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Implementation and Utilization of Development Fund in a City: Basis for a Development Plan

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ABSTRACT

This study assessed the implementation and utilization of the 20 Percent Development Fund in a city as a basis for a development plan. It employed a quantitative descriptive-correlational research design. Data were obtained from 120 department heads, personnel, and barangay officials directly involved in development planning, budgeting, implementation, monitoring, and fund utilization. A structured questionnaire was used, while mean, standard deviation, and Spearman rank-order correlation were employed for data analysis. Findings revealed that implementation of the 20 Percent Development Fund was rated high, indicating favorable compliance with budgetary allocations, legal and policy requirements, and planned development projects. Utilization was likewise rated high, with fund absorption and execution rates, project completion timelines, and community-level delivery of public value and socioeconomic benefits receiving favorable assessments. A strong, positive, and significant relationship existed between implementation and utilization. The findings provide an empirical basis for strengthening development planning, project implementation, monitoring, and resource utilization.

INTRODUCTION

This chapter presents the background of the study, the theoretical and conceptual frameworks, the statement of the problem, and the hypotheses. It also includes the study's significance, scope and limitations, and definitions of key terms.

Background of the Study

Through the direct distribution of public resources to address localized poverty and infrastructure gaps, local governance plays a crucial role in promoting inclusive socioeconomic progress. Republic Act No. 7160, also known as the Local Government Code of 1991, which requires each local government unit (LGU) in the Philippines to set aside at least 20% of its yearly National Tax Allotment solely for development projects, serves as the legal foundation for this decentralization. The fiscal resource pool for LGUs greatly increased after the Supreme Court's landmark Mandanas-Garcia ruling was put into effect. However, the demand for stringent operational accountability, transparency, and administrative efficiency in the use of public funds was simultaneously increased by this financial shift (Department of Budget and Management & Department of the Interior and Local Government, 2020).

One ongoing challenge is making sure development projects proceed quickly from planning to completion. Because infrastructure bottlenecks and protracted procurement cycles frequently result in project delays, different institutional capacities in Western Visayas have a direct impact on how well local agencies absorb funds (National Economic and Development Authority, 2023). These systemic problems are present in all of the cities that make up the Province of Negros Occidental, including this City, a rapidly expanding economic center that oversees a sizable financial portfolio, with its authorized 20 Percent Development Fund allocation totaling hundreds of millions of pesos designated for local disaster relief efforts, agricultural assistance, and basic infrastructure (City Government of Kabankalan, 2024).

Even though the City Development Council has officially approved and programmatically mapped these millions of resources, there are often operational obstacles in the way of their actual implementation and community use. Local projects are frequently delayed by bureaucratic bottlenecks, changes in administrative priorities, complicated liquidation requirements, and supply-chain delays in public procurement. The local governance structure faces direct operational challenges as a result of this discrepancy between planned fund allocation and actual execution. It is extremely difficult for a researcher working in this environment to measure the actual socioeconomic returns on public investments objectively because these systemic delays interfere with workflow pipelines, jeopardize project monitoring schedules, and create analytical gaps in institutional compliance reporting.

It is imperative that an empirical evaluation of the City's application and use of the 20 percent Development Fund be carried out. Although fiscal transparency portals offer baseline data on financial compliance, they seldom capture operational bottlenecks or the true impact of these expenditures on the community. Assessing these methods offers practical, empirically supported insights to bridge the gap between project delivery success and budget allocation. In the end, policymakers can optimize fund absorption, expedite procurement procedures, and guarantee public funds actively promote local development by identifying systemic friction points in the LGU's workflow.

Theoretical Framework

This study was anchored on Fiscal Decentralization Theory and Results-Based Management Theory, which together provide a strong foundation for examining the implementation and utilization of the 20 percent Development Fund. Fiscal Decentralization Theory argued that devolving fiscal authority to local governments can improve the efficiency and responsiveness of public service delivery because local officials are closer to the needs and priorities of their constituents (Oates, 1972; Oates, 2021). In the context of this study, the theory suggested that annual budget allocation, policy mandates, and legal guidelines should enable the city to identify and implement development projects that are more responsive to local conditions. However, the benefits of decentralization were realized only when local institutions have the capacity to absorb funds effectively and convert them into completed projects and public benefits (IMF, 2010; World Bank, 2022).

Fiscal Decentralization Theory further emphasized that the effectiveness of local fiscal autonomy depends on the strength of administrative systems, intergovernmental rules, and public financial management mechanisms (Oates, 2005; World Bank, 2022). Applied to this study, the theory supported the view that the existence of a budget allocation alone is not sufficient to ensure successful fund utilization. Rather, implementation requires sound planning, compliance with policy and legal requirements, and efficient execution of infrastructure, social, and economic development projects. When these processes are delayed or fragmented, the developmental gains expected from decentralization may not be fully achieved (UN-Habitat, 2011). Thus, the theory provides a useful lens for understanding how institutional and procedural conditions shape the performance of the development fund.

In addition, the study was supported by Results-Based Management Theory, which stresses that public sector programs should be judged by their outputs, outcomes, and impacts rather than by resource inputs alone. RBM emphasized performance measurement, accountability, and the achievement of tangible results across the project cycle (OECD, 2019; ADB, 2010). This was highly relevant to the present study because the utilization of the development fund is not limited to fund release or expenditure; it also included fund absorption and execution rates, project completion timelines, and the delivery of community-level public value and socioeconomic benefits. Research on RBM in the public sector showed that a results-oriented approach improves decision-making, monitoring, and accountability, which were all essential in improving project performance and public service delivery (World Bank, 2011; Result Based Management and Performance of Projects in Public Sector, 2019).

Taken together, these two theories explained both why the 20% Development Fund is assigned to local governments and how it should be managed to achieve meaningful development outcomes. Fiscal Decentralization Theory explained the rationale for local fiscal authority, while Results-Based Management Theory explained the importance of translating that authority into measurable community benefits. This integrated framework supported the study's objective of identifying how implementation status affects utilization outcomes and how the findings could serve as a basis for a development plan aimed at improving local public fund performance.

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Conceptual Framework

This study was grounded in the proposition that the effectiveness of the 20 percent Development Fund depends on the relationship between implementation status and utilization outcomes. Implementation status referred to the formal conditions that support the use of the fund, including annual budget allocation, policy mandates and legal guidelines, and planned infrastructure, social, and economic development projects. Utilization outcomes, on the other hand, referred to the extent to which the fund is absorbed and executed efficiently, projects are completed on time, and community-level public value and socioeconomic benefits are delivered. Together, these constructs provided the conceptual basis for examining whether the fund was being transformed from an approved allocation into meaningful local development results.

