**ANNEX A**

**Matrix on the Unbundling of Programs, Projects, and Activities (PPAs) of the National Government Agencies (NGAs)**

**to Different Levels of Government**

**[Department/Agency/GOCC]**

| **Function/Service/Facility/****Program/Project/Activity** **[1]** | **Assignment per Level of Government*****(NG – National Government;*** ***P – Province;*** ***C – City; M – Municipality; B – Barangay)*****Please tick off/mark appropriate column(s). One per row only.****[2]** | **Appropriation in** **FY 2021 GAA** **(in PhP M)****[3]** | **Legal Basis****[4]** | **Decentralization Principle and****Other Remarks to Delineate the PPAs to be Assigned to Each Level of LGU****[5]** |
| --- | --- | --- | --- | --- |
| **NG** | **P** | **C** | **M** | **B** |
| **1.** | **0.** | **PPA # 1** *(May come from the GAA)* |  |  |  |  |  | **xxxx** | RA/EO, s. \_\_\_ | Xxxx (Principles/rationale/justifications and other remarks) |
| **1.** | **1.** | **Component # 1 (C.1) of PPA # 1** | **x** |  |  |  |  | xxxx | RA/EO, s. \_\_\_ | Xxxx (Discussion on disaggregated PPA to be performed by the NG, to be further disaggregated into the central office and the regional/field offices) |
|  | **x** |  |  |  | xxxx | RA/EO, s. \_\_\_ | Xxxx (Discussion on disaggregated functions/services/ PPAs devolved to the provinces) |
|  |  | **x** |  |  | xxxx | RA/EO, s. \_\_\_ | Xxxx (Discussion on disaggregated functions/services/ PPAs devolved to the cities) |
|  |  |  | **x** |  | xxxx | RA/EO, s. \_\_\_ | Xxxx (Discussion on disaggregated functions/services/ PPAs devolved to the municipalities) |
|  |  |  |  | **x** | xxxx | RA/EO, s. \_\_\_ | Xxxx (Discussion on disaggregated functions/services/ PPAs devolved to the barangays) |
| **1.** | **2.** | **Component # 2 (C.2) of PPA # 1** |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| **2.** | **0.** | **PPA # 2** |  |  |  |  |  |  |  |  |
| **2.** | **1.** | **Component # 1 (C.1) of PPA # 2** |  |  |  |  |  |  |  |  |
| **2.** | **2.** | **Component # 2 (C.2) of PPA # 2**  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| **3.** | **0.**  | **PPA # 3** |  |  |  |  |  |  |  |  |
| **3.** | **1.** | **Component # 1 (C.1) of PPA # 3** |  |  |  |  |  |  |  |  |
| **3.** | **2.** | **Component # 2 (C.2) of PPA # 3** |  |  |  |  |  |  |  |  |
| **3.** | **3.** | **Component # 3 (C.3) of PPA # 3** |  |  |  |  |  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Prepared by: |  | Reviewed by: |  | Approved by: |
|  |  |  |  |  |
| Name and Position/Designation |  | Name and Position/Designation |  | Department/Agency Head |

**Legend:**

|  |  |
| --- | --- |
| [1] | Specifies the department/agency devolved function, service, facility, program, project, and/or activity (PPA) to be disaggregated or unbundled per level of government, including **all** devolved services which are already being performed by the LGUs (Note: The PPA may not necessarily correspond to a line item in the agency budget.)  |
| [2] | Identifies which level of government the function/service/facility/PPA shall be appropriately assigned to |
| [3][4] | Indicates the corresponding budget tagged on each function/service/facility/PPA and the budget assigned per level of government, if feasibleIdentifies the pertinent legal bases directing or mandating the assignment and devolution of the function/service/PPA to local governments, indicating the year the function/service/facility/PPA was devolved, e.g., Republic Act No. 7160 [Local Government Code (LGC) of 1991] and pertinent laws/executive issuances  |
| [5] | Discusses briefly the principle/s governing the devolution/decentralization of the function/service/PPA, rationale/justifications and other important considerations, specifically identifying and disaggregating the PPAs assigned to the central office (CO), regional offices (ROs), down to each level of LGU |

