



4th QUARTER PROGRESS REPORT FOR CY 2016



EXECUTIVE SUMMARY:

BACKGROUND

1. The **Performance Challenge Fund (PCF)** is an incentive provided to Local Government Units (LGUs) in the form of financial grant for 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.
2. The Department of the Interior and Local Government (DILG) has been implementing the PCF since 2010 that aims to foster the alignment of the local development initiatives with the national goals and priorities. Specifically, it encourages LGUs to put a premium on performance in order for them to avail the financial subsidy to jumpstart and sustain projects geared towards the achievement of the Millennium Development Goals, Maintain Core Road Network to boost tourism and local economic development, comply with the Ecological Solid Waste Management Act of 2000, comply with the Philippine Disaster Risk Reduction & Management Act of 2010 and projects that are under Transparency and Accountability.
3. For more than six years of implementation, starting from its pilot stage in 2010 up to the Calendar Year 2016, the DILG through the Bureau of Local Government Development (BLGD) monitors the over-all project implementation of more than two thousand PCF projects nationwide. A total of 2,689 PCF projects were registered in the PCF Portal (<http://pcf.dilg.gov.ph/v3/>) as of 29 December 2016. Out of the 2,689 PCF projects, there are 2,500 completed projects, 106 projects that are still on-going and 83 projects where LGUs are still complying with the documentary requirements of PCF. (See Table 2)
4. Projects are under five categories or pillars, as follows: 863 Millennium Development Goals (MDG) projects, 1,387 Local Economic Development (LED) projects, 123 Ecological Solid Waste Management (ESWM) projects, 314 Disaster Risk Reduction and Management (DRRM) projects and 2 projects under Transparency and Accountability. (See Table 4 & Figure 1)
5. From FYs 2010 to 2015, a total amount of **4.003 Billion** has been allocated for this program. This year, FY 2016 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 2011-2016.

LEGAL BASIS OF REPORTING AND SCOPE

6. As per Republic Act No. 10717, FY 2016 General appropriations Act (GAA), specifically, Special Provision(s) No. 1 re Performance Challenge Fund thereof, requires the DILG to submit to the Department of Budget and Management (DBM), the Committee on Appropriations and the Senate Committee on Finance, quarterly reports on financial and physical accomplishments and to ensure that said reports are posted on the DILG website.
7. The report covered the over-all status of implementation of the Performance Challenge Fund subsidized projects in the 18 Regions of the country from October to December 2016. Taking into consideration the information from the Database system for M&E, the PCF website promotes transparency in the implementation of public projects, encourages participation of the citizenry in monitoring and to institute mechanism for on-line reporting towards a paper-less submission of reports for efficiency.

I. PROVISION OF FINANCIAL SUBSIDY TO LGUs

A. 2016 PCF FOR SGLG PASSERS

The Performance Challenge Fund 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 ultimate improve living conditions of the people in the community. Hence, the Department strengthens its campaign to encourage continuous improvement in the performance of local government units (LGUs) by raising the bar of excellence to qualify for the incentive support for local development projects.

The General Appropriations Act (GAA) for this FY 2016 allocated an amount of **One Billion and Three Million Seven Hundred Thousand Pesos (P1,003,700,000.00)** for the Performance-Based Challenge. The said allocation are intended specifically to those who are able to pass the Seal of Good Local Governance (SGLG) criteria for CY 2016.

In view thereof, the CY 2016 SGLG awardees are eligible to access the 2016 PCF incentive.

Table 1: PCF 2016 Distribution List

Region	No. of Prov.	Amount at P4M per Prov.	No. of Cities	Amount at P3.4M per City	No. of Mun.	Amount at P3M per Mun.	Total LGU Beneficiaries	Total PCF Cost
CAR	3	12	2	6.8	17	51	22	69.8
NCR	-		5	17	-		5	17
I	4	16	5	17	36	108	45	141
II	2	8	2	6.8	18	54	22	68.8
III	4	16	4	13.6	29	87	37	116.6
IV-A	3	12	4	13.6	10	30	17	55.6
IV-B	4	16	1	3.4	7	21	12	40.4
V	3	12	4	13.6	3	9	10	34.6
VI	3	12	2	6.8	19	57	24	75.8
VII	2	8	1	3.4	8	24	11	35.4
VIII	4	16	1	3.4	7	21	12	40.4
IX	1	4	1	3.4	6	18	8	25.4
X	2	8	4	13.6	20	60	26	81.6
XI	3	12	5	17	6	18	14	47
XII	1	4	2	6.8	11	33	14	43.8
XIII	2	8	2	6.8	9	27	13	41.8
ARMM	1	4	1	3.4	4	12	6	19.4
NIR	1	4	5	17	2	6	8	27
Total	43	172,000,000	51	173,400,000	212	636,000,000	306	981,400,000

II. STATUS OF IMPLEMENTATION OF PCF SUPPORTED PROJECTS

For CY 2016, a total of 2,500 projects have been completed by the LGU beneficiaries. The table below shows the status of implementation of PCF supported projects from 2010-2015.

