy it contributes to the success of each PPA managed not only by the BLGD, but by the Department as a whole.

As an output of the activity, participants were able to pinpoint bottlenecks and opportunities for improvement in the Program's implementation. Furthermore, concerns from discussed PPAs could be integrated into PCF through the inclusion of new "lenses" in its implementation (i.e. Inclusion of concerns under Gender and Development, Ease of Doing Business, Local Development Planning and even improved intra-office coordination in the implementation of the PCF Program).



*Composite DILG-BLGD team composed of members from all the 3 Divisions and the Office of the Director.*

*Photo taken during the 1<sup>st</sup> Interfacing Dialogue with Regional Offices on the Implementation of the Performance Challenge Fund (PCF) Program held last May 30-31, 2019 at the A.Venue Hotel, Makati City*

Following the unprecedented success of the activity, a 2<sup>nd</sup> Interfacing dialogue was planned and conducted accordingly last November 12-14, 2019, the 2<sup>nd</sup> Interfacing dialogue was conducted as a back-to-back activity with the PCF 2019 Operational Policy National Rollout to promote efficiency and to reduce redundant scheduling given that the participants for both activities are the mostly the same.

In contrast to the 1<sup>st</sup> Interfacing dialogue, the 2<sup>nd</sup> Interfacing dialogue was aimed to measure the effectiveness of the planned interventions as agreed during the previous dialogue. Thus, the activities and reports featured data on how targets were accomplished as well as looking forward to the CY 2020 activities through analysis of the learnings gained from the activities conducted within the year.

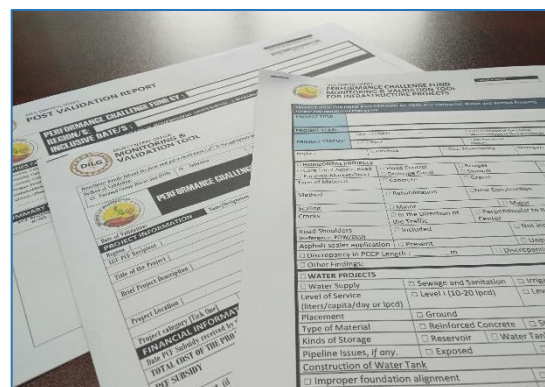
Further, discussions about the CY 2020 activities also emphasized the need to focus on the PCF Summit as the program celebrates its 10<sup>th</sup> year of implementation. The Summit was envisioned to feature all successful PCF Projects from 2010 to 2019 where various IEC materials and photos shall be exhibited during the activity. Another batch of PCF Compendiums are also planned to be developed by each DILG RO for the activity, as well as another PCF AVP.

Lastly, 2020 will also probably be the last year of PCF's implementation as the Performance Challenge Fund program, pending the implementation its formal transition as the SGLG Incentive Fund as mandated by RA 11292 or the SGLG Act. Major changes to the program's implementation are expected as the SGLG, including the incentive program dubbed as SGLGF, will now be managed by the SGLG Council which includes other NGAs other than the DILG.

# What's new in PCF 2019

## NEW SPECIALIZED MONITORING AND VALIDATION TOOLS

Apart from the conduct of the Interfacing Dialogues, a number of innovations were also introduced in the Program's implementation. One of which is the development of new, specialized sets of Monitoring and Validation Tools for the PCF Program. The following tools have already begun development: Physical Assessment Tool for Infrastructure Projects; Motor Vehicle Monitoring and Validation Tool; and the ICT Tool.



Continuous consultations through with Regional Focal Persons and other related units are ongoing in order to further improve the effectiveness and usability of the tools. Furthermore, instruction manuals for accomplishing the tools are also undergoing formulation and be printed at the back part of the tools for ease of reference for the validators. To date, the said tools have yet to be institutionalized in the program, only then shall the tools be registered under the corresponding ISO process along size the Monitoring and Validation Tool and the Interview Guide for Beneficiaries. It is also worth noting that Gender and Development indicators were integrated into the tools, ensuring that gender issues shall be addressed by the LGUs through their proposed PCF Projects.

