



3rd 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 and Management Act of 2010.
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 2,659 PCF projects were registered in the PCF Portal (<http://pcf.dilg.gov.ph/v3/>) as of 30 September 2016. Out of the 2,659 PCF projects, there are 2,413 completed projects, 136 projects that are still on-going and 110 projects are still complying with the documentary requirements of PCF. (See Table 1)
4. Projects are under five categories or pillars, as follows: 860 Millennium Development Goals (MDG) projects, 1,374 Local Economic Development (LED) projects, 123 Ecological Solid Waste Management (ESWM) projects, 300 Disaster Risk Reduction and Management (DRRM) projects and 2 projects under Transparency and Accountability. (See Table 2 & 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 July to September 2016. Taking into consideration the information from the Database system for M&E, the PCF website promotes transparency in the implementation of public projects, encourage 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 will specifically be given 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.

II. Status of the Projects

Table 1: Project Status Summary for CY 2010 – 2016

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	379	354	93.40%	22	5.80%	3	0.79%
REGION 02 - CAGAYAN VALLEY	258	246	95.35%	8	3.10%	4	1.55%
REGION 03 - CENTRAL LUZON	260	246	94.62%	7	2.69%	7	2.69%
CORDILLERA ADMINISTRATIVE REGION	119	114	95.80%	4	3.36%	1	0.84%
REGION 04A - CALABARZON	211	190	90.05%	2	0.95%	19	9.00%
REGION 04B - MIMAROPA	113	100	88.50%	6	5.31%	7	6.19%
REGION 05 - BICOL REGION	118	109	92.37%	1	0.85%	8	6.78%
NATIONAL CAPITAL REGION	7	6	85.71%	1	14.29%	0	0.00%
REGION 06 - WESTERN VISAYAS	325	291	89.54%	17	5.23%	17	5.23%
REGION 07 - CENTRAL VISAYAS	115	83	72.17%	3	2.61%	29	25.22%
REGION 08 - EASTERN VISAYAS	71	68	95.77%	1	1.41%	2	2.82%
REGION 09 - ZAMBOANGA PENINSULA	85	79	92.94%	6	7.06%	0	0.00%
REGION 10 - NORTHERN MINDANAO	123	97	78.86%	17	13.82%	9	7.32%
REGION 11 - DAVAO REGION	134	114	85.07%	19	14.18%	1	0.75%
REGION 12 - SOCCSKSARGEN	120	100	83.33%	18	15.00%	2	1.67%
REGION 13 - CARAGA	200	195	97.50%	4	2.00%	1	0.50%
AUTONOMOUS REGION IN MUSLIM MINDANAO	21	21	100.00%	0	0.00%	0	0.00%
Total	2659	2413	90.75%	136	5.11%	110	4.14%

Table 2: Distribution by Project Category (2010-2016)

PCF Category	Number of Projects	Percentage
Millennium Development Goals (MDG)	860	32.34%
Local Economic Development (LED)	1374	51.67%
Disaster Risk Reduction and Management (DRRM)	300	11.28%
Ecological Solid Waste Management (ESWM)	123	4.63%
Transparency and Accountability	2	0.08%
TOTAL	2659	100%

