



The PUBLIC FINANCIAL MANAGEMENT  
IMPROVEMENT PLAN / PROGRAM  
for LOCAL GOVERNMENT UNITS  
(PFMIP for LGUs)

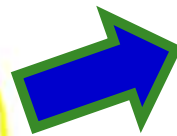




PFMAT



PFMAR



PFMIP



## LGFPMS

### ○ Revenue Indicators

- Revenue Potential (*Possible revenue collections over time*)
- Revenue Stability and Reliability (*Revenues under LGU control*)
- Revenue Mobilization Efficiency (*Collection efficiency*)

### ○ Expenditure Indicators

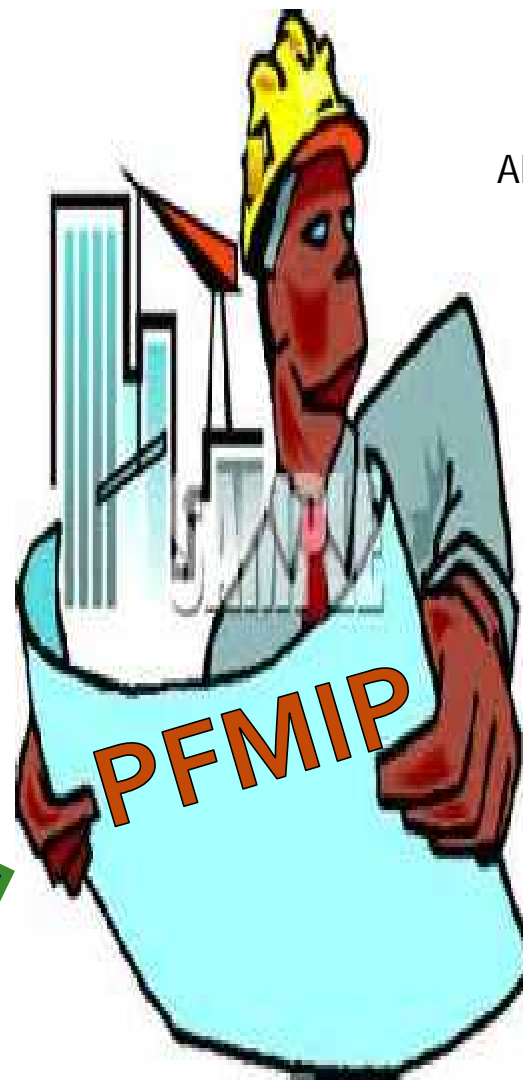
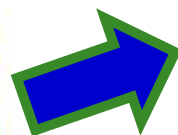
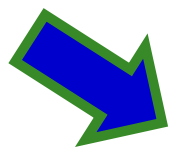
### ○ Debt and Investment Indicators



## LGPMMS

### ○ Financial Indicators

- Cost to collect revenues
- Locally-sourced revenues to total income
- Regular revenues to total income
- Locally sourced revenue level
- Locally-sourced revenue per capita
- Real Property Tax Accomplishment Rate
- PS Expenditure Ratio
- Total expenditures per capita
- Debt service ratio
- Revenue Growth
- Growth in locally-sourced revenue per capita



LGU PFM  
REFORM ROADMAP  
AND IMPLEMENTATION  
STRATEGY



# The PFM Improvement PLAN / Program (PFMIP)

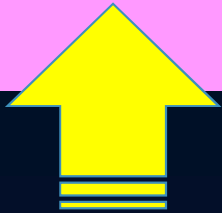
LGU: Municipality of San Julian for Fiscal Year 2015

PROBLEM	INTERVENTIONS	OUTPUTS	SCHED U I I F	RESP. UNIT	BUDGE T
Weak link between development plans and budget due to absence of a CDP	Issue Sanggunian Resolution making the CDP/LDIP/AIP as requirements in budget preparation	Sanggunian Resolution	January 2015	Sanggunian	P 20,000
	Conduct Training on the Updated CDP Guide	Training provided to LDC	February 2015	MPDO	P 400,000
	Conduct Workshops to prepare CDP and update LDIP	CDP and updated LDIP	March - July 2015	LDC	P 800,000

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## THE LGU PFM REFORM ROADMAP

POLICY AGENDA	POLICY TOOL	OUTCOMES	INDICATORS	RESP. UNITS
Link between PDPFP/CDP-LDIP-AIP and Budget	Strengthen the linkage between PDPFP/CDP - LDIP-AIP and Budget	<p><b>2016:</b> All LGUs capacitated to prepare and update their CDPs and matching LDIPs from which AIP is culled</p> <p><b>2019:</b> LGUs prepare and update their CDPs and matching LDIPs from which AIP is culled</p>	<p><b>2016:</b> Proportion of LGUs with enacted or draft PDPFPs/CDPs and LDIPs prepared and harmonized according with DILG/NEDA Guidelines</p>	DILG NEDA DBM BLGF LGUs

# The PFM Improvement PLAN / Program (PFMIP)

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THE LGU PFM IMPLEMENTATION STRATEGY									
POLICY AGENDA	POLICY TOOL	IMPLEMENTATION STRATEGY (OAS)	IMPLEMENTATION STRATEGY (LGU)	OUTCOMES	RISK REGISTER				
					<table border="1"> <thead> <tr> <th>RISKS</th> <th>MITIGATION</th> </tr> </thead> <tbody> <tr> <td>Capacity of ROs' technical personnel to provide TA to LGUs</td> <td>CapDev for ROs on PFM tools</td> </tr> </tbody> </table>	RISKS	MITIGATION	Capacity of ROs' technical personnel to provide TA to LGUs	CapDev for ROs on PFM tools
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Link between PDPFP/CDP-LDIP-AIP and Budget	Strengthen the linkage between PDPFP/CDP-LDIP-AIP and Budget	Enhance CDP / LDIP Manual	<p><b>IMPLEMENTATION STRATEGY (LGU)</b></p> <p>Issue policy reiterating compliance with Enhanced CDP Manual</p>	<p><b>2016:</b> All LGUs capacitated to prepare and update their CDPs and matching LDIPs from which AIP is called</p> <p><b>2018:</b> LGUs prepare and update their CDPs and matching LDIPs from which AIP is called</p> <p><b>2022:</b> Strong linkage between PDPFP/ CDP-LDIP-AIP and Budget ensured</p>					

# WHY PFMIP?



Do you agree that the allocation of resources should be based on a comprehensive plan?



Do you agree that local economic enterprises should be viable?



Do you agree that revenue collections and expenditures by any government agency should be disclosed to the public?



Do you agree that revenue generation is critical to the LGUs?



Do you agree that all government transactions should be recorded in the books of accounts and reported on?



Do you agree that all government transactions should be scrutinized?



Do you agree that increased civic participation will help curb irregularities in government transactions?



*"In the frank expression of conflicting opinions lies the greatest promise of wisdom in governmental action."*

Louis D. Brandeis  
American Supreme Court Justice

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