Table 2: PCF Projects from CY 2010-2015

YEAR	Total No of Projects	Completed projects		Ongoing projects		Not yet started	
		No.	%	No.	%	No.	%
2010	31	31	100%	-	-	-	-
2011	633	632	99%	1	1%	-	-
2012	744	741	98%	1	1%	2	1%
2013	755	748	97%	5	2%	2	1%
2014 *	233	170	72%	35	16%	28	12%
2015 **	293	178	57%	64	25%	51	18%
TOTAL	2,689	2,500	93%	106	4%	83	3%

* Based on the data taken from PCF Website as of December 29, 2016

Table 3: Project Status Summary for CY 2010 – 2015

REGION	TOTAL NUMBER OF ENCODED PROJECTS	NO. OF COMPLETED PROJECTS	NO. OF ON-GOING PROJECTS	NO. OF NOT-YET STARTED PROJECTS
REGION 01 - ILOCOS REGION	379	373	5	1
REGION 02 - CAGAYAN VALLEY	259	246	8	5
REGION 03 - CENTRAL LUZON	260	250	7	3
CORDILLERA ADMINISTRATIVE REGION	119	114	4	1
REGION 04A - CALABARZON	225	203	4	18
REGION 04B - MIMAROPA	113	102	6	5
REGION 05 - BICOL REGION	129	124	4	1
NATIONAL CAPITAL REGION	7	6	1	0
REGION 06 - WESTERN VISAYAS	324	295	17	12
REGION 07 - CENTRAL VISAYAS	115	84	3	28
REGION 08 - EASTERN VISAYAS	76	73	3	0
REGION 09 - ZAMBOANGA PENINSULA	85	79	6	0
REGION 10 - NORTHERN MINDANAO	123	103	14	6
REGION 11 - DAVAO REGION	134	123	10	1
REGION 12 - SOCCSKSARGEN	120	109	10	1
REGION 13 - CARAGA	200	195	4	1
AUTONOMOUS REGION IN MUSLIM MINDANAO	21	21	0	0
TOTAL	2689	2500	106	83
		93%	4%	3%

*Based on the data taken from the PCF Website as of December 29, 2016

Table 4: Distribution by Project Category (2010-2015)

PCF Category	Number of Projects	Percentage
Millennium Development Goals (MDG)	863	32.09%
Local Economic Development (LED)	1387	51.58%
Disaster Risk Reduction and Management (DRRM)	314	11.68%
Ecological Solid Waste Management (ESWM)	123	4.57%
Transparency and Accountability	2	0.07%
TOTAL	2,689	100.00%