Figure 1

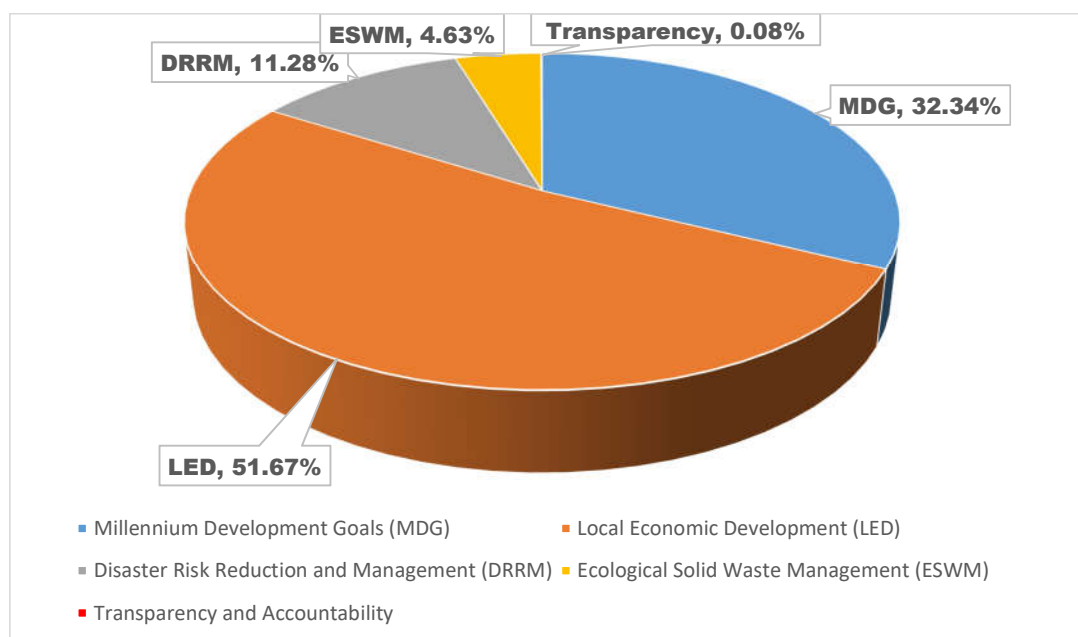


Table 3: Distribution by Project Category for CY 2010

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

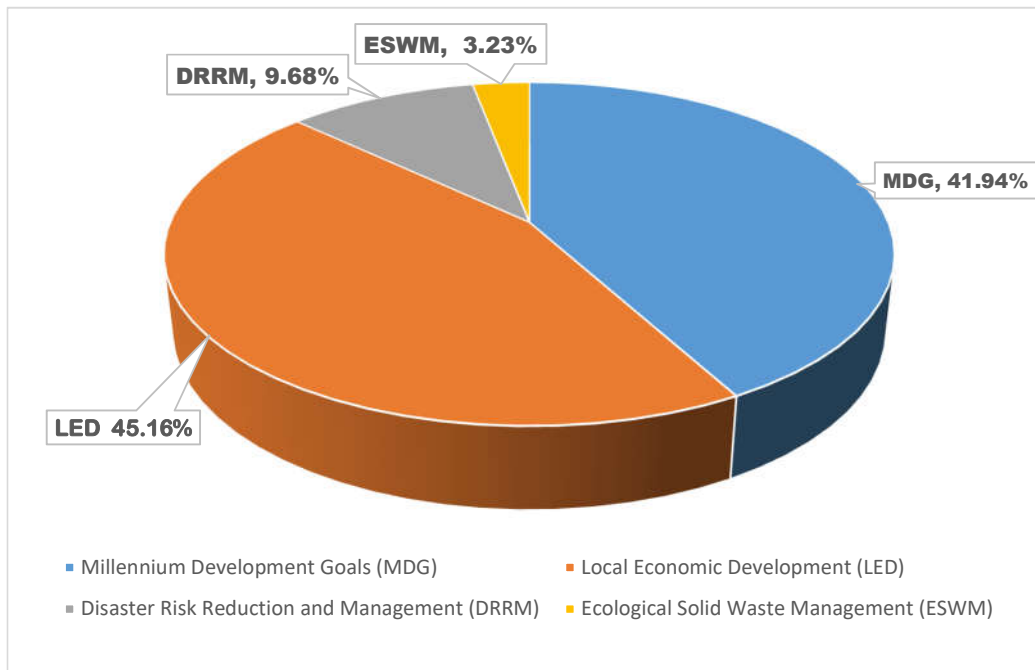


Table 4: Project Status Summary for CY 2010

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	-	-	-
CORDILLERA ADMINISTRATIVE REGION	2	2	100%
REGION 04A - CALABARZON	2	2	100%
REGION 04B - MIMAROPA	-	-	-
REGION 05 - BICOL REGION	3	3	100%
NATIONAL CAPITAL REGION	0	0	0%
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	-	-	-
REGION 13 - CARAGA	4	4	100%
AUTONOMOUS REGION IN MUSLIM MINDANAO	1	1	100%
Total	31	31	100%

