



# LOCAL GOVERNMENT FINANCE AND FISCAL DECENTRALIZATION REFORMS AND INNOVATIONS

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**Department of Budget and Management**

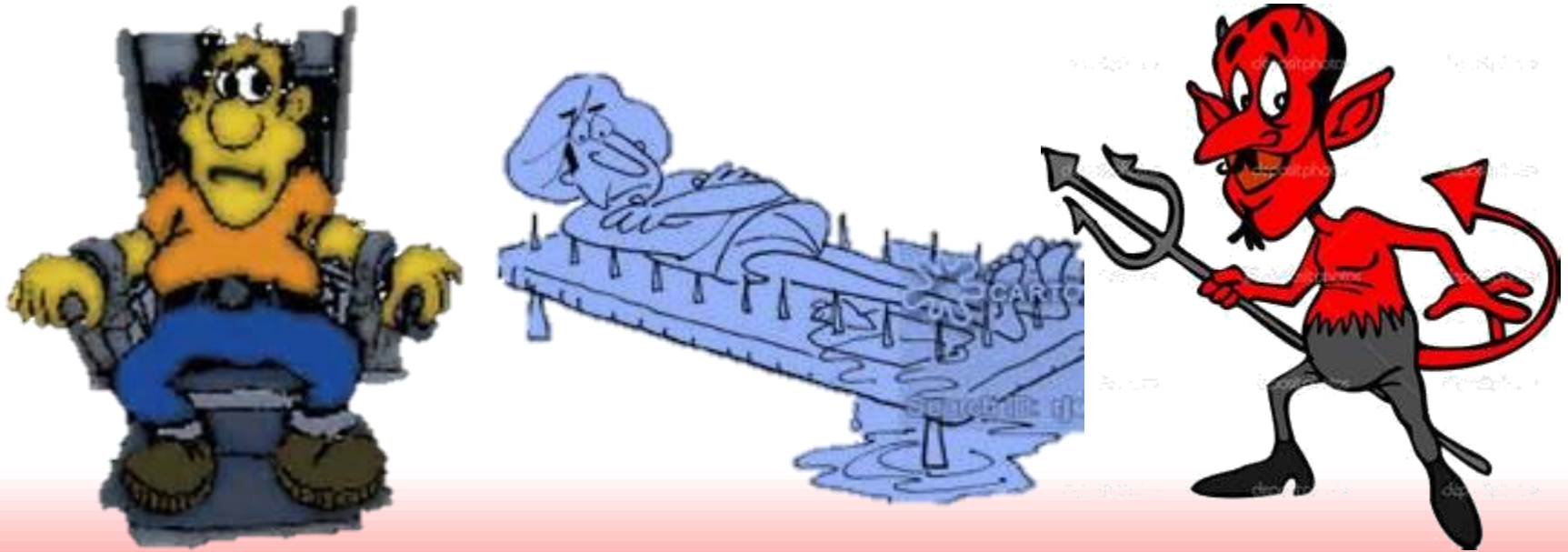
PAGBA 2016 2<sup>nd</sup> Quarterly Seminar & Meeting  
July 6-9, 2016  
Pryce Hotel, Cagayan De Oro City



Isang lalaki ang namatay at napunta sa impiyerno.  
Doon nadiskubre niya na ang bawat bansa ay may  
sariling impiyerno.



Pumunta sya sa impiyerno ng mga Aleman at  
nagtanong,  
*“Ano ang ginagawa nila dito?”*



Ang sabi sa kanya, *“Una, pauupin ka sa silya elektrika.  
Tapos, pahihigain ka sa kama ng mga pako.*

*Pagkatapos ng isang oras, darating ang Alemang  
demonyo at bubugbugin ka buong araw.”*



Hindi nagustuhan ng lalaki ang narinig niya kaya  
binisita din niya ang impiyerno ng mga Tsino at  
Amerikano pero nalaman niya na halos parehas lang  
ang ginagawa dun sa impiyerno ng mga Aleman.

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Nakarating siya sa impiyerno ng mga Pinoy at nakita niya na napakahaba ng pila. Nagtaka siya kaya tinanong niya ano ang ginagawa sa impiyerno ng mga Pinoy.