Figure 1

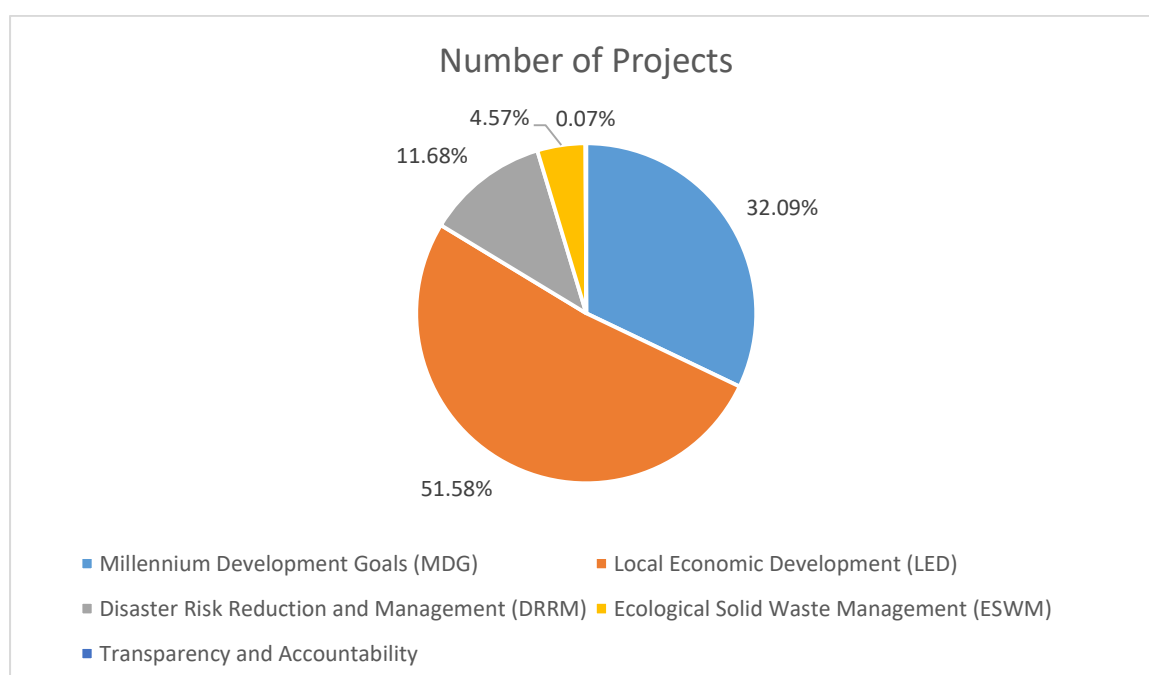


Table 5: Distribution by Project Category for CY 2010

PCF Category	Number of Projects	Percentage
Millennium Development Goals (MDG)	13	41.94%
Local Economic Development (LED)	14	45.16%
Disaster Risk Reduction and Management (DRRM)	3	9.68%
Ecological Solid Waste Management (ESWM)	1	3.23%
TOTAL	31	100%

Figure 2

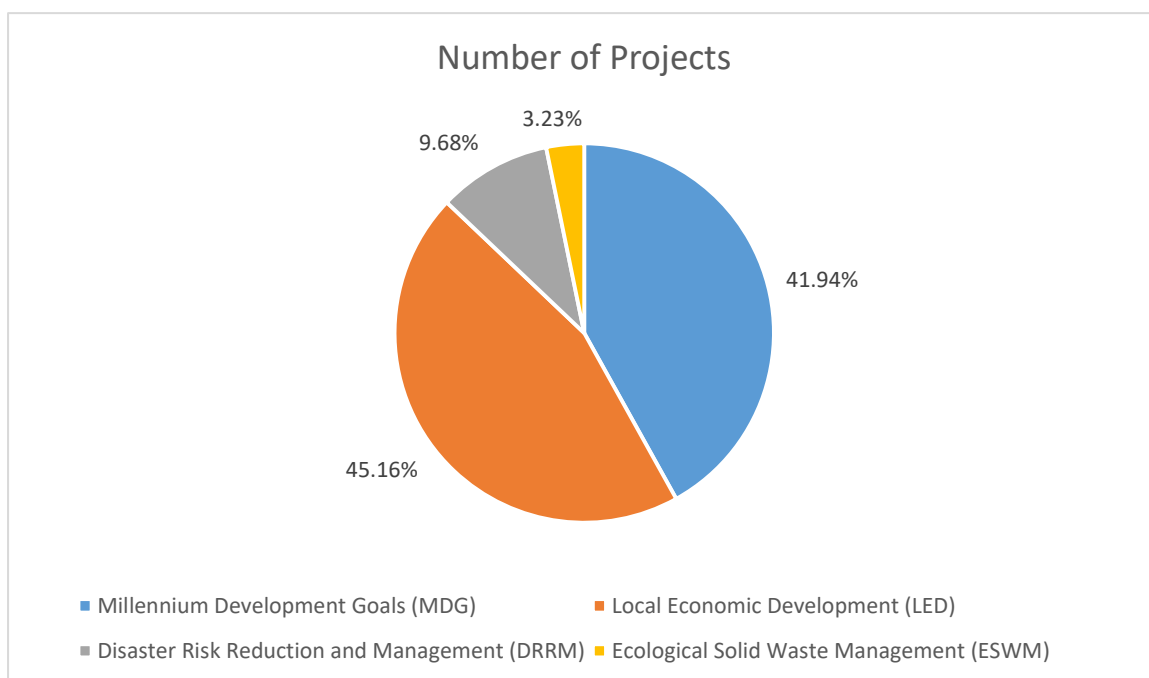


Table 6: Project Status Summary for CY 2010

Region	Total No. of PCF Projects	No. of Completed Projects	Percentage of Completed Projects
REGION 01 - ILOCOS REGION	2	2	100%
REGION 02 - CAGAYAN VALLEY	2	2	100%
REGION 03 - CENTRAL LUZON	0	N/A	N/A
CORDILLERA ADMINISTRATIVE REGION	2	2	100%
REGION 04A - CALABARZON	2	2	100%
REGION 04B - MIMAROPA	0	N/A	N/A
REGION 05 - BICOL REGION	3	3	100%
NATIONAL CAPITAL REGION	0	N/A	N/A
REGION 06 - WESTERN VISAYAS	2	2	100%
REGION 07 - CENTRAL VISAYAS	4	4	100%
REGION 08 - EASTERN VISAYAS	2	2	100%
REGION 09 - ZAMBOANGA PENINSULA	2	2	100%
REGION 10 - NORTHERN MINDANAO	4	4	100%
REGION 11 - DAVAO REGION	1	1	100%
REGION 12 - SOCCSKSARGEN	0	N/A	N/A
REGION 13 - CARAGA	4	4	100%
AUTONOMOUS REGION IN MUSLIM MINDANAO	1	1	100%
Total	31	31	100%

