

**Roadmap Launch Speech EU Ambassador Ledoux  
Century Park Hotel  
24 February 2015, 10 am**

**Honorable Secretary Florencio "Butch" Abad  
Honorable Undersecretary Austere Panadero, DILG  
Honorable Undersecretary Jeremias Paul, DOF  
Honorable DDG Margarita Songco, NEDA  
Honorable Mayor Leonardo Javier, President of the League of  
Municipalities  
Honorable Mayor Herbert Bautista, President of the League of  
Cities  
Honorable Governor Alfonso Umali, President of the League of  
Provinces  
Honorable Undersecretary Janet Abuel,  
Distinguished Mayors, Partners , ...**

**I am very pleased to be with you today on the occasion of the launch of the LGU PFM Reform Roadmap. One week ago, I was with Budget Secretary Abad at an event to discuss Public Procurement. I am delighted to see that we have developed a close partnership to improve governance and we witness progress every week.**

**LGU PFM, (Local Government Unit, Public Finance Management) these acronyms and these words may sound very technical and abstract, but they refer to crucial and concrete aspects of the public life of the country. Given the high level of decentralization of the Philippines, Local Authorities are in the frontline of the delivery of public services and are responsible for roughly 25% of public spending or around 450 billion pesos.**

**Governors, Mayors or Barangay Captains deploy numerous and significant initiatives and valuable efforts around the country to improve the lives of their constituencies and a number of them are present or represented here today. Yet, Local Governance remains subject to a number of deficiencies that have been properly identified, since this sector is considered as a priority for action of the Philippines Development Plan 2011-2016.**

**When referring to local governance, we tend to mention the issues of transparency, accountability, participation, corruption, efficiency, and quality of services. Local fiscal revenues are a very powerful tool for local development, and a crucial dimension of the fiscal policy.**

**The elaboration of the Roadmap was reached through a participatory nationwide preparation process. It is the result of a thorough collaboration between the National oversight institutions and the Local Authorities. Nearly 900 elected and appointed officials in central and local government have been consulted, which increases the credibility and ownership of this tool.**

**This bottom up approach takes into account the views and the autonomy of the LGUs, and buy in at local and central level were built in from the beginning. In fact, the Roadmap empowers the**

**LGUs to customize their PFM improvement plans. One LGU might need to put more efforts in revenue generation through the updating of local revenue codes, while another LGU might have more need to work on participatory budgeting practices.**

**Now that the Roadmap has been elaborated, it is important to ensure its successful implementation. Capacity development and tools have been developed through the EU funded PFM Project. The projects benefits from an EU grant of 400 million Pesos under the project title *“Support Local Government Units for more Effective and Accountable Public Finance Management”*.**

**This support has facilitated the following actions:**

- **The setting up of 16 Regional Inter-Agency Teams**
- **The training of 300 officers of the DBM, DILG, NEDA and BLGF, of more than 1,000 LGU officers on different tools and manuals, and of 60 oversight and regional officers**
- **The Roll-out of the Public Financial Management Assessment Tool Software to more than 1,700 LGUs.**
- **The training of all municipalities on the upgraded electronic Statement of Receipts and Expenditures (eSRE)**

**Furthermore, several manuals and instruments have been developed to assess the treasurers' performance or to ensure CSO participation in the local budget process**

**The new Roadmap is expected to contribute to improve public service delivery resulting in increased private sector businesses, higher formal employment, lower poverty incidence, and better living standards for all LGU constituents.**

**The Roadmap addresses some of the key constraints for improving local government PFM: it looks at the challenge of fiscal sustainability of the LGUS, and provides strategies to improve fiscal outcomes. It also foresees an Inter-agency Team that will address the lack of policy convergence at national level by promoting policy convergence and coordinated approaches. LGU policy units have been set up in DBM, DOF and DILG, which is crucial for the sustainability of the reform.**

**I wish to sincerely congratulate the government and all the – national and local – stakeholders involved in the preparation of the Roadmap for their outstanding achievement. I also wish to congratulate all of you for the enhanced coordination among oversight agencies and the setting up the Regional Inter-agency Teams, which is a major step to improved policy convergence.**

**I hope that your efforts, and our joint collaboration, will deliver results in the form of better local services for all citizens.**

**Thank you**