



EUROPEAN UNION
Delegation of the European Union to
the Philippines

29 June 2016

LOCAL GOVERNMENT UNITS URGED TO SUSTAIN REFORMS
IN PUBLIC FINANCE MANAGEMENT

The Delegation of the European Union to the Philippines has urged local government units to sustain reforms in public finance management.

Mr Achim Tillessen, Head of the Operations Section of the EU Delegation to the Philippines, said that the systems are now in place to help customise public finance management by the local governments.

Mr Tillessen was guest speaker during the culminating event of the project "Support to LGUs for more Effective and Accountable Public Finance Management" or LGU PFM2 Project held on 28 June in Manila.

"Good governance is key to underpin sustainable development and reduce poverty and I encourage national agencies and local authorities to continue to converge and maximise aligned tools to ensure sustainability of reforms in public finance management".

Meanwhile, Budget Secretary Florencio Abad also asked local government units and partner agencies to continue to take on the challenge to strengthen the public finance management.

We need to get local government units to scale-up their efforts. The core of governance reforms is to address all requirements for growth and services, he said.

The project is in line with the EU's commitment to support the Philippines Administration in promoting good governance, transparency and accountability. It is implemented by the Department of Budget and Management in coordination with the Department of Interior and Local Government, Department of Finance – Bureau of Local Government Finance and the national Economic Development Authority.

The EU has provided worth of € 8 million or Php 416 million for this project. The LGU PFM 2 initiative is in line with the 2011 to 2016 Philippine Development Plan. It supported the achievement of the Millennium Development Goals and poverty reduction in the country through improved public financial management resulting in improved delivery of basic services by local governments.

Among the milestones from this project were the development of the LGU PFM reform roadmap and implementation strategy; formation of the Regional Inter-Agency Teams to ensure smooth collaboration and coordination from national, regional offices and crafting of electronic tools for budgeting and financial transactions.