Table 7: Distribution by Project Category for CY 2011

PCF Category	Number of Projects	Percentage
Millennium Development Goals (MDG)	225	35.55%
Local Economic Development (LED)	306	48.34%
Disaster Risk Reduction and Management (DRRM)	65	10.27%
Ecological Solid Waste Management (ESWM)	37	5.85%
TOTAL	633	100.00%

**Based on the data taken on the PCF Website as of 29 December 2016

Figure 3

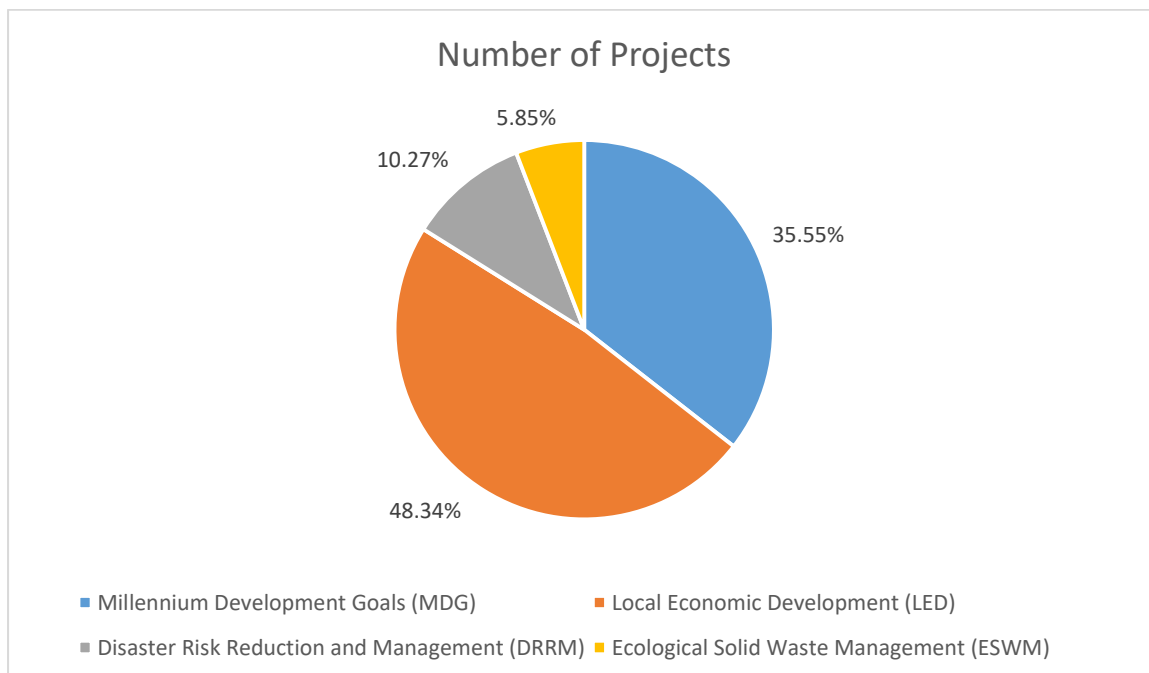


Table 8: Project Status Summary for CY 2011

Region	Total No. of PCF Projects	No. of Completed Projects	% of Completed Projects	No. of On-Going Projects	% of On-Going Projects
REGION 01 - ILOCOS REGION	110	110	100%	-	0%
REGION 02 - CAGAYAN VALLEY	37	37	100%	-	0%
REGION 03 - CENTRAL LUZON	43	43	100%	-	0%
CORDILLERA ADMINISTRATIVE REGION	34	34	100%	-	0%
REGION 04A - CALABARZON	55	55	100%	-	0%
REGION 04B - MIMAROPA	25	25	100%	-	0%
REGION 05 - BICOL REGION	33	33	100%	-	0%
NATIONAL CAPITAL REGION	0	N/A	N/A	-	N/A
REGION 06 - WESTERN VISAYAS	104	104	100%	-	0%
REGION 07 - CENTRAL VISAYAS	17	16	94%	1	6%
REGION 08 - EASTERN VISAYAS	10	10	100%	-	0%
REGION 09 - ZAMBOANGA PENINSULA	26	26	100%	-	0%
REGION 10 - NORTHERN MINDANAO	33	33	100%	-	0%
REGION 11 - DAVAO REGION	16	16	100%	-	0%
REGION 12 - SOCCSKSARGEN	9	9	100%	-	0%
REGION 13 - CARAGA	73	73	100%	-	0%
AUTONOMOUS REGION IN MUSLIM MINDANAO	8	8	100%	-	0%
Total	633	632	99.84%	1	0.16%

**Based on the data taken on the PCF Website as of 29 December 2016

Table 9: Distribution by Project Category for CY 2012

PCF Category	Number of Projects	Percentage
Millennium Development Goals (MDG)	356	47.85%
Local Economic Development (LED)	322	43.28%
Disaster Risk Reduction and Management (DRRM)	47	6.32%
Ecological Solid Waste Management (ESWM)	19	2.55%
TOTAL	744	100.00%