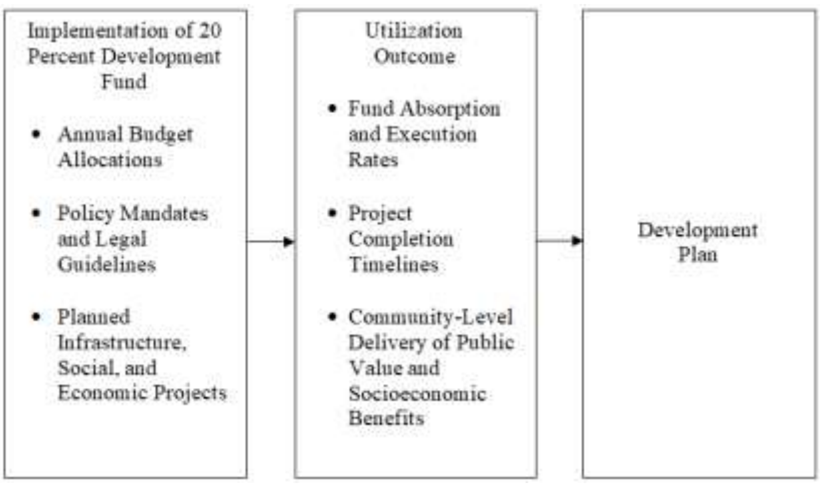
The conceptual framework of the study assumed that stronger implementation status leads to better utilization outcomes. When the development fund was backed by a sound budget, supported by clear policy and legal requirements, and translated into well-defined projects, the likelihood of efficient fund absorption and timely project completion increases. This relationship was especially relevant in local governance because public funds are expected to produce visible and measurable benefits for the community. If implementation is weak, fragmented, or delayed, the fund may fail to achieve its intended developmental purpose, even if the allocation itself is substantial.

This framework was further strengthened by the view that public fund performance should be evaluated not only by financial release or compliance with procedures, but also by the actual results generated for citizens. In this sense, utilization outcomes become the more meaningful indicator of public value. The study therefore treated fund absorption and execution rates, project completion timelines, and socioeconomic benefits as essential measures of whether the development fund is being used effectively. These indicators allowed the researcher to determine whether implementation processes are producing the intended outputs and outcomes at the community level.

The conceptual theory also supported the preparation of a development plan. If the analysis showed that implementation status has a significant relationship with utilization outcomes, then the resulting development plan can focus on strengthening the weakest points in the system. These may include improving planning, clarifying responsibilities, enhancing compliance, speeding up execution, and tightening monitoring and evaluation. In this way, the study moved beyond description and provides an evidence-based foundation for administrative and operational reforms.

Overall, this conceptual theory presented the development fund as part of a broader public management process in which formal implementation conditions shape actual utilization outcomes. It suggested that effective local development depends not only on the presence of financial resources, but also on the quality of the systems that convert those resources into completed projects and community benefits. By examining this relationship, the study offered a practical basis for crafting a development plan that can improve fund performance and strengthen local public service delivery.

Figure 1. Schematic Diagram of the Study.



The schematic diagram showed that the implementation status of the 20% Development Fund served as the independent variable, while utilization outcomes served as the dependent variable. Implementation status was measured in terms of annual budget allocation, policy mandates and legal guidelines, and planned infrastructure, social, and economic development projects. These indicators shaped how the fund is operationalized within the city government.

The utilization outcomes were reflected in fund absorption and execution rates, project completion timelines, and the community-level delivery of public value and socioeconomic benefits. The relationship between these two variables was then used as the basis for a development plan, which may recommend administrative and operational reforms, improved coordination, stronger monitoring and evaluation, and more effective public fund performance.

Statement of the Problem

This study aimed to evaluate the implementation and utilization of the 20 percent Development Fund in one of the local government units within Negros Island Region for fiscal years 2021 – 2025.

Specifically, this investigation sought to answer the following research questions:

1. What is the level of implementation of the 20 percent Development Fund in terms of:

a. annual budget allocations;

b. policy mandates and legal guidelines; and

c. planned infrastructure, social, and economic projects?

2. What is the level of utilization of the 20 percent Development Fund in terms of:

a. fund absorption and execution rates;

b. project completion timelines; and

c. community-level delivery of public value and socioeconomic benefits?

3. Is there a significant relationship between the fund’s implementation and its actual utilization outcomes?

4. Based on the findings of the study, what development plan may be proposed?

Hypotheses of the Study

Based on the objectives outlined in the statement of the problem, the study tested the hypotheses that there is no significant relationship between the implementation status of the 20 percent Development Fund and its actual community-level utilization outcomes in a city.

Significance of the Study

The outcomes of this investigation provided valuable insights to the following:

<u>National Government Agencies including the Department of the Interior and Local Government (DILG), Department of Budget and Management (DBM), and Commission on Audit (COA)</u> This study may provide these oversight agencies with vital, first-hand empirical information about the operational realities of Joint Memorandum Circulars in component cities at the national level. The results will help these departments review policy mandates, improve national monitoring systems, and create more adaptable administrative guidelines that take local governments' particular implementation bottlenecks into consideration.

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Provincial Government of Negros Occidental This study can be used by provincial leadership as a regional diagnostic benchmark to assess the effectiveness of local fund absorption and governance. The findings will give the provincial planning and development office an evidence-based guide for creating focused capacity-building programs, frameworks for technical assistance, and coordinated regional infrastructure projects among its constituent cities and municipalities.

Local Government Unit By identifying the precise structural obstacles in their procurement, bidding, and liquidation pipelines, this study may directly assist local legislators, city administrators, and the City Development Council. These local officials will have a practical road map to optimize the fiscal efficiency of the city's annual allocations, minimize project delays, and streamline internal workflows thanks to the resulting policy recommendation framework.

Barangay Officials This study can give grassroots administrators a clear understanding of the administrative deadlines and procedural requirements controlling local allocations. This will ensure more efficient project execution at the village level by giving barangay captains and councils the knowledge they need to better align their localized development plans with the city-wide implementation pipeline.

Local Constituents and Communities Residents may ultimately profit from this study since the 20 percent Development Fund's structural optimization will result in quicker project completion. This study will help expedite the completion of vital roads, agricultural support programs, public health facilities, and local disaster response initiatives by bridging the gap between budget allocation and practical execution.

Researcher This study can give the researcher a more thorough academic and practical grasp of institutional workflow dynamics, public value creation, and local public fiscal management. The implementation of this study will improve the researcher's analytical ability to assess public sector performance indicators and negotiate the operational challenges of local government systems.

Future Researchers Lastly, this study may add to the limited body of research on the use of post-Mandanas ruling funds in component cities and provide future researchers with a trustworthy academic resource. In order to perform comparative analyses of fiscal decentralization in other developing regions, it will give future researchers an established conceptual baseline, tested variables, and operational methodologies.

Scope and Limitations of the Study

The 20 percent Development Fund’s implementation frameworks, administrative procedures, and community utilization results within one of the cities in Negros Occidental were the main subject of this study. In order to capture the operational changes, increased resource streams, and accountability requirements brought about by the post-Mandanas-Garcia ruling timeline, the investigation specifically covered the fiscal periods from 2021 to 2025. Key institutional stakeholders directly involved in the budget lifecycle, such as heads of local government departments, members of the City Development Council, and some barangay officials from each of the city’s component administrative units, were the focus of data collection.