**Notes and Guide Questions:**

1. The purpose of this template is to help the national government agencies (NGAs) think through and provide greater clarity in the assignment of functions across the different levels of government. When government functions are broadly articulated, many of them would appear to be the shared responsibility of both the national and local governments. This may result in the duplication of efforts on the part of both the national and local governments and/or in an overall failure to meet the demand for much needed services. At the same, it tends to blur the lines of accountability and responsibility of the national government vis-à-vis the local government units (LGUs). Hence, the detailed specifications of the duties and responsibilities that will be retained by the departments and agencies versus those that can be devolved to the LGUs are important. Thus, the NGAs are strongly advised to consult their respective operations units, including regional offices, to seek the lessons they have learned, and consult with the LGUs to seek their inputs, as emphasized during the consultation meetings.
2. In more specific terms, this template is designed to assist the NGAs to unbundle or deconstruct their PPAs in such a way that each component part of an NGA’s PPA may exclusively be assigned to different levels of government, and in a manner that is aligned with the list of functions assigned to the different levels of LGUs under the 1991 LGC, as well as other relevant laws (Refer to column [4]).

PPAs are a detailed disaggregation of activities and projects under a function. They should not be construed to be the same as a program, activity and project (PAP) or line item under the agency budget. PPAs may, but not necessarily, be the same as an agency budget line item.

1. Relatedly, identifying and disaggregating the PPAs from those to be assigned to the CO, ROs, down to each level of LGU, will avoid redundancies and/or unnecessary overlaps. The agency should provide sufficient/strong justification/explanation for the proposed retention of a PPA under the NG. These shall be discussed in column [5].
2. The decomposition of broadly articulated government functions by level of government may be done in a number of ways.

 One, broadly defined sectors/functions may be decomposed in terms of their national-local dimension on the basis of whether the benefits of the services provided are national or local in scope, e.g., national highways versus provincial/city/municipal roads.

Two, broadly defined sectors/functions may also be unbundled along management functions, i.e., (i) policy formulation and standards setting, (ii) regulation and/or enforcement of standards, (iii) planning, (iv) financing, (v) implementation or actual service delivery, and (vi) monitoring and reporting. Typically, policy formulation and standards setting are assigned to the national government, while implementation (or at least some aspects of it) may be assigned to the local governments. At the same time, different aspects of enforcement of standards may be assigned exclusively to different levels of governments.

Three, broadly defined sectors/functions may also be decomposed in terms of their sub-competencies, e.g., education may be broken down into elementary, secondary, technical and vocational education and training, and tertiary sub-sectors.

1. Here are some questions that may help the NGAs in this unbundling exercise:
* For each one of the NGA’s PPA,
1. Does the LGC or other pertinent pieces of legislation give the LGUs the sole responsibility for the administration, provision, and/ or delivery of goods and services that are associated with the specified PPA in its entirety?
2. Is it possible to decompose the specified PPA into its component parts, such that any one of these component parts are assigned exclusively to the LGUs either on the basis of the LGC or other pertinent laws?
	* For each one of the component parts of any given PPA,
3. Are the benefits resulting from the implementation/performance of the specified component part of the PPA enjoyed exclusively by the constituents of a specific level of LGU?
4. Does the specified component part of the PPA have benefits that spill over outside the territorial jurisdiction of a specific level of LGU?
5. Are there economies of scale involved in the delivery of the specified component part of the PPA? Is the average size province large enough to implement the specified component part of the PPA? How about the average size city or municipality?
6. How big a role does the specified component part of the PPA have in the attainment of the government’s overall redistributive goal?

Additional details on the differentiation of the PPAs that can be assigned to the agency CO, ROs, provinces, cities, municipalities and barangays can further be explained in column [5]. The more exclusive the PPAs (and the more specific their description) to be assigned to the CO, ROs and the different LGU levels, the better for assignment and accountability purposes.

1. The accomplished template is intended to be shared with the different levels of LGUs for their reference and guidance. Hence, this should also cover all services and facilities which have already been devolved to the LGUs in the previous years. Such devolved functions and services may be indicated at the end of the matrix and briefly discussed in column [5].
2. This template is also intended to assist the fiscal oversight agencies to have baseline information for the budgetary resources that are allocated for each one of the component parts of an NGA’s PPAs. In order to do this, the total budget of an NGA’s PAP as provided under the FY 2021 GAA shall be indicated. Based on the unbundling of functions/services, the NGA should be able to specifically identify which components of the PPAs are for assignment to the LGUs. The corresponding budget tagged on said components of the PPA shall also be disaggregated per level of government. The total amount indicated in all levels of government per component should correspond to the total budget of the pertinent PAP under the FY 2021 GAA (Refer to column [3]).