**Based on the data taken on the PCF Website as of 29 December 2016

Figure 4

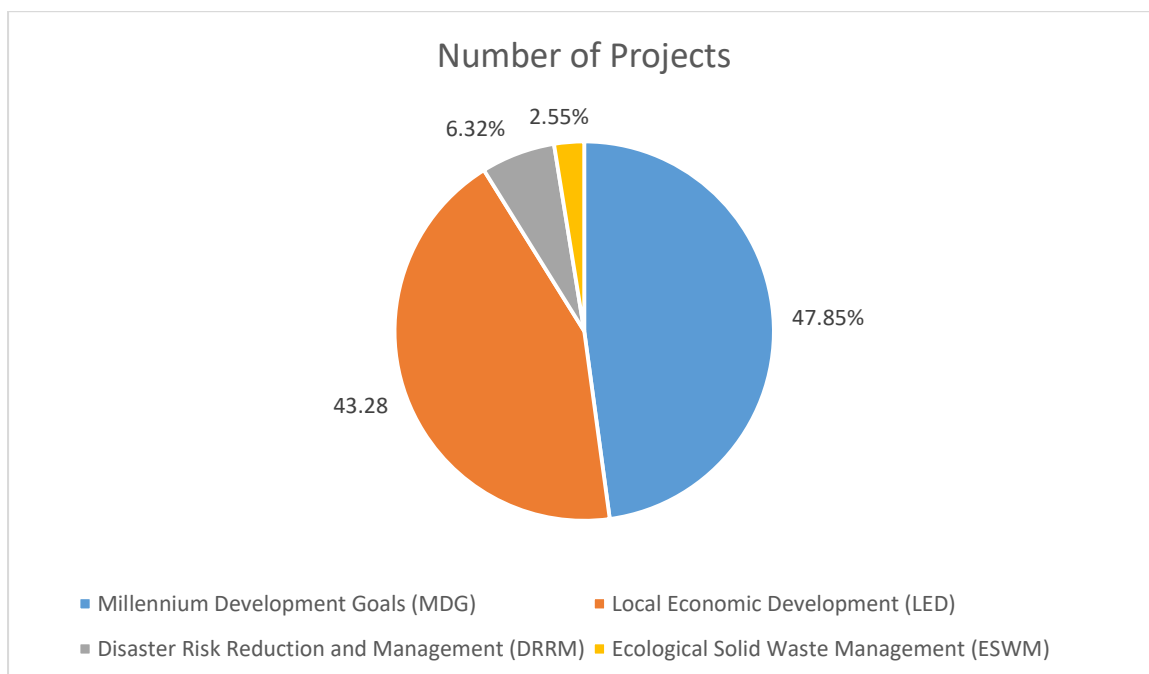


Table 10: Project Status Summary for the CY 2012

Region	Total No. of PCF Projects	No. of Completed Projects	% of Completed Projects	No. of On-Going Projects	% of On-Going Projects	No. of Not-Yet Started Projects	% of On-Going Projects
REGION 01 - ILOCOS REGION	92	92	100%	-	0%	-	0%
REGION 02 - CAGAYAN VALLEY	113	111	98%	1	1%	1	1%
REGION 03 - CENTRAL LUZON	103	103	100%	-	0%	-	0%
CORDILLERA ADMINISTRATIVE REGION	23	23	100%	-	0%	-	0%
REGION 04A - CALABARZON	60	60	100%	-	0%	-	0%
REGION 04B - MIMAROPA	35	35	100%	-	0%	-	0%
REGION 05 - BICOL REGION	15	15	100%	-	0%	-	0%
NATIONAL CAPITAL REGION	1	1	0%	-	0%	-	0%
REGION 06 - WESTERN VISAYAS	71	71	100%	-	0%	-	0%
REGION 07 - CENTRAL VISAYAS	7	6	86%	-	0%	1	14%
REGION 08 - EASTERN VISAYAS	16	16	100%	-	0%	-	0%
REGION 09 - ZAMBOANGA PENINSULA	22	22	100%	-	0%	-	0%
REGION 10 - NORTHERN MINDANAO	21	21	100%	-	0%	-	0%
REGION 11 - DAVAO REGION	63	63	100%	-	0%	-	0%
REGION 12 - SOCCSKSARGEN	53	53	100%	-	0%	-	0%
REGION 13 - CARAGA	44	44	100%	-	0%	-	0%
AUTONOMOUS REGION IN MUSLIM MINDANAO	5	5	0%	-	0%	-	0%
Total	744	741	99.6%	1	0.16%	2	0.27%

**Based on the data taken on the PCF Website as of 29 December 2016

Table 11: Distribution by Project Category for CY 2013

PCF Category	Number of Projects	Percentage
Millennium Development Goals (MDG)	132	17.48%
Local Economic Development (LED)	458	60.66%
Disaster Risk Reduction and Management (DRRM)	122	16.16%
Ecological Solid Waste Management (ESWM)	42	5.56%
Transparency and Accountability	1	0.13%
TOTAL	755	100.00%

