

PERFORMANCE CHALLENGE FUND (PCF)

GOOD GOVERNANCE is a key to the country's progress and prosperity. This is what the national government is currently accentuating under the present administration policy thrust "TAPAT NA PALAKAD: BAYAN MAUNLAD".

The Performance Challenge Fund, is an incentive fund of the national government to stimulate local government units (LGUs) to put premium on performance particularly on the areas of transparency and accountability in order to avail themselves of financial support to jumpstart and sustain local economic development initiatives in their localities.

Specifically, the PCF aims to:

1. Encourage convergence of local development projects with the present administration's priority programs for the achievement of the Millennium Development Goals (MDGs), tourism and local economic development, the objectives of the Philippine Disaster Risk Reduction and Management Act of 2010, and the Ecological Solid Waste Management Act of 2000.
2. Recognize LGUs exhibiting good performance in internal housekeeping particularly in the areas of transparency, accountability, planning, fiscal management, and valuing performance monitoring.

Passing the Seal of Good Housekeeping is an eligibility criterion to access the Performance Challenge Fund. In order to qualify for the PCF grant, target LGUs must comply with the eligibility criterion focus on:

- Sound Fiscal Management highlighting the **absence of adverse COA findings** on LGU financial statements;
- Transparent and accountable governance putting value on **full disclosure policy**;

Projects eligible for the PCF subsidy are those aligned to the achievement of the following national government thrusts and priorities:

- **Attainment of MDGs** (school buildings, rural health units and health centers, birthing facilities, water and sanitation systems, farm-to-market roads, housing and settlements)
- **Local Economic Development** (local roads and bridges, tourism facilities, irrigation systems, post harvest facilities, cold storage facilities, ports and wharves, and other economic infrastructures and growth enhancing projects such as markets, slaughterhouses, and water supply system)
- **Adaptation to Climate Change and Preparedness for Disasters** (flood control, reforestation, solid waste management facilities, storm drainage, dikes and related flood protection measures, slope protection, evacuation centers, rain water collector, early warning devices and rescue equipment)