***SAMPLE ACCOMPLISHED MATRIX (For reference purposes only)***

**Department of Tourism**

| **Function/Service/Facility/****Program/Project/Activity****[1]** | **Assignment per Level of Government*****(NG – National Government; P – Province;*** ***C – City; M – Municipality; B – Barangay)*****Please tick off/mark appropriate column(s). One per row only.** **[2]** | **Appropriation in** **FY 2021 GAA** **(in PhP M)****[3]** | **Legal Basis****[4]** | **Decentralization Principle and****Other Remarks****[5]** |
| --- | --- | --- | --- | --- |
| **NG** | **P** | **C** | **M** | **B** |
| **1.** | **0.** | **Tourism policy formulation and planning** |  |  |  |  |  | **267.4** |  | Formulation of national level strategies and plans are typically assigned to NG for greater integration of the program. The regional offices can guide, and assist the LGUs given their greater knowledge of the different tourism assets and facilities in each region.The actual planning, formulation and implementation of the local tourism plans are better accomplished at the P/C/M levels. |
| **1.** | **1.** | Tourism planning – national level  | x |  |  |  |  | *Funded in FY 2021 GAA? (Y/ N); If Y, how much?* | RA 9593, s. 2009 |
| **1.** | **2.a.** | Tourism planning – regional level including integration of local tourism plans  | x |  |  |  |  | *Funded in FY 2021 GAA? (Y/ N); If Y, how much?* | RA 9593, s. 2009 |
| **1.** | **2.b.** | Formulation of local tourism plan |  | x |  |  |  | *Funded in FY 2021 GAA? (Y/ N); If Y, how much?* | RA 9593 Section 38, s. 2009RA 7160 (or LGC), s. 1991:For provinces - Section 17 (b) (3) (xii);For cities - Section 17 (c) |
|  |  | x |  |  | *Funded in FY 2021 GAA? (Y/ N); If Y, how much?* |
|  |  |  |  |  |  |  |  |  |  |
| **2.** | **0.** | **Tourism industry training program** | x |  |  |  |  |  | Function not devolved to LGUs under RA 7160 nor RA 9593 | The participation of the regional offices can be articulated to guide the LGUs. |
|  |  |  |  |  |  |  |  |  |  |  |
| **3.** | **0.** | **Development of tourism standards and accreditation and enforcement program** |  |  |  |  |  |  |  |  |
| **3** | **1.** | Development of standards | x |  |  |  |  | *How much of the budget is intended for the development of standards?* | RA 9593, s. 2009 | Standards setting is typically assigned to the NG, and the differentiation is better if the CO vs. RO roles can be specified. |
| **3.** | **2.** | Accreditation program for primary tourism enterprise by NG | x |  |  |  |  | *How much of the budget is intended for the implementation of the accreditation program?* | RA 9593 - Section 39 provides the DOT and LGUs to ensure the compliance of tourism enterprises to standards set by the DOT. It also provides that the DOT may delegate enforcement of the DOT accreditation program for primary tourism enterprises that have adopted and implemented their local tourism plans. However, there is a need to clarify where NG enforcement of standards ends and where LGU enforcement begins under RA 9593.RA 7160 – Section 447 (a) (4) (iv) and Section 458 (a) (4) (iv) gave municipal and city Sanggunians the power to regulate the establishment of restaurants, cafes, hotels, motels, inns, and similar establishments, including tourist guides and transport.  | *What are the roles of the ROs vs. the CO in this program? How do they interact or interphase with the LGUs?* |
| **3.** | **3.** | Enforcement of tourism standards, including enforcement of accreditation program by LGUs |  | X |  |  |  | *How much of the budget for the enforcement of tourism standards is intended to be allocated to activities that may be devolved to the LGUs?* |
|  |  | x |  |  |  |
|  |  |  | x |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| **4.** | **0** | **Market and product development program** |  |  |  |  |  |  |  |  |
| **4.** | **1.** | Market and product development, including development and implementation of an integrated international promotions and marketing program and branding campaign | x |  |  |  |  | *How much of the budget is intended for international promotions and marketing programs? Clearly, the budget for the branding campaign program (PhP 803.6)* |  | *Are there programs and responsibilities assigned to the regional offices?* |
| **4.** | **2.**  | Market and product development program activities that may be devolved to provinces, cities, and municipalities, including tourist assistance programs and promotion of local tourism sites  |  | x |  |  |  | *How much of the budget for this PPA is intended for market and product development activities that may be devolved to the LGUs?* |  | A significant amount of benefits from the tourism sector in the form of number of jobs created in tourism enterprises and ancillary services, local tax and non-tax revenues from said enterprises accrues to LGUs where tourism is a significant industry. Are there differences as to size, for instance, of the tourism sites that each of the LGU levels are asked to manage? |
|  |  | x |  |  |  |  |  |
|  |  |  | x |  |  |  |  |