**Based on the data taken on the PCF Website as of 29 December 2016

Figure 5

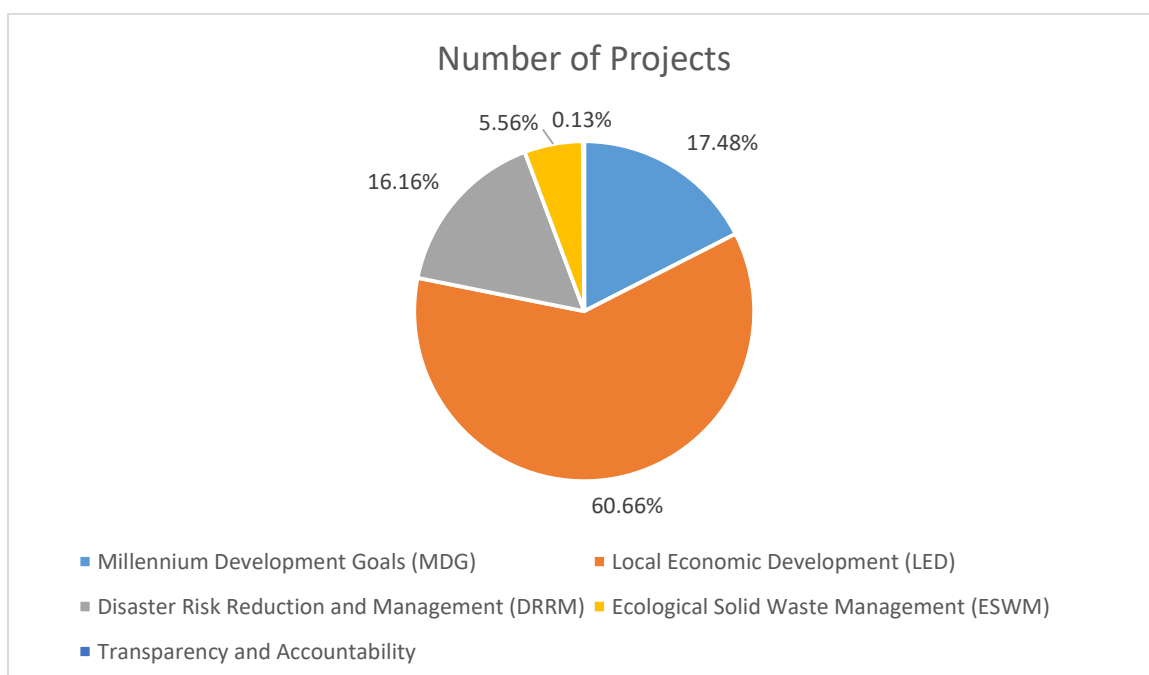


Table 12: Project Status Summary for CY 2013

Region	Total No. of PCF Projects	No. of Completed Projects	% of Completed Projects	No. of On-Going Projects	% of On-Going Projects	No. of Not-Yet Started Projects	% of Not-yet Started Projects
REGION 01 - ILOCOS REGION	96	96	100%	-	0%	-	0%
REGION 02 - CAGAYAN VALLEY	66	66	100%	-	0%	-	0%
REGION 03 - CENTRAL LUZON	31	31	100%	-	0%	-	0%
CORDILLERA ADMINISTRATIVE REGION	46	46	100%	-	0%	-	0%
REGION 04A - CALABARZON	73	71	97%	1	1%	1	1%
REGION 04B - MIMAROPA	29	28	97%	-	0%	1	3%
REGION 05 - BICOL REGION	54	54	100%	-	0%	-	0%
NATIONAL CAPITAL REGION	0	N/A	N/A	-	N/A	-	N/A
REGION 06 - WESTERN VISAYAS	107	104	97%	3	3%	-	0%
REGION 07 - CENTRAL VISAYAS	56	56	100%	-	0%	-	0%
REGION 08 - EASTERN VISAYAS	35	35	100%	-	0%	-	0%
REGION 09 - ZAMBOANGA PENINSULA	27	27	100%	-	0%	-	0%
REGION 10 - NORTHERN MINDANAO	32	31	97%	1	3%	-	0%
REGION 11 - DAVAO REGION	20	20	100%	-	0%	-	0%
REGION 12 - SOCCSKSARGEN	16	16	100%	-	0%	-	0%
REGION 13 - CARAGA	60	60	100%	-	0%	-	0%
AUTONOMOUS REGION IN MUSLIM MINDANAO	7	7	100%	-	0%	-	0%
Total	755	748	99.08%	5	0.66%	2	0.26%