On the other hand, the study was limited by particular constraints that are part of its design and the local public administration environment. The results of the investigation did not necessarily apply to highly urbanized cities, provinces, or smaller municipalities that function under different fiscal capacities and internal operational guidelines because it only concentrated on the public management systems within the component city government. The availability, accuracy, and completeness of official public compliance documents, localized project tracking logs, and self-reported administrative reports from municipal offices were also crucial to the study. Any abrupt structural changes in national policy or unreported changes in local governance that take place after this collection window were outside the immediate analytical scope of this research because the evaluation was further restricted to the official data parameters available up until the year 2025.

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Definition of Terms

The following key terms were defined conceptually and operationally for the purpose of this study:

20 Percent Development Fund. According to the Department of Budget and Management and Department of the Interior and Local Government (2020), the 20 Percent Development Fund is a legally required subnational financial allocation mechanism that allots at least one-fifth of a local government unit's annual internal revenue share for capital investments in environmental and socioeconomic development.

This term referred to the portion of the City's National Tax Allotment (NTA) designated for local development initiatives starting in the fiscal year 2021 and going forward.

Implementation. The methodical process of carrying out, overseeing, and putting into practice a particular law, policy, or public program via recognized institutional and administrative channels is known as implementation (Buse et al., 2023).

In this study, implementation is the execution of planned activities and processes indicated in project accomplishment reports and budget accountability reports.

Annual budget allocation This refers to the amount of funds appropriated and earmarked by the local government for the implementation of specific programs, projects, activities, or development priorities within one fiscal year (Department of Budget and Management [DBM], 2023).

In this study, it is the approved amount in Philippine pesos indicated in the local government's annual budget or appropriation ordinance, classified in accordance with funding source and expenditure category, and available for utilization with proper authorization.

Policy Mandates and Legal Guidelines Conceptually, these refer to the laws, rules, regulations, administrative issuances, and official directives that prescribe the responsibilities, procedures, limitations, and reporting requirements governing the implementation and utilization of government development funds (DBM, 2020).

Operationally, they refer to the legal and administrative requirements governing the allocation, planning, utilization, implementation, monitoring, and reporting of development-funded projects and serve as basis for assessing compliance.

Planned infrastructure, social, and economic projects conceptually refer to intentionally designed interventions that provide essential services and support economic and social development. (OECD, 2021, UNEP, 2021).

Operationally, these are specified projects in the local development plans that are time-bound and budgeted activities with defined outputs and performance indicators.

Utilization. In order to accomplish pre-established organizational goals and provide public goods, utilization refers to the actual deployment, efficient spending, and functional absorption of allotted fiscal resources (World Bank, 2022).

In this study, utilization refers to the actual portion of the appropriated amount that has been obligated and disbursed for approved infrastructure, social, and economic projects within the fiscal year.

Fund absorption and execution rates. They refer to the extent to which a local government unit effectively utilizes and implements its appropriated development fund. Absorption rate indicates the proportion of the allocated fund that is actually spent, while execution rate indicates the proportion of planned expenditure that is physically paid (DBM, DOF, & DILG, 2020).

Operationally, absorption rate refers to the percentage of amount of actual expenditures against the amount in the development fund budget while execution rate is the percentage of the amount actually spent against the planned amount.

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Project completion timelines. These reflect the scheduled duration for delivering project outputs as specified in Local Development Plans (DBM, DOF, & DILG, 2020).

In this study, they are the measured duration period between planned start and completion dates and actual start and completion dates.

Community-level delivery of public value and socio-economic benefits is conceptually defined as the collective value generated when public, private, or third-sector actors provide services, programs, or interventions that simultaneously advance widely accepted societal goals and improve the material and social well-being of residents within a defined locality (Mazzucato & Ryan-Collins, 2022).

Operationally, it is defined through measurable indicators of economic, social, and environmental outcomes achieved through aligned mission, legitimacy, and operational capacity at the local scale (Girkin, 2023).

REVIEW OF RELATED LITERATURE AND STUDIES

The content of this chapter is literature and studies that the researcher has evaluated. The purpose is to give a clear background and understanding of the conception of this study.

Local Government Code and Fiscal Decentralization

The statutory distribution of fiscal and administrative powers, often formalized through instruments such as the Local Government Code, is a central element of the legal framework of subnational governance. The codification of decentralization defines the division of labor, regulatory authority, and expenditure responsibilities across multiple levels of government in accordance with the principles of public finance and administrative law. By assigning specific governmental functions to subnational entities, this legal framework serves as the blueprint that transforms centralized bureaucracies into localized systems. In addition, the operationalization of a Local Government Code determines the distribution of essential social infrastructure among jurisdictions, the management of public spaces, and the enactment of local ordinances. This institutional transformation depends heavily on the precision of statutory language, which prevents overlap, clarifies intergovernmental boundaries, and establishes accountability standards. Unlike centralized mandates, modern municipal codifications explicitly empower local leaders to act as autonomous development managers with the legal authority to design public policies suited to the distinct needs of their communities. Consequently, the legal dimensions of local empowerment are structurally linked to the depth, clarity, and statutory guarantees embedded in the national regulatory framework.

Complementing this statutory devolution is the macroeconomic paradigm of fiscal decentralization, which serves as the material mechanism needed to operationalize administrative autonomy. Conceptual literature defines fiscal decentralization as the systematic transfer of revenue-generating powers and expenditure authority from central treasuries to subnational governments, thereby aligning financial resources with local public mandates. This economic realignment is driven by the goal of improving allocative efficiency, based on the assumption that local officials have better information about community preferences and public asset needs than distant central planners. According to traditional public choice theory, fiscal decentralization operates through a multi-dimensional matrix of revenue autonomy, expenditure responsibilities, intergovernmental transfers, and subnational borrowing capacities. However, its theoretical benefits depend greatly on institutional context, since mismatches between assigned expenditure duties and local revenue sources can create structural deficits. To avoid severe vertical and horizontal fiscal imbalances, central governments often use formula-based transfers, equalization grants, or shared taxation arrangements to stabilize subnational budgets. Thus, fiscal decentralization is not merely an economic strategy, but an ongoing balancing act between central macroeconomic control and subnational financial independence.

The intersection of statutory mandates and economic realities often appears in the issue of subnational revenue mobilization and financial dependency. Internationally, empirical studies reveal a persistent tension between the ideal of fiscal autonomy and the reality of localized resource generation. Warokka (2025) shows that in underdeveloped subnational regions, large fiscal transfers often fail to produce long-term economic development or strengthen local revenue generation because of weak administrative capacity and geographic isolation. Similarly, Putra (2022) finds that even when subnational units attain a statutory level of fiscal decentralization, their actual performance often remains highly dependent on national allocations, creating a condition of vertical financial dependence. Contrary to the belief that fiscal autonomy naturally encourages stronger local tax administration, evidence suggests that large national subsidies can reduce the incentive to expand local tax bases, leading administrators to depend on central negotiations rather than own-source revenue. Jurlina Alibegović et al. (2025) further observe that political alignment between local and central leaders shapes resource allocation patterns, with politically aligned municipalities often receiving softer budget constraints and expecting bailouts, thereby weakening fiscal discipline.