Ang sabi sa kanya, “Una, pauupin ka sa silya elektrika. Tapos, pahihigain ka sa kama ng mga pako. Pagkatapos ng isang oras, darating ang Pinoy na demonyo at bubugbugin ka buong araw.”



“Parehas din yan sa ginagawa sa ibang impyerno ---  
pero bakit napakahaba ng pila dito?”



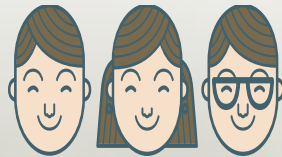
“Dahil walang koryente dito, di gumagana ang silya elektrika.

Maraming bakal boys dito kaya ninanakaw lahat ng pako sa kama.

At ang demonyong Pinoy ay dating tamad na opisyal ng gobyerno kaya nagtitime-in lang tapos tumatambay na sa canteen buong araw.”



- ✓ Spending **within our means**
- ✓ Investing in the **right priorities**
- ✓ Delivering **measurable results**



**Empowering citizens**  
through fiscal transparency, accountability & participation

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# Philippine Public Financial Management REFORM ROADMAP:

Towards Improved

Accountability and Transparency

2011 to 2015



- ★ Master plan for modernizing the financial management system of the government
- ★ Executive Order 55 (s. 2011) directs the integration and automation of PFM systems
- ★ Improve efficiency, accountability and transparency of public fund use
- ★ Contribute to good governance and fiscal discipline as a strategy for inclusive growth and poverty reduction
- ★ Jointly formulated and approved by fiscal oversight agencies (COA, DBM, DOF-BTr) from 2009 to 2011

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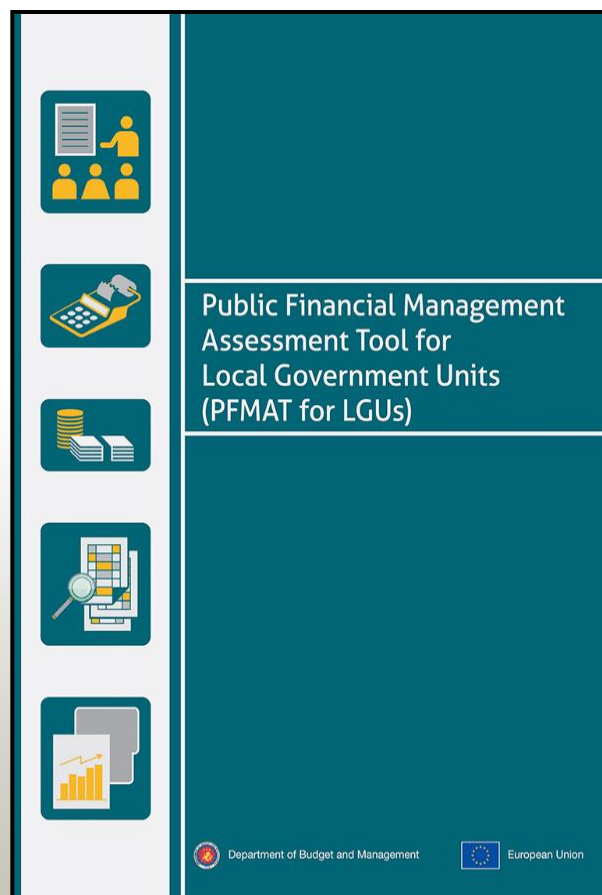
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# PFMAT

## PUBLIC FINANCIAL MANAGEMENT ASSESSMENT TOOL FOR LGUs



“A self-administered, evidenced-based diagnostic tool that will help LGUs identify the strengths and weaknesses of their PFM system.”

