FACT SHEET

Performance-Based Governance Fund (PBGF)

OVERVIEW
The Performance-Based Governance Fund (PBGF) empowers provincial governors by providing them with operational budgets to enhance their relationships with citizens and improve their overall management capacity. PBGF aims to: 1) improve performance of Provincial Governors’ Offices (PGOs) by meeting day-to-day funding requirements; 2) strengthen the financial management capacity of PGO staff; and, 3) build the capacity of the Independent Directorate of Local Governance (IDLG) to administer provincial funding and evaluate provincial administrations. As part of the program, governors and their offices are evaluated on a quarterly basis related to their use of PBGF. Based on these findings, the governors are publicly ranked, with the top six scorers receiving an additional 25 percent budget increase, while the bottom six receive a 25 percent reduction in funding.

ACTIVITIES
- The program provides each PGO an average annual fund of $300,000 per province per year ($25,000 per month), which the PGOs are allowed to spend on the following: 1) equipment; 2) transportation; 3) maintenance and repair of public facilities; 4) computer, information technology (IT), and communications; 5) capacity building; and, 6) community outreach.
- PBGF embeds a locally-hired advisor in each PGO to provide advice and oversight on the use of funds and to transfer skills to PGO staff.
- Teams comprised of PBGF and IDLG staff evaluate the PGOs on a quarterly basis to measure their performance against 19 indicators in the areas of: quality of programming, accountability and transparency, and improved budget practice.

ACCOMPLISHMENTS
- Improved resource-flows to meet governors’ operational needs.
- Increased provincial financial self-sufficiency.
- Decreased lobbying of Provincial Reconstruction Teams (PRTs) and international donors for small expenditures.
- Increased responsiveness of governors to requests from the villages, districts, provincial councils, and civil society.
- Increased citizen interaction with governors as part of a new operating culture in which responding to citizen needs is considered a core government function.
- Increased capacity in programming and expenditure management.
- Increased support for the implementation of the new sub-national governance policy.
- Established a base-line performance level for governors.