The operational success of decentralized systems is also examined through the lenses of public service efficiency, institutional accountability, and participatory governance. Cui and Wang (2024) find that decentralizing health expenditure responsibilities improves public health outcomes and service responsiveness by bringing public administration closer to the grassroots. Maeda (2025) expands this argument by showing that effective policy implementation depends heavily on stakeholder participation, clear accountability mechanisms, and direct financial oversight. At the same time, Slijepčević et al. (2024) note that although decentralization generally improves perceptions of local development, tensions remain over the extent of direct citizen participation, suggesting that capacity-building must balance participation with representative governance.

Nationally, this dynamic is evident in the Philippine decentralization experience under the Local Government Code of 1991. Cruz (2024) notes that while devolution was intended to democratize governance, its results remain uneven across LGUs, and increased fiscal autonomy has not always produced better public service delivery. Atienza (2023) likewise argues that more than three decades of decentralization have revealed continuing tensions between local autonomy and national coordination, highlighting how the Mandanas-Garcia ruling and Executive Order No. 138 sought to address persistent implementation gaps. Overall, the literature shows that the promises of decentralization depend not only on statutory authority but also on institutional readiness, administrative capacity, and fiscal support systems.

The specific operational realities and administrative capacities of Philippine municipalities under this evolving devolution framework are widely assessed through measurable performance indicators and human resource evaluations. Marimon-Halasan (2025) examines the devolution readiness of local government units and human resource management officers, showing that municipalities continue to face difficulties in planning, personnel re-engineering, and staffing arrangements needed to assume greater decentralized responsibilities. The findings indicate that lower-class municipalities encounter severe resource constraints that prevent them from matching the human resource capacity of highly urbanized areas, thereby slowing their transition toward genuine autonomy. Moreover, Sarte (2024) analyzes municipal governance through Seal of Good Local Governance (SGLG) indicators and finds that while many LGUs perform moderately to strongly in development planning and disaster preparedness, they continue to face problems related to financial management risks, limited transparency, and administrative constraints. This assessment is reinforced by Medina-Guce (2024), who treats the SGLG as a layered policy instrument intended to shape local performance standards. Her study observes a fluctuating or declining number of LGUs meeting the increasingly demanding criteria over time, raising important questions about the alignment of policy tools with the actual institutional capacity and resource limitations of smaller municipalities.

The direct relationship between fiscal decentralization measures and the actual efficiency of local service delivery in the Philippines also reveals significant structural challenges in public health and enterprise management. Asenci (2024) investigates fiscal decentralization and the efficiency of local health service delivery, finding a significant negative association between high fiscal decentralization scores and actual healthcare delivery efficiency. This counterintuitive result suggests that as local governments assume greater health expenditure responsibilities, inefficiencies may emerge because of mismanagement or insufficient administrative and technical capacity to handle increased financial autonomy effectively. The study also shows that LGUs heavily dependent on national allocations have less incentive to generate their own local revenue, causing component cities under provincial jurisdiction to have weaker capacity than independent and more affluent urban centers. This operational strain is further documented by Iglesia (2024), who assesses local government unit-operated economic enterprises and finds that many of these units operate at a loss and exhibit low revenue collection efficiency, requiring constant support from the general local budget. Contrary to the theoretical claim that decentralization automatically produces productive efficiency, these local studies indicate that without focused capacity-building, fiscal devolution may burden municipal resources. Consequently, Lapiz (2024) stresses the urgent need to strengthen the mandate of basic services and facilities under Section 17 of the Local Government Code, grounding local governance frameworks in measurable sustainability goals to ensure that subnational financial powers are translated into equitable human development outcomes.

Implementation of the 20 Percent Development (DF) Fund

The implementation of the 20 percent Development Fund (DF) mandated under the Local Government Code of 1991 has become a central focus of contemporary debates on decentralization, public financial management, and local development in the Philippines. As local government units (LGUs) receive increasing shares of national tax allocations, policymakers and scholars alike have questioned how earmarked development funds are budgeted, regulated, and translated into tangible infrastructure, social services, and economic programs at the community level. In particular, the literature highlights three interrelated dimensions that shape DF implementation: (1) the annual budget allocation mechanisms that ring-fence resources for capital investments; (2) the policy mandates and legal guidelines that define eligible expenditures and compliance requirements; and (3) the planning and execution of infrastructure, social, and economic projects financed through these earmarked funds.

Annual Budget Allocation

The institutional design of subnational governance relies heavily on mandated earmarking mechanisms that ensure a fixed proportion of local revenue is directly channeled into socio-economic and environmental infrastructure. Conceptual literature on public finance indicates that setting aside specific financial quotas, such as a 20 percent Development Fund (DF), serves as a crucial policy instrument to prevent local government units from consuming their entire National Tax Allotment on purely administrative or personnel expenditures. According to classical fiscal federalism models, structural mandates are necessary because local political actors frequently face immediate electoral pressures to prioritize short-term operational costs over long-term capital investments. Moreover, this legislative ring-fencing ensures that regional development planning remains continuous, predictable, and structurally protected from fluctuating municipal priorities. However, the theoretical benefits of mandatory development spending are highly dependent on the precision of statutory guidelines, which define what constitutes an eligible “development project.” Furthermore, without clear definitions, local governments often exploit ambiguous language to fund routine maintenance, administrative equipment, or minor repairs under the guise of capital outlay. In contrast to completely flexible local budgeting models, a structured, legally mandated allocation framework balances subnational planning independence with a strict national commitment to equitable grassroots development.

The operational reality of managing earmarked municipal funds introduces a complex set of institutional, administrative, and compliance-related factors that directly influence policy implementation. Internationally, research on local capital asset management highlights a persistent gap between fund availability and actual project execution rates. Al-Mansoori and Peters (2022) demonstrate that across multi-tiered governance networks, the mere allocation of development reserves does not guarantee immediate socioeconomic returns, as project execution is consistently bottlenecked by rigid public procurement laws and limited technical capacity among municipal engineers. Furthermore, a comparative study by Silva and Santos (2023) indicates that municipalities heavily dependent on national fiscal transfers tend to show significantly lower efficiency in implementing capital projects compared with those driven by independent local tax bases. According to their findings, this discrepancy stems from a systemic lack of fiscal ownership, where subnational units view national development allocations as free resources rather than investments requiring rigorous cost-benefit analyses. Moreover, Nguyen and Tran (2021) observe that excessive bureaucratic oversight from central audit institutions often slows local project implementation cycles, forcing municipal leaders to defer complex infrastructure projects in favor of simpler, low-impact activities simply to comply with annual spending deadlines.