**Based on the data taken on the PCF Website as of 29 December 2016

Table 13: Distribution by Project Category for CY 2014

PCF Category	Number of Projects	Percentage
Millennium Development Goals (MDG)	53	22.75%
Local Economic Development (LED)	129	55.36%
Disaster Risk Reduction and Management (DRRM)	35	15.02%
Ecological Solid Waste Management (ESWM)	15	6.44%
Transparency and Accountability	1	0.43%
TOTAL	233	100.00%

**Based on the data taken on the PCF Website as of 29 December 2016.

Figure 6

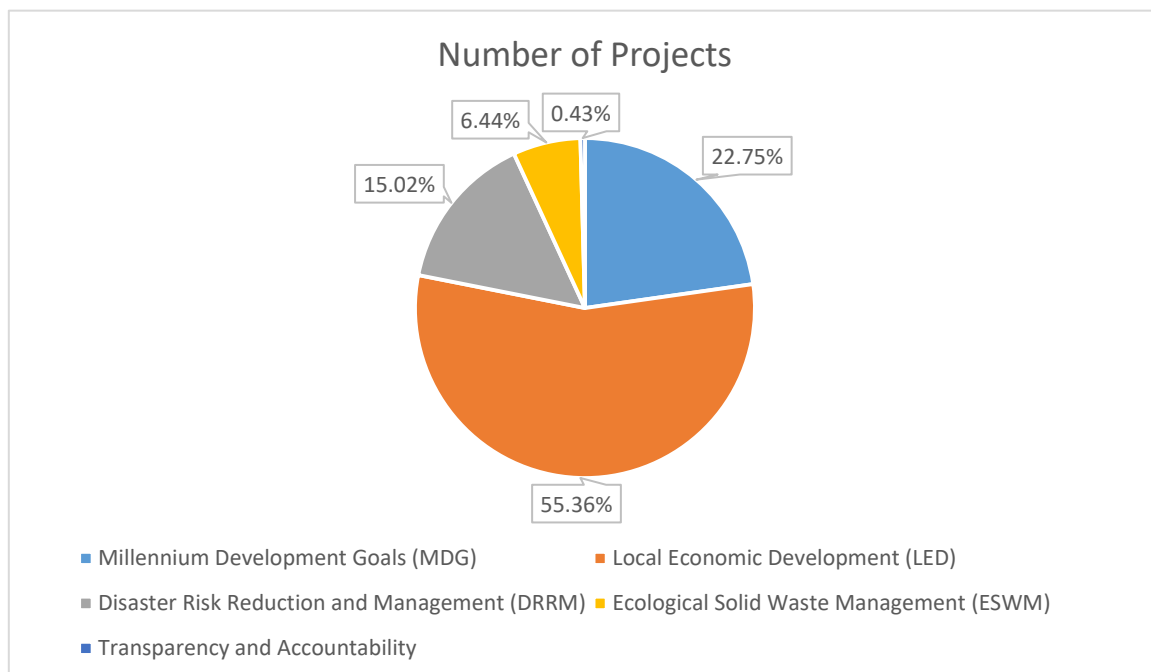


Table 14: Project Status Summary for CY 2014

Region	Total No. of PCF Projects	No. of Completed Projects	% of Completed Projects	No. of On-Going Projects	% of On-Going Projects	No. of Not-Yet Started Projects	% of Not-Yet Started Projects
REGION 01 - ILOCOS REGION	30	30	100%	0	0%	0	0%
REGION 02 - CAGAYAN VALLEY	25	20	80%	2	8%	3	12%
REGION 03 - CENTRAL LUZON	18	16	89%	1	6%	1	6%
CORDILLERA ADMINISTRATIVE REGION	7	5	71%	2	29%	0	0%
REGION 04A - CALABARZON	23	11	48%	3	13%	9	39%
REGION 04B - MIMAROPA	14	8	57%	3	21%	3	21%
REGION 05 - BICOL REGION	8	7	87.5%	1	12.5%	0	0%
NATIONAL CAPITAL REGION	3	3	100%	0	0%	0	0%
REGION 06 - WESTERN VISAYAS	16	10	62.5%	3	18.75%	3	18.75%
REGION 07 - CENTRAL VISAYAS	7	1	14%	1	14%	5	71%
REGION 08 - EASTERN VISAYAS	0	N/A	N/A	N/A	N/A	N/A	N/A
REGION 09 - ZAMBOANGA PENINSULA	4	1	25%	3	75%	0	0%
REGION 10 - NORTHERN MINDANAO	11	5	45.46%	4	36.36%	2	18.18%
REGION 11 - DAVAO REGION	21	17	81%	4	19%	0	0%
REGION 12 - SOCCSKSARGEN	32	23	72%	8	25%	1	3%
REGION 13 - CARAGA	14	13	93%	0	0%	1	7%
AUTONOMOUS REGION IN MUSLIM MINDANAO	0	N/A	N/A	N/A	N/A	N/A	N/A
Total	233	170	73%	35	15%	28	12%