Table 5: Distribution by Project Category for CY 2011

PCF Category	Number of Projects	Percentage
Millennium Development Goals (MDG)	225	35.60%
Local Economic Development (LED)	306	48.42%
Disaster Risk Reduction and Management (DRRM)	64	10.13%
Ecological Solid Waste Management (ESWM)	37	5.85%
TOTAL	632	100%

**Based on the data taken on the PCF Website as of 30 September 2016

Figure 3

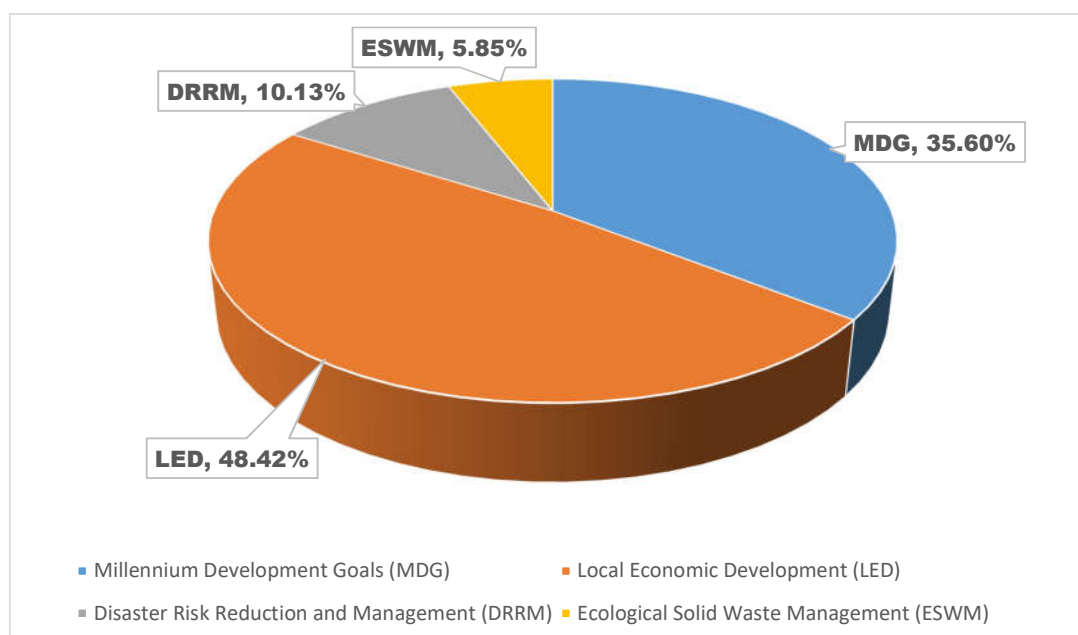


Table 6: Project Status Summary for CY 2011

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	100.00%	0	0.00%
REGION 02 - CAGAYAN VALLEY	37	37	100.00%	0	0.00%
REGION 03 - CENTRAL LUZON	43	43	100.00%	0	0.00%
CORDILLERA ADMINISTRATIVE REGION	34	34	100.00%	0	0.00%
REGION 04A - CALABARZON	55	55	100.00%	0	0.00%
REGION 04B - MIMAROPA	25	25	100.00%	0	0.00%
REGION 05 - BICOL REGION	33	33	100.00%	0	0.00%
NATIONAL CAPITAL REGION	-	-	-	-	-
REGION 06 - WESTERN VISAYAS	104	104	100.00%	0	0.00%
REGION 07 - CENTRAL VISAYAS	17	16	94.12%	1	5.88%
REGION 08 - EASTERN VISAYAS	9	9	100.00%	0	0.00%
REGION 09 - ZAMBOANGA PENINSULA	26	26	100.00%	0	0.00%
REGION 10 - NORTHERN MINDANAO	33	33	100.00%	0	0.00%
REGION 11 - DAVAO REGION	16	16	100.00%	0	0.00%
REGION 12 - SOCCSKSARGEN	9	9	100.00%	0	0.00%
REGION 13 - CARAGA	73	73	100.00%	0	0.00%
AUTONOMOUS REGION IN MUSLIM MINDANAO	8	8	100.00%	0	0.00%
Total	632	631	99.84%	1	0.16%