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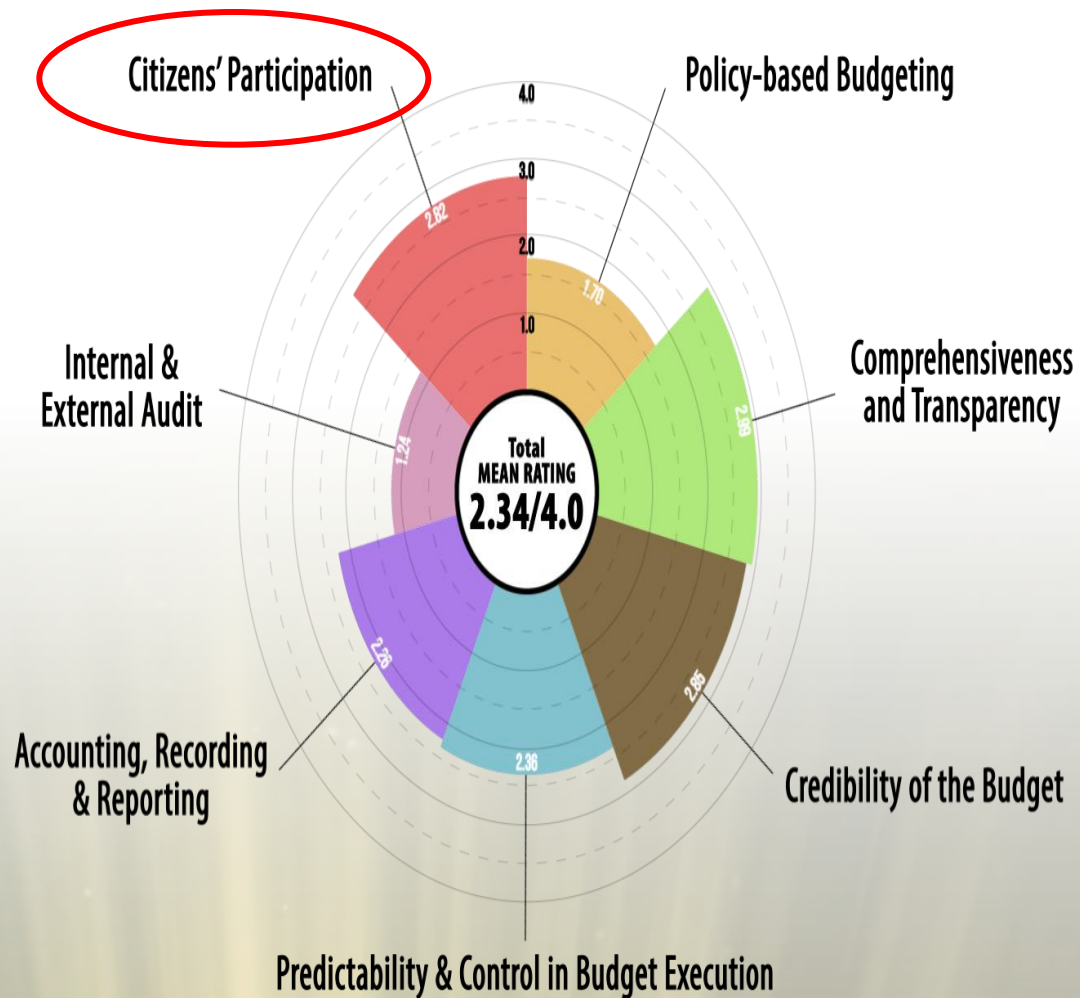
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# PFMAT

## PUBLIC FINANCIAL MANAGEMENT ASSESSMENT TOOL FOR LGUs



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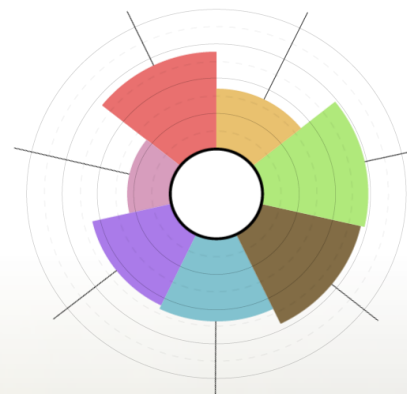
# CONSULTATION WORKSHOPS

**CLUSTER 3**  
Integrating Transparency  
and Accountability  
into Financial and  
Performance Management

Citizens' Participation

**CLUSTER 4**  
Holding Managers  
to Account

Internal &  
External Audit  
Accounting, Recording  
& Reporting



Policy-based Budgeting

**CLUSTER 1**  
Linking Budget Planning  
to Policy Priorities

Comprehensiveness  
and Transparency

Credibility of the Budget

Predictability & Control in Budget Execution

**CLUSTER 2**  
Developing Reliable  
and Predictable Budgets

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The Local Government Units  
Public Financial Management  
**REFORM ROADMAP**

The Local Government Units  
Public Financial Management  
**IMPLEMENTATION  
STRATEGY**