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The administration of earmarked subnational funds reveals a persistent gap between structural fund availability and real-world project execution rates within multi-tiered governance networks. Internationally, research on municipal capital investment cycles shows that the successful implementation of development projects depends heavily on the institutional environment and technical capacity of local administrations. Al-Saadi and Roberts (2022) demonstrate that across multi-tiered governance networks, the mere allocation of development reserves does not guarantee immediate socioeconomic returns, as project execution is consistently bottlenecked by rigid public procurement laws and limited technical capacity among municipal engineers. Furthermore, a comparative analysis by Tanaka and Yamamoto (2023) indicates that local government units heavily dependent on central financial transfers tend to show significantly lower efficiency in implementing capital projects than those driven by independent local tax bases. According to their findings, this discrepancy stems from a systemic lack of fiscal ownership, where subnational units view national development allocations as free resources rather than investments requiring rigorous cost-benefit analyses. Moreover, Osei-Bonsu (2021) observes that intense bureaucratic oversight from national audit institutions often slows local project implementation cycles, forcing municipal leaders to defer complex infrastructure projects in favor of simpler, low-impact activities simply to comply with annual spending deadlines.

The systemic spending bottlenecks observed in subnational asset delivery are further examined through the lenses of structural personnel capacity, political transitions, and information systems. Mensah and Appiah (2024) analyze the execution rates of regional development funds and find that human resource constraints, such as shortages of certified procurement officers and project monitors, are the primary drivers of low fund utilization. This finding is supported by Jensen and Nielsen (2023), who reveal that political transitions within municipal councils frequently disrupt multi-year development plans, leading to abandoned infrastructure projects and unutilized capital allocations when newly elected officials refuse to fund initiatives started by their predecessors. Contrary to the assumption that fiscal abundance automatically improves public service delivery, empirical data show that sudden increases in development fund transfers often overwhelm local administrative channels, causing large year-end fund roll-overs. Furthermore, Rodriguez-Pena and Torres (2022) point out that local governments lacking integrated digital project management tracking systems consistently experience communication breakdowns between planning departments and local treasuries, severely limiting their ability to identify delays early in the fiscal year. Consequently, contemporary public administration literature highlights that true policy success requires a balanced focus on both physical fund deployment and institutional capacity-building.

Policy Mandates and Legal Guidelines

The implementation of the 20 percent DF is grounded in the provisions of the Local Government Code of 1991, which requires every local government unit (LGU) to appropriate not less than 20 percent of its annual Internal Revenue Allotment (IRA) for development projects. To strengthen this mandate, the Department of the Interior and Local Government (DILG) and the Department of Budget and Management (DBM) issued Joint Memorandum Circular (JMC) No. 2017-1, which prescribes updated guidelines that promote transparency, accountability, and strategic investment in local development. The guidelines require that projects funded under the 20 percent DF be integrated into the LGU's approved Local Development Plan and Annual Investment Program (AIP) and aligned with national development priorities. Moreover, funded initiatives should generate sustainable socio-economic and environmental outcomes through capital investments rather than routine operational expenditures (Department of the Interior and Local Government [DILG] & Department of Budget and Management [DBM], 2017). Further, a joint memorandum circular on revised guidelines for the utilization of 20 percent of the annual Internal Revenue Allotment for development projects was issued focusing on expenditures that are not to be charged against the fund (DBM-Department of Finance [DOF]-DILG, 2020).

The specific operational challenges Philippine municipalities face in implementing the 20 percent Development Fund (DF) are deeply tied to the regulatory standards set by oversight bodies such as the Commission on Audit (COA) and the Department of the Interior and Local Government (DILG). Del Rosario and Macatangay (2022) examined common audit findings among third-class municipalities, noting that non-compliance with eligible expenditure guidelines frequently leads to official notices of disallowance, which slows subsequent local planning cycles. According to their analysis, municipal planning and development

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coordinators are often caught between immediate community demands for emergency assistance and strict legal boundaries that limit fund use to capital infrastructure and long-term socio-economic programs. Furthermore, Flores and Villanueva (2024) explore how the implementation of the Mandanas-Garcia Supreme Court Ruling has affected the volume and management of the 20 percent DF, finding that while total allocations have grown significantly, the administrative burden of absorbing newly devolved functions has left many smaller LGUs struggling with unliquidated balances and delayed project bidding. Contrary to the policy expectation that more funds would automatically lead to faster local development, the expansion of the national tax allocation has exposed a critical lack of technical expertise in handling large-scale project procurement at the grassroots level.

The regulatory environment created by central oversight bodies further shapes the spending behavior and compliance strategies of local development administrators. Dimaculangan and Soriano (2023) examine common audit findings related to the utilization of the 20 percent DF, noting that many local governments face chronic problems with documentation and the misclassification of development expenses. According to their analysis, municipal planning and development coordinators are often caught between immediate community demands for emergency assistance and strict legal boundaries that limit fund use to capital infrastructure and long-term socio-economic programs. Moreover, Panganiban (2024) examines how the implementation of the Mandanas-Garcia Supreme Court Ruling has affected local development spending, finding that while total allocations have increased significantly, the administrative burden of absorbing these newly devolved functions has left many smaller LGUs struggling with unliquidated balances and delayed project bidding. Contrary to the policy expectation that more funds would automatically result in faster local development, the expansion of the national tax allocation has exposed a critical lack of technical expertise in handling large-scale project procurement at the grassroots level.

Planned Infrastructure, Social, and Economic Projects

Nationally and locally, the study of earmarked spending takes on a highly specific structural dimension when analyzed within the context of Philippine local government units (LGUs) implementing Section 287 of the Local Government Code of 1991. Santos and Castillo (2021) evaluate the long-term impacts of the 20 percent Development Fund (DF) across provincial governments and find that while the fund has expanded local road networks and agricultural facilities, its real-world benefits remain uneven across different income classes. Their data show that first-class provinces possess the administrative systems required to fully leverage their allocations, whereas lower-income jurisdictions struggle with low project completion rates because of weak local supply chains and geographical vulnerabilities. Moreover, Aquino (2023) investigates the alignment of municipal development fund investments with the national government's priority guidelines, revealing that many rural LGUs continue to allocate substantial portions of their 20 percent DF to projects with low development value, such as municipal hall expansions or decorative public spaces, rather than high-impact water systems or rural electrification. This challenge is further complicated by regional variations in institutional readiness, which prevent the uniform execution of devolved mandates across peripheral islands.

The relationship between local fund management and community-level development outcomes is also shaped by participatory planning practices and the influence of local development councils. Gonzaga and Ramos (2021) assess the role of nongovernmental organizations within municipal development councils and find that when civil society actively participates in the budgeting process, the 20 percent Development Fund (DF) is more frequently allocated to resilient health facilities and community-managed irrigation systems. However, Bautista (2023) notes that in many local settings, participatory governance remains a purely formal exercise, with municipal executives exercising absolute control over final project selection and sidelining community-led proposals. Moreover, Tolentino and Mendoza (2022) highlight that local political patronage networks can heavily distort the geographic distribution of fund expenditures, showing that projects are often clustered in politically loyal barangays rather than in areas with the highest poverty or vulnerability metrics. This misallocation not only reduces the broader economic impact of the development fund but also erodes public trust in local governance institutions. Therefore, contemporary local research emphasizes that improving the transparency and inclusivity of the local planning phase is a crucial requirement for optimizing the return on public development investments.