**Based on the data taken on the PCF Website as of 30 September 2016

Table 7: Distribution by Project Category for CY 2012

PCF Category	Number of Projects	Percentage
Millennium Development Goals (MDG)	355	47.78%
Local Economic Development (LED)	322	43.34%
Disaster Risk Reduction and Management (DRRM)	47	6.33%
Ecological Solid Waste Management (ESWM)	19	2.56%
TOTAL	743	100%

**Based on the data taken on the PCF Website as of 30 2016

Figure 4

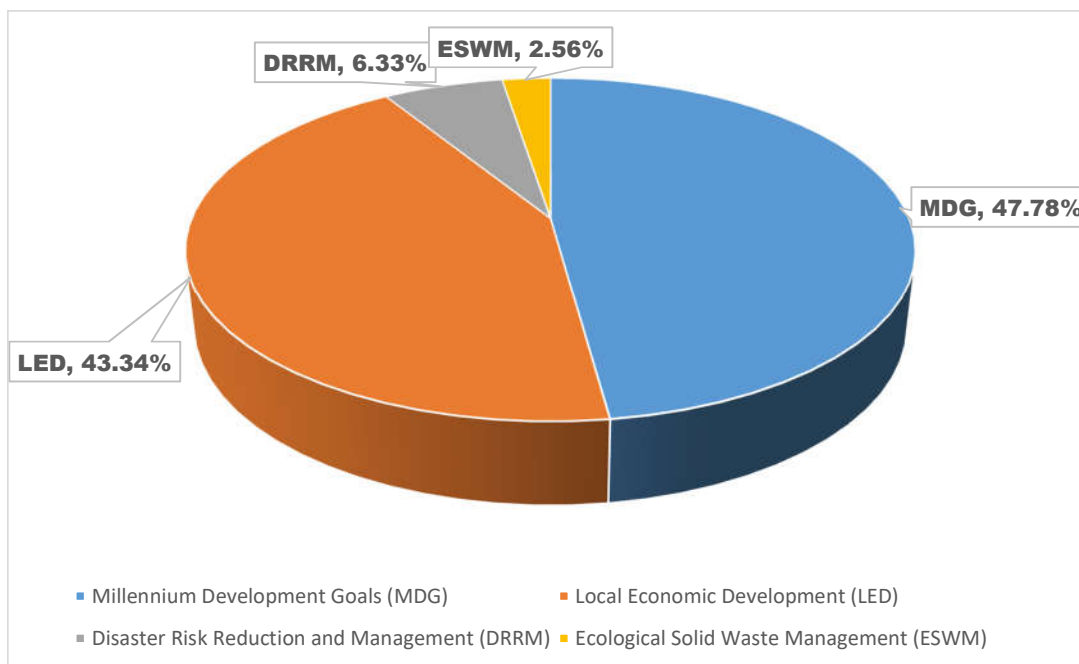


Table 8: Project Status Summary for the CY 2012

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	100.00%	0	0.00%	0	0.00%
REGION 02 - CAGAYAN VALLEY	112	111	99.11%	1	0.89%	0	0.00%
REGION 03 - CENTRAL LUZON	103	103	100.00%	0	0.00%	0	0.00%
CORDILLERA ADMINISTRATIVE REGION	23	23	100.00%	0	0.00%	0	0.00%
REGION 04A - CALABARZON	60	60	100.00%	0	0.00%	0	0.00%
REGION 04B - MIMAROPA	35	35	100.00%	0	0.00%	0	0.00%
REGION 05 - BICOL REGION	15	15	100.00%	0	0.00%	0	0.00%
NATIONAL CAPITAL REGION	1	1	100.00%	0	0.00%	0	0.00%