Lack of fiscal sustainability and poor expenditure management

Weak Coordination among oversight agencies (OAs) and between OAs and LGUs

Inadequate accountability mechanisms

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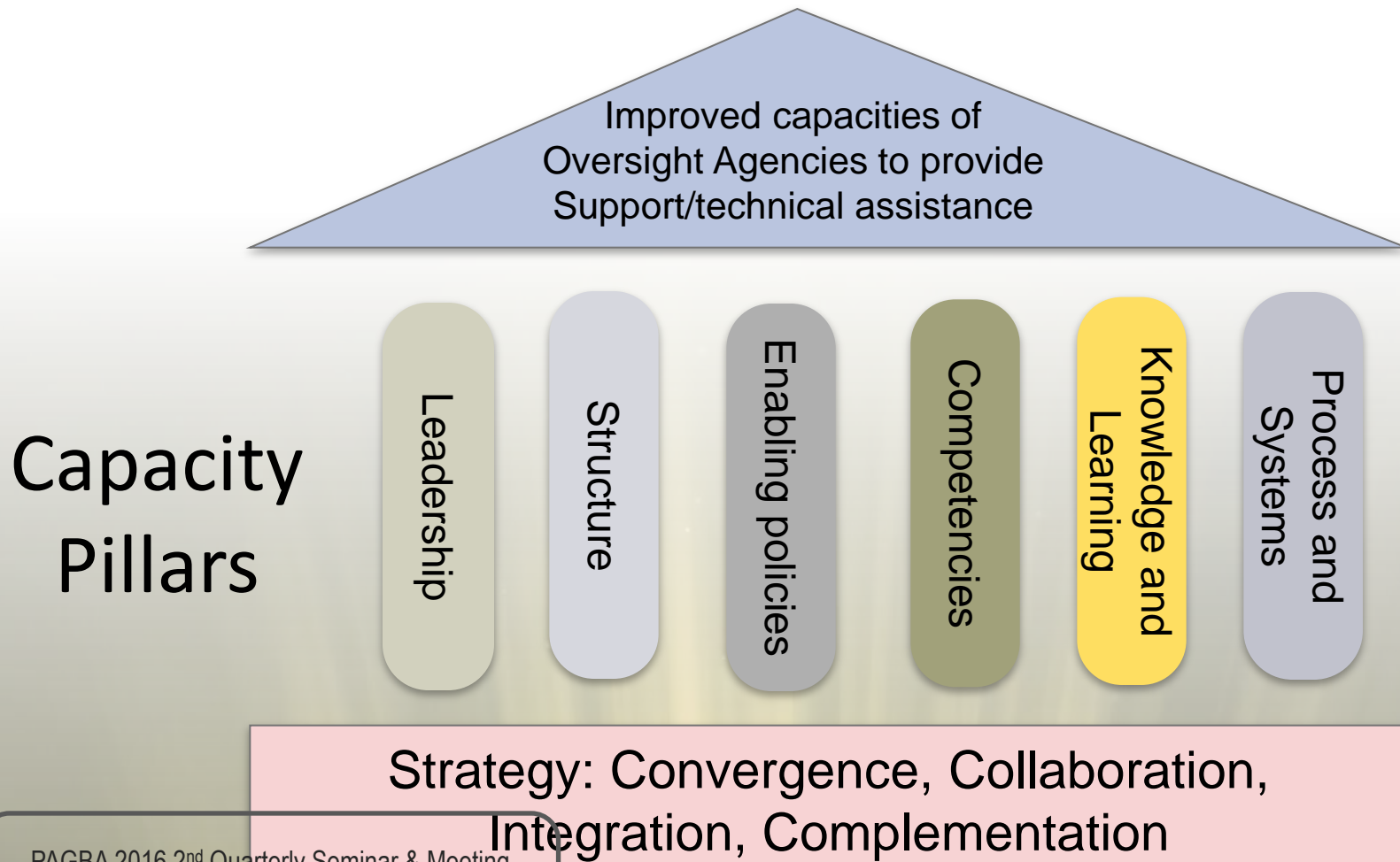


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# Improving Structure and Approach for Technical Assistance



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# Enhanced PFM Policies, Systems and Tools:

## Revenue Administration and Generation Tools



- Manuals to guide the operations of the Local Treasurers and Local Assessors
- Resource Mobilization Manual for local government units.