## INSTITUTIONALIZING AN INCLUSIVE APPROACH IN PCF MONITORING: THE MSC

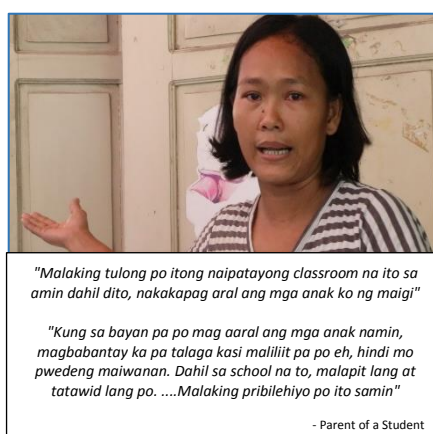
Since its inception, the regular monitoring and evaluation/reporting of the program has always been done through monitoring and validation activities which work around a set of pre-identified success indicators which are aligned to the agency's mandate and the program's goals. The tools used during PCF Validation activities capture data by accomplishing questions and filling-up fields that are based on these indicators following a simple rule of compliance and availability (yes or no), and prevalence and progress rate (0-100%). This system is largely attributed and patterned to a Results Based Monitoring and Evaluation (RbME) design, making it easier to assess the program's contribution to the success of the whole agency's goals. Thus, apart from the Interview Guide for Beneficiaries and regardless of the data capturing method, the PCF Monitoring and Validation Tools

focus on the LGU's compliance to the policy and the physical/financial accomplishment of their corresponding project.

This year, a huge paradigm shift is being proposed by the PCF Central Management Team, through the institutionalization of the "Most Significant Change" (MSC) Technique in PCF Project Monitoring and Evaluation (M&E). The proposed strategy veers away from the usual RbME style of M&E. MSC is reaching deep into the grassroots level through the voice of the people by taking first-hand information from the beneficiaries and obtaining their stories of personal experiences and significant change, untainted by the pre-identified success indicators of the agency. The strategy is envisioned to provide a new lens in viewing the "real" impact of programs and projects like the PCF Program.

The MSC does not involve survey questionnaires seeking specific answers, it involves an intrapersonal approach to data collection by trying to obtain information from the project beneficiaries through informal talks that revolve around one single question: "What changes have you noticed?" or what is the Most Significant Change that the project had done to their lives. This question brings up a seemingly endless set of indicators based on the respondent's personal beliefs, mindsets, experiences and insights. The effectiveness of the strategy greatly differs per interviewee and the interviewers, depending on their personal biases. It might even be safe to assume that no single story is the same with another, even with similar circumstances and similar subject PCF Project. Thus, it collects qualitative data on par with those collected through RbME, but is unconstrained by a set of success indicators. Hence, project impact assessment through MSC can reflect both positive and negative impacts of the project, which are both beneficial in assessment and evaluation. Furthermore, it can collect unexpected and/or unprecedented data which couldn't otherwise be collected through RbME (i.e. personal effects to an individual may vary depending on his/her "background").

After the collection of data, an assessment mechanism would be put into place by collecting the best stories of significant change per validation activity, escalating selection by level until it reaches the best story of most significant change. These stories and photos of the project taken shall form the PCF databank of visuals and stories. These shall also be published in the PCF Website and/or other media in order to further advocate the PCF Program's impact not only based on statistics and success indicators, but more on the beneficiaries' perspective on the program's impact based on their personal experiences.





*"Malaking tulong sa akin bilang apat na sunod sunod yung mga anak ko, sa oras, at sa budget kasi hindi naman po ganoon kalaki ang sinasahod ng asawa ko"*

*"Yung ipapamasahang sana nila, ipambabaon na lang ng mga bata kaya pasalamat po kami talga sa eskwelahan dito sa amin."*

- Parent of a Student

While the said strategy is set to bring a new way in evaluating the program's impacts, it should go hand-in-hand with the current RbME based validation activities to make sure that both sides would be taken into consideration. Ongoing consultations with stakeholders are conducted in order to make sure that the MSC could live up to its promise before being institutionalized in the program. Pilot testing activities were conducted last June 10-11, 2019 in Pura, Tarlac, of which results are being processed accordingly. Another Pilot testing activity was at the Municipality

of Gumaca, Quezon on July 24-25, 2019, which incorporates additional inputs based on the experience of the first pilot testing activity.

The MSC technique shall be institutionalized in the program's implementation thru the conduct of the yearly project validation spearheaded by the BLGD and the different Bureaus & Services at the DILG Central Office. These are one of our notable steps in furthering the effective and efficient implementation and management of the PCF Program. Not only does these try to challenge the status quo in program monitoring and evaluation, it also provides for alternate and reasonable ways in assessing the impact of National Government (NG) projects based on the real and direct effects of NG interventions to all the constituents down to the grassroots level.