**Based on the data taken on the PCF Website as of 29 December 2016

Table 15: Distribution by Project Category for CY 2015

PCF Category	Number of Projects	Percentage
Millennium Development Goals	84	28.67%
Local Economic Development	158	53.92%
Disaster Risk Reduction and Management (DRRM)	42	14.33%
Ecological Solid Waste Management	9	3.08%
TOTAL	293	100.00%

**Based on the data taken from the PCF Website as of 29 December 2016.

Figure 7

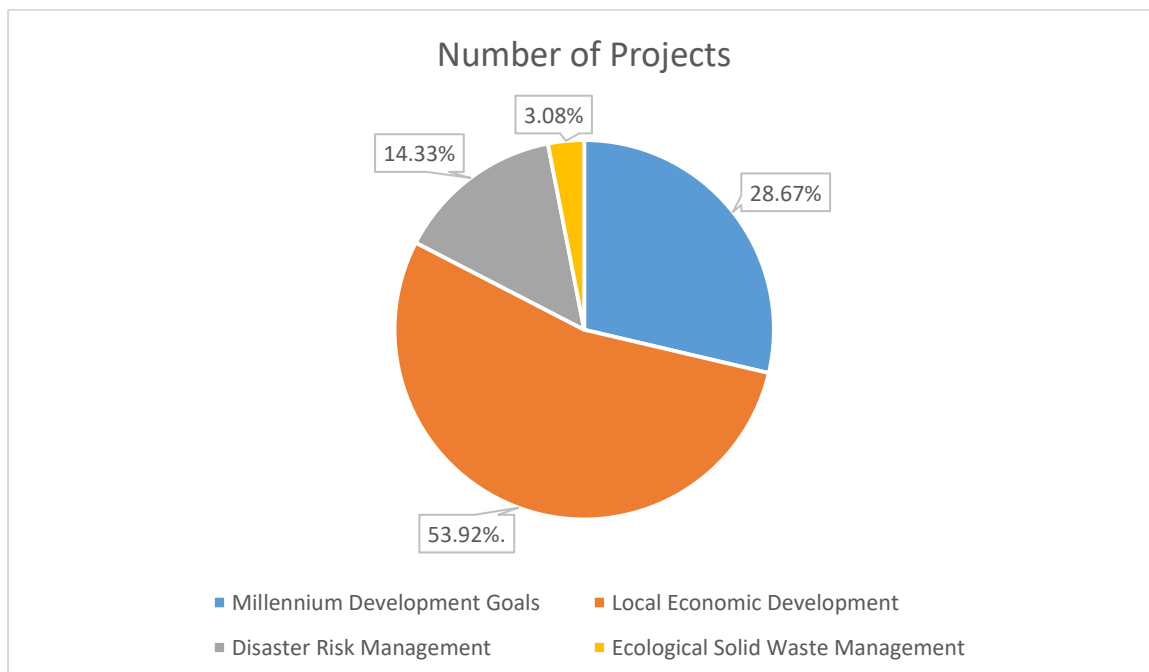


Table 16: Project Status Summary for CY 2015

Region	Total No. of PCF Projects	No. of Completed Projects	% of Completed Projects	No. of On-Going Projects	% of On-Going Projects	No. of Not-Yet Started Projects	% of Not-Yet Started Projects
REGION 01 - ILOCOS REGION	49	43	88%	5	10%	1	2%
REGION 02 - CAGAYAN VALLEY	16	10	63%	5	31%	1	6%
REGION 03 - CENTRAL LUZON	65	57	88%	6	9%	2	3%
CORDILLERA ADMINISTRATIVE REGION	7	4	57%	2	29%	1	14%
REGION 04A - CALABARZON	12	4	33%	N/A	N/A	8	67%
REGION 04B - MIMAROPA	10	6	60%	3	30%	1	10%
REGION 05 - BICOL REGION	16	12	75%	3	19%	1	6%
NATIONAL CAPITAL REGION	3	2	67%	1	33%	N/A	N/A
REGION 06 - WESTERN VISAYAS	24	4	17%	11	46%	9	37%
REGION 07 - CENTRAL VISAYAS	24	1	4%	1	4%	22	92%
REGION 08 - EASTERN VISAYAS	13	10	77%	3	23%	N/A	N/A
REGION 09 - ZAMBOANGA PENINSULA	4	1	25%	3	75%	N/A	N/A
REGION 10 - NORTHERN MINDANAO	22	9	41%	9	41%	4	18%
REGION 11 - DAVAO REGION	13	6	46%	6	46%	1	8%
REGION 12 - SOCCSKSARGEN	10	8	80%	2	20%	N/A	N/A
REGION 13 - CARAGA	5	1	20%	4	80%	N/A	N/A
AUTONOMOUS REGION IN MUSLIM MINDANAO	0	N/A	N/A	N/A	N/A	N/A	N/A
Total	293	178	61%	64	22%	51	17%

**Based on the data taken on the PCF Website as of 29 December 2016