- Electronic fiscal monitoring system



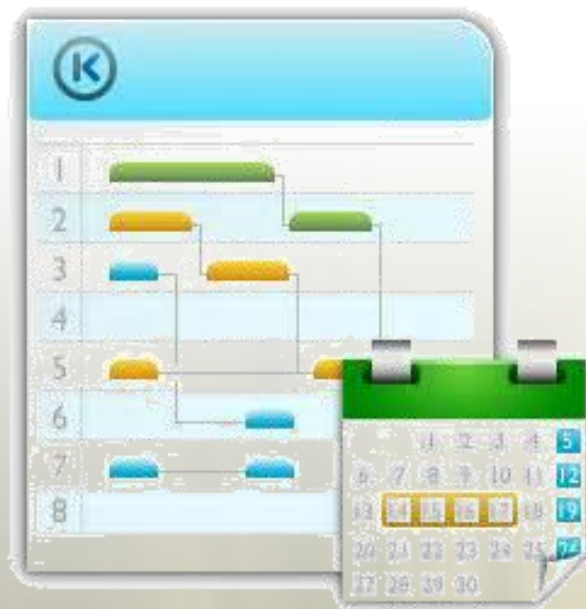
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# Enhanced PFM Policies, Systems and Tools: Local Development Planning and Investment Programming



- Enhanced guide in preparing local development plans and investment programs

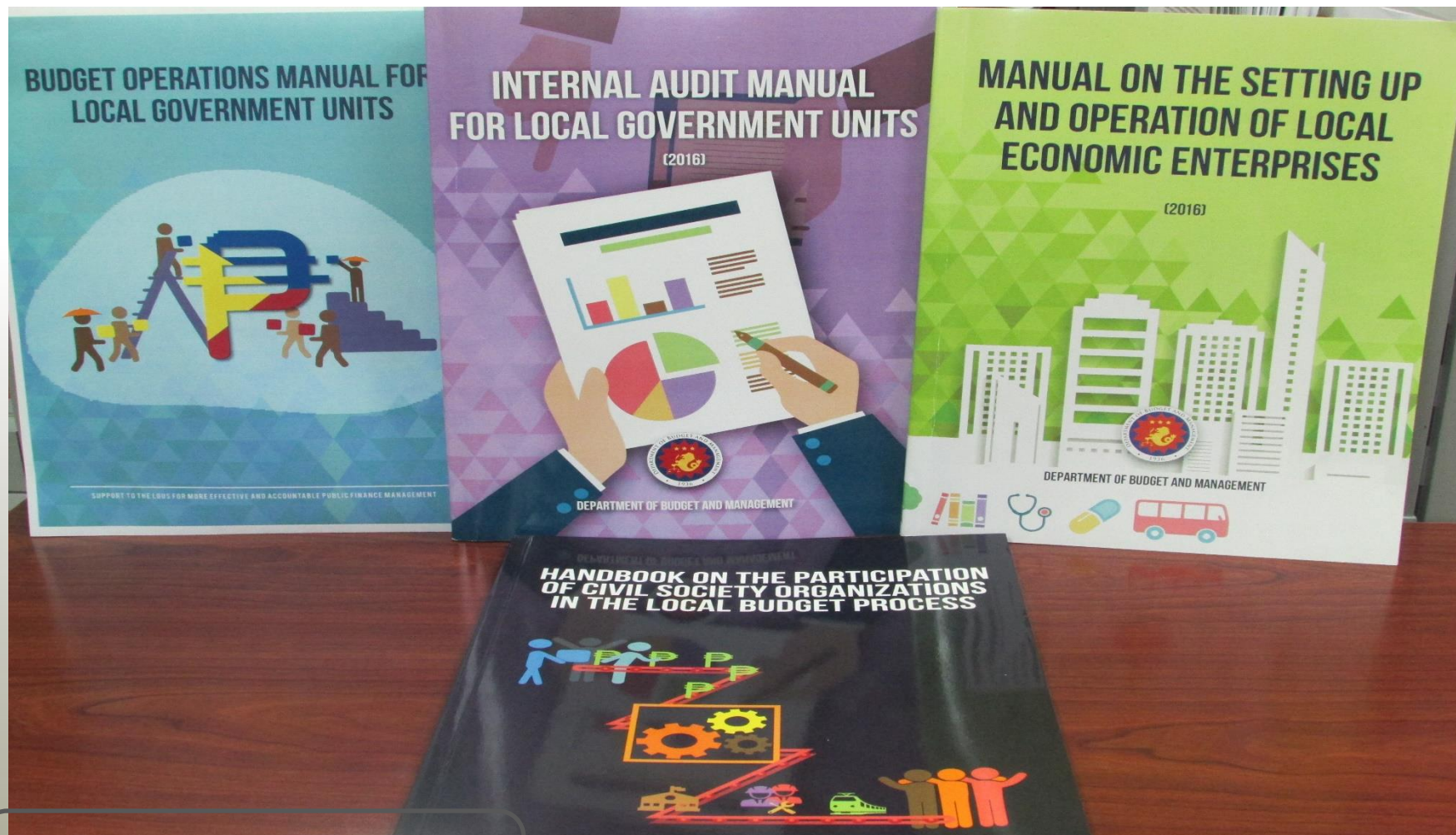
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# Enhanced PFM Policies, Systems and Tools: Budget, Procurement and Controls