# GENDER AND DEVELOPMENT CORNER

## MAINSTREAMING GENDER PERSPECTIVE IN THE PCF M&E SYSTEM

In pursuance of its mandate through RA 9710 or the Magna Carta of Women, the Department has been very proactive in its initiatives of Localizing the MCW by institutionalizing Gender Responsive Local Governance. Thus, it goes without saying that efforts were also done in order to institutionalize Gender Responsiveness in the Department's programs including the PCF.

Efforts to further integrate gender concerns in DILG PPAs does not stop after provision of GAD Orientation to its personnel, but in the actual integration of gender perspectives in the workplace and in the agency's PPAs. Relative thereto, the BLGD spearheaded the initiative by integrating gender concerns into the implementation of PCF. One notable attempt initiated by the Bureau was the creation of the Gender Responsive Tools for PCF Projects, integrating elements from the Harmonized Gender and Development Guidelines (HGDG) tools in order to measure the gender responsiveness of PCF Projects. However, through a series of consultation dialogues and workshops conducted by the Bureau with stakeholders and LGUs, the Bureau has come to realize that there is an evident gap brought by the LGUs' lack of knowledge and expertise in the use of the HGDG tools in project identification, design and implementation. Thus, it was difficult to implement the use of the Gender Responsive Tools for assessing PCF Projects since most of the LGUs were not fully aware or trained in the application of the HGDG tools in assessing and designing their proposed PCF Projects.

However, the proposed development of a Gender Responsive Project Proposal template spearheaded by the Bureau sparks a new fire to the institutionalization of Gender Sensitivity in PCF implementation. Further, as an offshoot of the 1<sup>st</sup> Interfacing Dialogue, the integration of the GAD in PCF has been strengthened through the recommendations of the participants. Now, Gender sensitivity in PCF is planned to be strengthened through a two-pronged approach, namely: (1) The adopting of Gender Responsive Project Proposal Template in the PCF program; and (2) the integration of gender sensitivity indicators in the existing and proposed monitoring and validation tools.

In anticipation of the finalization of the Gender Responsive Project Proposal and its eventual institutionalization, all PCF Validation Tools have already been infused with selected indicators culled out from the proposed template. Regardless of the outcome of the consultations regarding the finalization of the template, the concept of infusing gender sensitivity concepts and indicators in project monitoring and evaluation will ripple across PPAs managed by the Bureau.

# 2020 Outlook: Bright Prospect for PCF

CY 2020 is a big year for the implementation of the PCF Program as it marks the 10<sup>th</sup> year anniversary of the program. A decade after its inception in 2010, the PCF program has indeed evolved from a pilot project to a flagship program of the Department. Furthermore, with the dawn of the SGLG due to the passage of RA 11292, the PCF is in for a major facelift pending the transition of PCF program into the SGLG Incentive Fund. With this, CY 2020 might also be the last year of the implementation as the PCF Program, gearing towards its next evolution as SGLG Fund starting CY 2021.

Some of the major PCF related activities for CY 2020 are as follows:

- **PCF Summit 2020 (10<sup>th</sup> year anniversary celebration)**

The Summit will serve as a venue to upscale PCF awareness and advocacy. The theme will most-likely be linked on the impact of PCF program to the community for the past decade. Awards would be given to recognize LGUs with the best PCF Projects and to the respective DILG ROs for their efforts in ensuring the efficient and effective implementation of the program at the local level. Related PPAs are as follows:

- Development of PCF 2020 National Audio-Visual Presentation (for outsourcing)
- Development of Regional PCF Compendium for CY 2020

- **PCF Program Transitions to SGLG Fund**

With the passage of RA 11202 or the SGLG Act, both the SGLG Program and the PCF Program will be institutionalized accordingly, where the SGLG Council shall be formed to oversee the implementation of the SGLG and the SGLG Fund. Pending the issuance of the SGLG IRR, the implementation and operationalization of the SGLG Fund remains unclear. Thus, a series of consultation meetings are needed in order to clarify and finalize the necessary details to operationalize SGLG Fund, as well as for the development of the new guidelines. Related PPAs are as follows:

- Series of consultative dialogues with other members of the SGLG Council
- Consultative Conference with National and Regional PCF Teams on the PCF 2020 Implementation
- National Policy Roll-out cum Interfacing Dialogue with National and Regional Offices on the PCF 2020 Implementation

- **Other activities**

- Awarding of PCF Incentive/Grants to eligible LGUs for 2020
- Validation/ Spot-checking of slow-moving PCF Projects