REGION 06 - WESTERN VISAYAS	72	71	98.61%	0	0.00%	1	1.39%
REGION 07 - CENTRAL VISAYAS	7	6	85.71%	0	0.00%	1	14.29%
REGION 08 - EASTERN VISAYAS	15	15	100.00%	0	0.00%	0	0.00%
REGION 09 - ZAMBOANGA PENINSULA	22	22	100.00%	0	0.00%	0	0.00%
REGION 10 - NORTHERN MINDANAO	21	21	100.00%	0	0.00%	0	0.00%
REGION 11 - DAVAO REGION	63	60	95.24%	3	4.76%	0	0.00%
REGION 12 - SOCCSKSARGEN	53	53	100.00%	0	0.00%	0	0.00%
REGION 13 - CARAGA	44	44	100.00%	0	0.00%	0	0.00%
AUTONOMOUS REGION IN MUSLIM MINDANAO	5	5	100.00%	0	0.00%	0	0.00%
Total	743	737	99.19%	4	0.54%	2	0.27%

**Based on the data taken on the PCF Website as of 30 September 2016

Table 9: Distribution by Project Category for CY 2013

PCF Category	Number of Projects	Percentage
Millennium Development Goals (MDG)	130	17.26%
Local Economic Development (LED)	458	60.82%
Disaster Risk Reduction and Management (DRRM)	122	16.20%
Ecological Solid Waste Management (ESWM)	42	5.58%
Transparency and Accountability	1	0.13%
TOTAL	753	100%