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# Working towards Meaningful Devolution



**Performance-Based Downloading to LGUs** to  
support service delivery thru meaningful  
devolution & community empowerment

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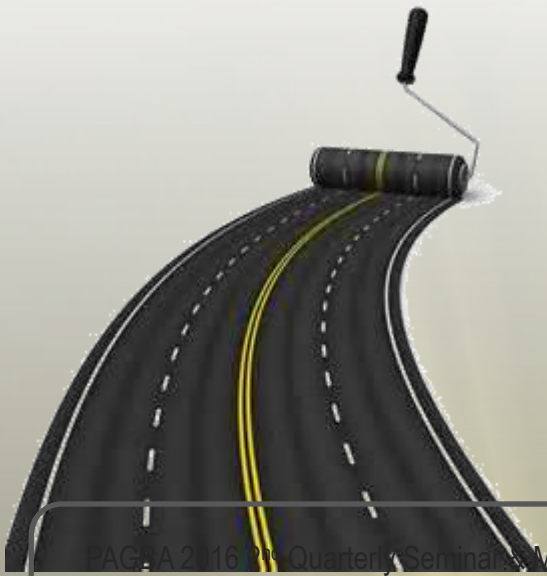


# Working towards Meaningful Devolution



## *Bottom-Up Budgeting*

P11.7 billion in poverty reduction projects identified by CSOs & communities in 1,514 cities & municipalities



## *Konkreto at Ayos na Lansangan at Daan Tingo sa Pangkalahatang Kaunlaran (KALSADA) –*

P6.5 Billion performance-based download to 82 Provinces

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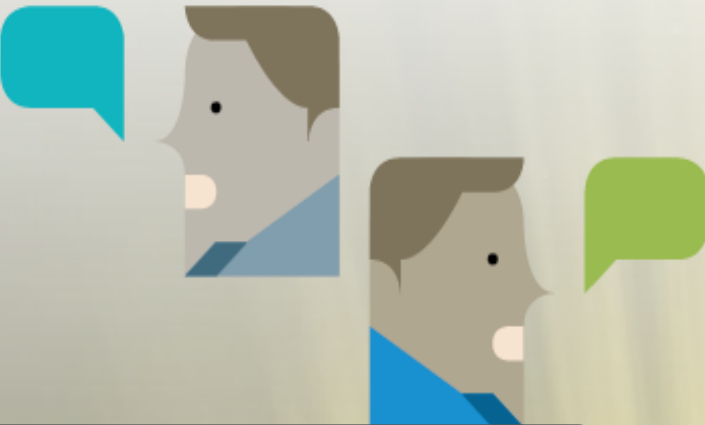


# Moving towards Sustainability

National Inter-Agency and  
Regional Inter-Agency  
Teams



Strong constituency  
present to support &  
demand reforms



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“It is a curious thing, Harry, but perhaps those who are best suited to power are those who have never sought it. Those who, like you, have leadership thrust upon them, and take up the mantle because they must, and find to their own surprise that they wear it well.”

- J.K. Rowling, Harry Potter and the Deathly Hallows -



**STRONG PFM = BETTER SERVICES**

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# MARAMING SALAMAT PO.

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