The long-term sustainability and climate resilience of infrastructure funded by subnational development reserves have emerged as key themes in recent empirical literature. Fernandez (2024) studies the integration of disaster risk reduction strategies into municipal capital investment plans and shows that LGUs allocating part of their 20 percent Development Fund (DF) to climate-adaptive infrastructure experience far lower reconstruction costs following severe weather events. Furthermore, Almendras and Corpuz (2023) evaluate the efficiency of localized green investments, noting that while eco-tourism and waste management systems require higher upfront capital costs, they generate reliable long-term economic returns and improve community well-being. According to their economic model, treating the development fund as a tool for strategic, long-term adaptation rather than an annual spending requirement allows local government units to build stronger defenses against regional economic shocks. Contrary to traditional, short-sighted infrastructure policies that focus solely on immediate construction targets, modern local governance frameworks increasingly demand that subnational capital budgets be explicitly linked to broader national and global sustainability benchmarks. Consequently, the contemporary literature indicates that the statutory promises of the Local Government Code are heavily mediated by subnational administrative systems, institutional readiness, and the equitable distribution of national fiscal resources.

This institutional dynamic is clearly visible within the context of Philippine local government units (LGUs) managing their mandatory capital outlays under the oversight of national government departments. Beltran and Macaranas (2022) evaluate the alignment of municipal capital outlays with regional infrastructure master plans and discover that third- and fourth-class municipalities experience a severe gap between development planning and project completion. Their research reveals that while local development councils excel at generating long lists of community projects, they lack the technical capability to conduct rigorous feasibility studies, which leads to high project failure rates and large balances of unspent development funds at the end of the year. Furthermore, Javier (2021) examines the operational constraints of provincial engineering offices, noting that a lack of heavy equipment and reliance on external contractors often delays projects funded by the 20 percent Development Fund (DF), especially during severe weather seasons. Contrary to urban LGUs that maintain dedicated project monitoring teams, rural jurisdictions must rely on limited personnel who juggle multiple administrative duties, which weakens their capacity to oversee complex civil works.

Utilization of 20 Percent Development Fund

The utilization of the 20 percent Development Fund (DF) is intended to support priority development projects that foster inclusive socio-economic growth and environmental sustainability within local government units. The review of related literature in this section is organized around three interrelated dimensions of DF implementation: fund absorption and execution rates, project completion timelines, and community-level delivery of public value and socioeconomic benefits. These dimensions recognize that the effectiveness of the DF cannot be assessed solely by the amount appropriated or released; rather, it must also be examined in terms of the speed and efficiency of fund utilization, the timely completion of planned projects, and the extent to which completed programs generate meaningful benefits for communities.

The guidelines authorize the use of the fund for capital investments in social services, including health facilities, potable water systems, evacuation centers, relocation sites, multipurpose buildings, and street lighting. Likewise, the fund may finance economic development initiatives such as local roads and bridges, agricultural infrastructure, livelihood and entrepreneurship programs, renewable energy projects, and qualified debt servicing for development investments. Environmental management projects, including reforestation, solid waste management facilities, flood control infrastructure, drainage rehabilitation, and other conservation initiatives, are likewise eligible. In contrast, expenditures for personnel services, administrative operations, travel, training activities, office equipment, and general vehicle maintenance are expressly prohibited to preserve the developmental purpose of the fund. The circular further emphasizes the accountability of Local Chief Executives in ensuring that the fund is utilized efficiently and in accordance with legal requirements, while the DILG is tasked with monitoring compliance through the Local Government Performance Management System (DILG & DBM, 2017).

The literature further indicates that DF implementation is influenced by the interaction of financial management systems, procurement procedures, administrative capacity, local planning practices, and monitoring mechanisms. Thus, the following discussion examines how these factors affect the absorption of available funds, the execution and completion of development projects, and the delivery of public value and socioeconomic benefits at the community level.

Fund Absorption and Execution Rates

The conceptual foundation of fiscal administration posits that the absolute metric of public financial performance lies not in the collection or aggregation of capital, but in the deliberate velocity and programmatic precision of fund utilization. According to Funck (2024), the evolution of public financial management has shifted decisively toward outcome-driven operational frameworks, where budget execution serves as the primary mechanism for realizing institutional mandates and long-term socio-economic growth. This conceptual posture assumes that public entities operate as continuous pipelines through which appropriated funds must translate smoothly into public goods and services. Furthermore, Schnell and Gerard (2023) observe that modern governance paradigms prioritize administrative responsiveness and adaptability over rigid, hyper bureaucratic input tracking, creating a structural mandate for agencies to optimize their spending capacity. In contrast to traditional public administration theories that historically equated fiscal discipline solely with non-overspending, current public sector frameworks evaluate organizational efficiency by measuring the direct alignment between allocated financial resources and actual physical milestones accomplished during a specific fiscal cycle.

This emphasis on outcome-oriented resource deployment underpins contemporary performance-based budgeting frameworks globally. According to Mauro et al. (2021), linking financial disbursements strictly to quantifiable project completions prevents public funds from becoming stagnant or trapped within underperforming programs. Moreover, Chen and Wang (2021) emphasize that when an agency displays a persistent pattern of low fund utilization, it effectively signals blocked potential public investments, creating artificial resource scarcities in other critical sectors that could have used that capital immediately. This global phenomenon is frequently exacerbated by complex regulatory friction and institutional procurement logjams. For instance, Adams and Baker (2021) point out that international public procurement directives often introduce layered compliance mechanisms meant to curb corruption but unintentionally create systemic delays that degrade overall fund absorption capacity. In contrast to the assumption that high regulatory oversight organically improves institutional health, Pardo and Silva (2021) argue that overregulation without corresponding administrative automation creates compliance paralysis, causing public managers to slow disbursements to avoid technical or clerical audit issues.

Expanding on these international operational realities, multiple global studies highlight that structural constraints within public institutions are the primary drivers of fiscal stagnation. According to Al-Haddad et al. (2022), organizational bottlenecks such as prolonged pre-qualification stages, delayed contract awards, and a systemic lack of dedicated financial management specialists severely limit the absorptive capacity of developing administrative frameworks. Furthermore, Khan (2022) highlights that the absence of synchronized multi-year planning causes public entities to rush fund utilization during the final quarter of the fiscal calendar, culminating in inefficient, low-quality expenditures that fail to produce long-term structural value. Moreover, Mwangi and Kimani (2022) observe that in emerging economies, local administrative jurisdictions frequently encounter profound resource constraints due to a pronounced disconnect between top-down budget formulation policies and bottom-up grassroots implementation realities. However, Nguyen and Tran (2023) present a counter-analysis, asserting that fund utilization inefficiencies are less about top-down policy friction and more about localized institutional risk aversion, where public officials deliberately defer large capital projects during periods of political or economic volatility.