**Based on the data taken on the PCF Website as of 30 September 2016

Figure 5

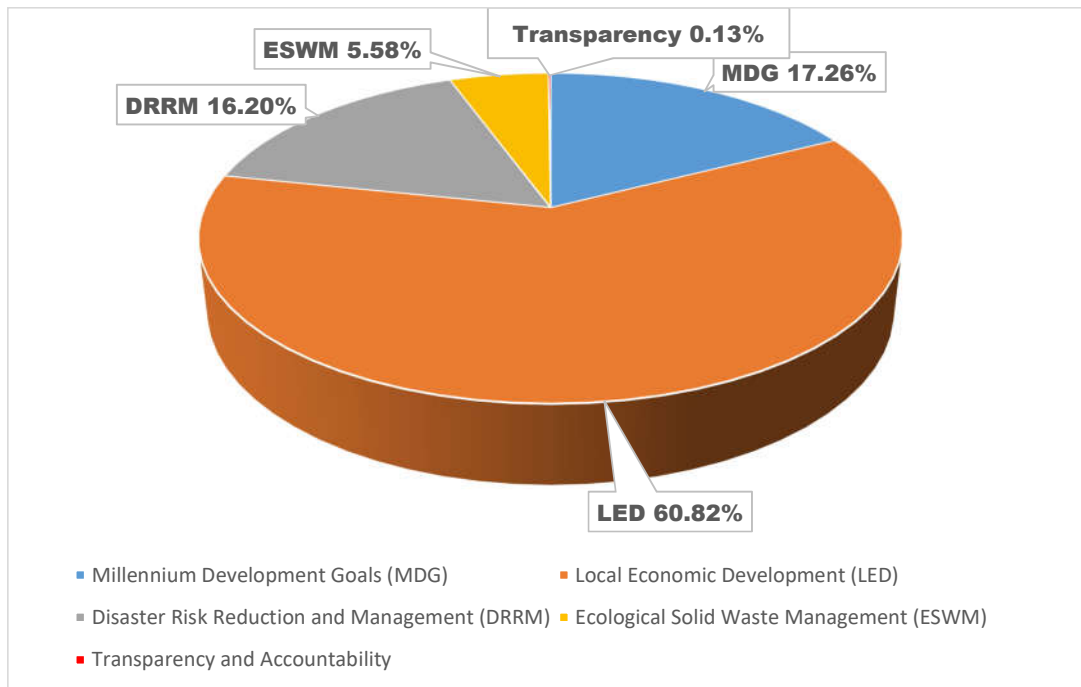


Table 10: Project Status Summary for CY 2013

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	100.00%	0	0.00%	0	0.00%
REGION 02 - CAGAYAN VALLEY	66	66	100.00%	0	0.00%	0	0.00%
REGION 03 - CENTRAL LUZON	31	31	100.00%	0	0.00%	0	0.00%
CORDILLERA ADMINISTRATIVE REGION	46	46	100.00%	0	0.00%	0	0.00%
REGION 04A - CALABARZON	72	71	98.61%	1	1.39%	0	0.00%
REGION 04B - MIMAROPA	29	28	96.55%	0	0.00%	1	3.45%
REGION 05 - BICOL REGION	54	54	100.00%	0	0.00%	0	0.00%
NATIONAL CAPITAL REGION	0	0	0.00%	0	0.00%	0	0.00%
REGION 06 - WESTERN VISAYAS	107	103	96.26%	4	3.74%	0	0.00%
REGION 07 - CENTRAL VISAYAS	56	56	100.00%	0	0.00%	0	0.00%
REGION 08 - EASTERN VISAYAS	34	34	100.00%	0	0.00%	0	0.00%
REGION 09 - ZAMBOANGA PENINSULA	27	27	100.00%	0	0.00%	0	0.00%
REGION 10 - NORTHERN MINDANAO	32	29	90.63%	3	9.38%	0	0.00%
REGION 11 - DAVAO REGION	20	20	100.00%	0	0.00%	0	0.00%
REGION 12 - SOCCSKSARGEN	16	16	100.00%	0	0.00%	0	0.00%
REGION 13 - CARAGA	60	60	100.00%	0	0.00%	0	0.00%
AUTONOMOUS REGION IN MUSLIM MINDANAO	7	7	100.00%	0	0.00%	0	0.00%
Total	753	744	98.80%	8	1.06%	1	0.13%

**Based on the data taken on the PCF Website as of 30 September 2016

Table 11: Distribution by Project Category for CY 2014

PCF Category	Number of Projects	Percentage
Millennium Development Goals (MDG)	54	24.32%
Local Economic Development (LED)	123	55.41%
Disaster Risk Reduction and Management (DRRM)	29	13.06%
Ecological Solid Waste Management (ESWM)	15	6.76%
Transparency and Accountability	1	0.45%
TOTAL	222	100%