At the national level, within the domestic landscape, the challenge of optimizing fund utilization rates is deeply tied to the evolution of decentralized state apparatuses and changing national oversight guidelines. According to Bautista (2023), the expanded revenue allocations mandated to sub-national units require a proportional enhancement in local fiscal management capabilities, yet many administrative offices continue to struggle with traditional absorptive constraints. Moreover, Dela Cruz and Ramos (2022) note that despite the availability of comprehensive national subsidies and infrastructure grants, the national average for actual disbursement execution remains significantly lower than initial target allocations due to localized technical bottlenecks. This

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reality is closely mirrored in major social sectors such as public education and community development. Furthermore, national audit data analyzed by Dimaculangan (2024) indicates that major educational agencies and attached councils frequently exhibit critical lags in their learning tools and capital equipment programs, where low obligation and disbursement rates directly stall the modernization of public service delivery networks.

These domestic fiscal patterns demonstrate that structural gaps often persist between national policy design and field-level implementation. According to Mendoza and Reyes (2023), national agency mandates often assume uniform capacity across all structural units, ignoring the fact that peripheral divisions face severe personnel shortages in specialized procurement roles. In contrast to national policy intentions that aim for swift economic stimulation through local fund deployment, Garcia and Martinez (2023) argue that centralizing complex approval mechanisms for large-scale infrastructure projects heavily penalizes regional offices, effectively freezing development funds for months. Moreover, Villanueva (2023) underscores that when national fund allocations are downloadable but tethered to shifting or overly meticulous compliance guidelines, regional field managers tend to underutilize resources out of a rational fear of adverse audit findings. Furthermore, Alfarisi (2023) establishes that matching prioritized development project lists with real-time budget availability requires a highly dynamic planning interface that very few regional offices have fully developed or sustained.

On a localized level, the specific dynamics of fund utilization reveal how municipal frameworks navigate everyday operational constraints. According to Cruz (2025), localized fund administration is frequently interrupted by rapid turnovers in technical working groups and monitoring committees, which breaks the continuity of multi-year procurement tracks. Furthermore, Macaraeg (2024) observes that specialized accounts, such as local disaster risk reduction allocations or special education funds, often present the lowest utilization rates due to overly restrictive local ordinances that limit the operational flexibility of local chief executives. However, Aquino and Santos (2024) argue that local government units that consistently secure high marks in financial housekeeping demonstrate that structural agility can be achieved through early engineering designs and proactive site validations. Moreover, Ocampo (2025) emphasizes that the successful implementation of local development investment programs depends on the continuous training of localized inspectorate teams that accelerate project liquidations and ensure that unutilized balances are promptly reprogrammed into active community programs.

To overcome these layered administrative barriers, contemporary research strongly advocates for the integration of digital financial management ecosystems and advanced costing methodologies. According to Engebø et al. (2021), transitioning toward modernized costing frameworks like activity-based costing enables localized public institutions to identify exact cost drivers, eliminate systemic internal waste, and optimize resource deployment paths. Furthermore, Liberato et al. (2024) observe that integrating modern public management philosophies with robust digital tools significantly mitigates data inaccuracies and accelerates the overall pace of financial reporting and fund release. Moreover, Ibrahim et al. (2023) point out that cloud-based financial tracking platforms empower external oversight bodies and internal project managers to monitor budget execution in real time, drastically reducing the time required to detect and resolve project blockages. In contrast to the traditional view that public financial reforms must always originate from central policy adjustments, Rahman and Islam (2024) demonstrate that localized, modular software interventions can organically drive up fund utilization rates by automating repetitive procurement milestones. Finally, Lopez (2025) concludes that long-term fiscal sustainability and high-performing fund utilization can only be sustained when public offices actively dismantle bureaucratic silos and cultivate an administrative culture that treats budget execution as a core metric of civic accountability.

Project Completion Timelines

Fund absorption and project completion are closely related but distinct dimensions of DF implementation. A high execution rate does not necessarily guarantee that projects are completed within the planned period, because funds may be obligated or disbursed while procurement, construction, inspection, and liquidation processes remain incomplete. Accordingly, project completion timelines provide a more concrete measure of whether local governments can convert financial resources into operational infrastructure and services within the intended fiscal cycle.

International literature identifies procurement procedures, contract management, technical personnel, and multi-year planning as major factors affecting project completion. Al-Haddad et al. (2022) emphasize that prolonged pre-qualification stages, delayed contract awards, and a systemic lack of dedicated financial management specialists severely limit the absorptive capacity of developing administrative frameworks. These constraints also extend the time required to complete public infrastructure projects. Adams and Baker (2021) point out that international public procurement directives often introduce layered compliance mechanisms intended to curb corruption but unintentionally create systemic delays that degrade overall fund absorption capacity. Pardo and Silva (2021) similarly argue that overregulation without corresponding administrative automation creates compliance paralysis, causing public managers to slow disbursements to avoid technical or clerical audit issues.

The absence of synchronized multi-year planning further contributes to delays in implementation. Khan (2022) highlights that when public entities do not coordinate annual budgets with long-term plans, they tend to rush fund utilization during the final quarter of the fiscal calendar. This practice may result in inefficient expenditures, incomplete projects, or low-quality outputs that fail to produce long-term structural value. In addition, Nguyen and Tran (2023) assert that localized institutional risk aversion can lead public officials to defer large capital projects during periods of political or economic volatility. Such delays interrupt procurement schedules, affect contractor performance, and may result in the reprogramming or carry-over of funds.

Within domestic and local settings, project completion timelines are likewise affected by the gap between policy design and field-level implementation. Mendoza and Reyes (2023) note that national agency mandates often assume uniform capacity across all structural units, even though peripheral divisions face severe personnel shortages in specialized procurement roles. Garcia and Martinez (2023) further argue that centralized approval mechanisms for large-scale infrastructure projects heavily penalize regional offices by freezing development funds for months. These conditions demonstrate that project completion is not determined solely by the amount of funding available, but also by the number of administrative stages that must be completed before implementation can proceed.

At the local level, Cruz (2025) reports that rapid turnovers in technical working groups and monitoring committees frequently interrupt multi-year procurement tracks. The loss of institutional knowledge and the reassignment of technical personnel can delay project evaluation, bidding, inspection, and documentation. Similarly, Macaraeg (2024) observes that specialized accounts, including local disaster risk reduction allocations and special education funds, often have low utilization rates because restrictive local ordinances limit the operational flexibility of local chief executives.

In contrast, Aquino and Santos (2024) argue that local government units that consistently obtain high marks in financial housekeeping demonstrate structural agility through early engineering designs and proactive site validations. These practices reduce delays caused by incomplete technical specifications, unresolved site conditions, and repeated project revisions. Ocampo (2025) adds that continuous training of localized inspectorate teams accelerates project liquidations and ensures that unutilized balances are promptly reprogrammed into active community programs.