**Based on the data taken on the PCF Website as of 30 September 2016.

Figure 6

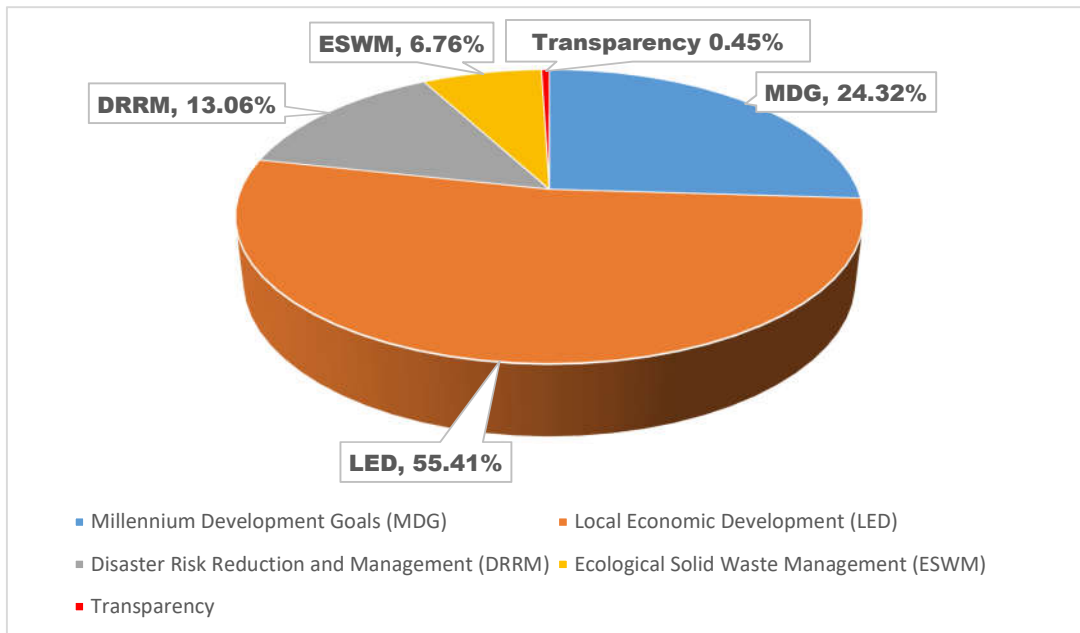


Table 12: Project Status Summary for CY 2014

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	27	90.00%	3	10.00%	0	0.00%
REGION 02 - CAGAYAN VALLEY	25	20	80.00%	2	8.00%	3	12.00%
REGION 03 - CENTRAL LUZON	18	15	83.33%	1	5.56%	2	11.11%
CORDILLERA ADMINISTRATIVE REGION	7	5	71.43%	2	28.57%	0	0.00%
REGION 04A - CALABARZON	14	2	14.29%	1	7.14%	11	78.57%
REGION 04B - MIMAROPA	14	6	42.86%	5	35.71%	3	21.43%
REGION 05 - BICOL REGION	6	3	50.00%	0	0.00%	3	50.00%
NATIONAL CAPITAL REGION	3	3	100.00%	0	0.00%	0	0.00%
REGION 06 - WESTERN VISAYAS	16	7	43.75%	5	31.25%	4	25.00%
REGION 07 - CENTRAL VISAYAS	7	1	14.29%	1	14.29%	5	71.43%
REGION 08 - EASTERN VISAYAS	-	-	-	-	-	-	-
REGION 09 - ZAMBOANGA PENINSULA	4	1	25.00%	3	75.00%	0	0.00%
REGION 10 - NORTHERN MINDANAO	11	4	36.36%	3	27.27%	4	36.36%
REGION 11 - DAVAO REGION	21	12	57.14%	9	42.86%	0	0.00%
REGION 12 - SOCCSKSARGEN	32	20	62.50%	11	34.38%	1	3.13%
REGION 13 - CARAGA	14	13	92.86%	0	0.00%	1	7.14%
AUTONOMOUS REGION IN MUSLIM MINDANAO	-	-	-	-	-	-	-
Total	222	139	62.61%	46	20.72%	37	16.67%

**Based on the data taken on the PCF Website as of 30 September 2016

Table 13: Distribution by Project Category for CY 2015

PCF Category	Number of Projects	Percentage
Millennium Development Goals	83	29.86%
Local Economic Development	151	54.32%
Disaster Risk Management	35	12.59%
Ecological Solid Waste Management	9	3.24%
TOTAL	278	100%

**Based on the data taken from the PCF Website as of 30 September 2016.

Figure 7

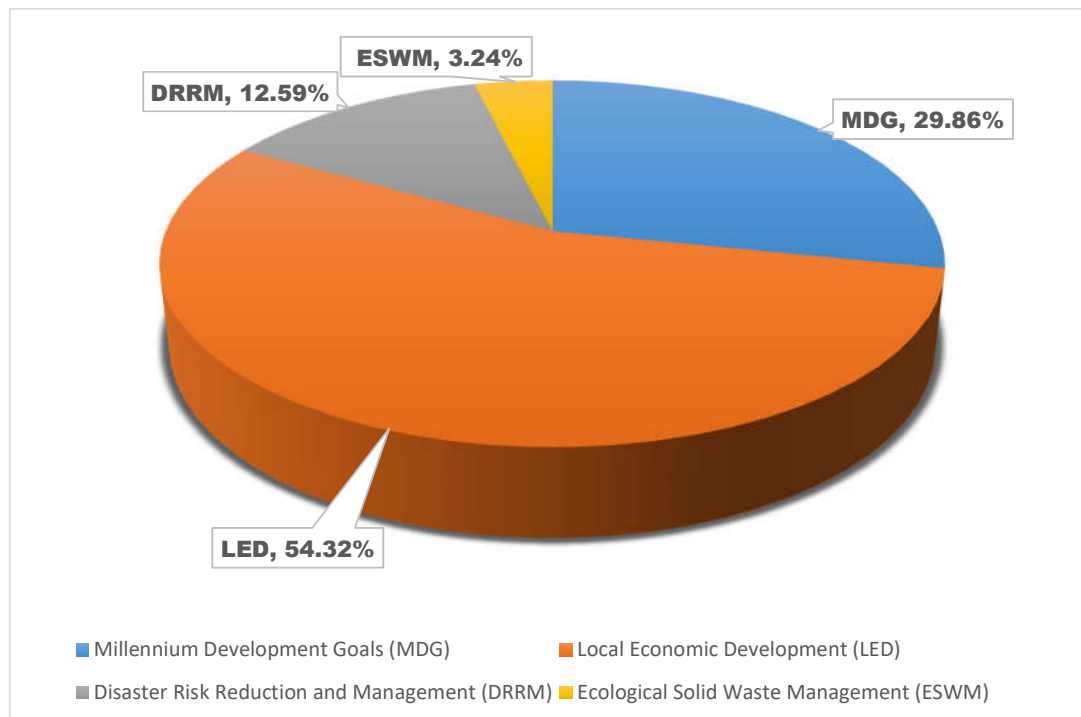


Table 14: Project Status Summary for CY 2015

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	27	55.10%	19	38.78%	3	6.12%
REGION 02 - CAGAYAN VALLEY	16	10	62.50%	5	31.25%	1	6.25%
REGION 03 - CENTRAL LUZON	65	54	83.08%	6	9.23%	5	7.69%
CORDILLERA ADMINISTRATIVE REGION	7	4	57.14%	2	28.57%	1	14.29%
REGION 04A - CALABARZON	8	0	0.00%	0	0.00%	8	100.00%
REGION 04B - MIMAROPA	10	6	60.00%	1	10.00%	3	30.00%
REGION 05 - BICOL REGION	7	1	14.29%	1	14.29%	5	71.43%
NATIONAL CAPITAL REGION	3	2	66.67%	1	33.33%	0	0.00%
REGION 06 - WESTERN VISAYAS	24	4	16.67%	8	33.33%	12	50.00%
REGION 07 - CENTRAL VISAYAS	24	0	0.00%	1	4.17%	23	95.83%
REGION 08 - EASTERN VISAYAS	11	8	72.73%	1	9.09%	2	18.18%
REGION 09 - ZAMBOANGA PENINSULA	4	1	25.00%	3	75.00%	0	0.00%
REGION 10 - NORTHERN MINDANAO	22	6	27.27%	11	50.00%	5	22.73%
REGION 11 - DAVAO REGION	13	5	38.46%	7	53.85%	1	7.69%
REGION 12 - SOCCSKSARGEN	10	2	20.00%	7	70.00%	1	10.00%
REGION 13 - CARAGA	5	1	20.00%	4	80.00%	0	0.00%
AUTONOMOUS REGION IN MUSLIM MINDANAO	-	-	-	-	-	-	-
Total	278	131	47.12%	77	27.70%	70	25.18%

**Based on the data taken on the PCF Website as of 30 September 2016