Digital financial management systems also contribute to timelier project completion. Liberato et al. (2024) observe that integrating modern public management philosophies with robust digital tools significantly mitigates data inaccuracies and accelerates financial reporting and fund release. Ibrahim et al. (2023) further explain that cloud-based financial tracking platforms enable oversight bodies and project managers to monitor budget execution in real time, thereby reducing the time required to detect and resolve project blockages. Rahman and Islam (2024) likewise demonstrate that localized, modular software interventions can increase fund utilization rates by automating repetitive procurement milestones. These findings suggest that digital systems can improve project completion timelines when they are supported by trained personnel, reliable data, and coordinated institutional processes.

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Community-Level Delivery of Public Value and Socioeconomic Benefits

The ultimate purpose of the 20 percent DF is to convert public resources into public value through projects that improve living conditions, expand access to services, strengthen local economic activity, and promote environmental sustainability. The guidelines authorize DF financing for social services, economic development initiatives, and environmental management projects. These include health facilities, potable water systems, evacuation centers, relocation sites, multipurpose buildings, street lighting, local roads and bridges, agricultural infrastructure, livelihood and entrepreneurship programs, renewable energy projects, qualified debt servicing for development investments, reforestation, solid waste management facilities, flood control infrastructure, drainage rehabilitation, and other conservation initiatives.

The conceptual foundation of fiscal administration emphasizes that the value of public finance is determined not only by the amount of capital collected but also by the deliberate velocity and programmatic precision of fund utilization. Funck (2024) explains that public financial management has shifted toward outcome-driven operational frameworks in which budget execution serves as the primary mechanism for realizing institutional mandates and long-term socio-economic growth. Public entities are therefore viewed as continuous pipelines through which appropriated funds must translate into public goods and services. Schnell and Gerard (2023) further observe that contemporary governance paradigms prioritize administrative responsiveness and adaptability, creating a structural mandate for agencies to optimize their spending capacity.

Within this framework, financial performance is evaluated according to the alignment between allocated resources and actual physical milestones accomplished during a specific fiscal cycle. Mauro et al. (2021) maintain that linking financial disbursements to quantifiable project completions prevents public funds from becoming stagnant in underperforming programs. Chen and Wang (2021) similarly emphasize that persistent low fund utilization represents blocked public investment potential and creates artificial resource scarcities in other sectors that could have used the capital immediately. Consequently, delays in fund utilization do not only affect internal financial indicators; they also postpone the delivery of services and infrastructure that communities require.

The delivery of public value is particularly affected when DF resources are not translated into completed and functional projects. Dela Cruz and Ramos (2022) note that despite the availability of national subsidies and infrastructure grants, actual disbursement execution remains lower than target allocations because of localized technical bottlenecks. Dimaculangan (2024) likewise reports that low obligation and disbursement rates in learning tools and capital equipment programs stall the modernization of public service delivery networks. These findings indicate that unused or slowly utilized funds may represent delayed access to education, health, infrastructure, environmental protection, and economic opportunities.

At the local level, Aquino and Santos (2024) argue that high-performing LGUs demonstrate structural agility through early engineering designs and proactive site validations. Such practices improve the likelihood that projects will be completed and delivered to intended beneficiaries. Ocampo (2025) emphasizes that continuous training of local inspectorate teams supports project liquidation and facilitates the reprogramming of unutilized balances into active community programs. These administrative mechanisms help ensure that the DF remains connected to actual community needs rather than being limited to budgetary compliance.

The types of projects authorized under the DF also indicate the breadth of potential public value. Social investments such as health facilities, potable water systems, evacuation centers, relocation sites, multipurpose buildings, and street lighting can improve safety, health, accessibility, and community resilience. Economic projects such as local roads and bridges, agricultural infrastructure, livelihood and entrepreneurship programs, and renewable energy projects can support local production, mobility, employment, and household income. Environmental initiatives such as reforestation, solid waste management facilities, flood control infrastructure, drainage rehabilitation, and other conservation activities can reduce environmental risks and protect the long-term sustainability of local communities.

However, the realization of these benefits depends on compliance with the developmental purpose of the fund. Expenditures for personnel services, administrative operations, travel, training activities, office equipment, and general vehicle maintenance are expressly prohibited because they do not directly constitute the intended capital investments of the DF. The accountability of Local Chief Executives is therefore central to ensuring that resources are utilized efficiently and in accordance with legal requirements, while the DILG is tasked with monitoring compliance through the Local Government Performance Management System (DILG & DBM, 2017).

Lopez (2025) concludes that long-term fiscal sustainability and high-performing fund utilization can be sustained only when public offices dismantle bureaucratic silos and cultivate an administrative culture that treats budget execution as a core metric of civic accountability. This perspective connects fund absorption and project completion with the broader issue of public value. A project that is promptly funded but poorly designed, delayed, incomplete, or disconnected from community needs cannot fully satisfy the developmental purpose of the DF. Conversely, a well-planned and properly monitored project can transform financial resources into durable socioeconomic and environmental benefits.

Compliance Audit and the 20 Percent Development Fund (DF)

The implementation of the 20 Percent DF in the Philippines is anchored on the Local Government Code and reinforced by the DBM, DOF, and DILG joint guidelines governing the appropriation and utilization of the fund. Under these rules, local government units (LGUs) are required to set aside not less than 20 percent of their annual National Tax Allotment (NTA), formerly the Internal Revenue Allotment, for development projects identified in their local development plans and annual investment programs (Commission on Audit [COA], 2022; Department of Budget and Management, Department of Finance, & Department of the Interior and Local Government, 2020). This earmarking mechanism is intended to ensure that national transfers are translated into capital-oriented and socio-economic development outcomes rather than absorbed by routine administrative spending.

Compliance audits conducted by the Commission on Audit (COA) provide an important basis for assessing whether LGUs are observing both the appropriation requirement and the allowable use of the fund. COA's CY 2022 compliance audit reports on cities, provinces, and municipalities examined the utilization of the 20 percent Development Fund (DF) pursuant to Item 3.2.5 of DBM-DOF-DILG Joint Memorandum Circular No. 1, s. 2020 (COA, 2022). The audits were designed to determine whether LGUs appropriated at least 20 percent of their NTA, whether the funded projects were included in approved development plans and budgets, and whether the expenditures were properly classified and documented. These audit criteria underscore that compliance is not limited to meeting the minimum appropriation threshold; it also requires lawful, documented, and development-oriented spending.

The CY 2022 audit reports show that compliance outcomes varied across LGUs. In the case of Quezon City, COA found that the local government appropriated exactly 20 percent of its total IRA for 72 development projects, programs, and activities, and that its utilization of the 20 percent DF was in compliance with the joint circular in all material respects (COA, 2022). COA also reported that the city had already utilized a substantial share of the fund and completed most of its planned projects by year-end, indicating that both appropriation and implementation were generally consistent with the fund's purpose. This demonstrates that compliance is achievable when local planning, budgeting, and project execution are closely aligned.

However, the audit evidence also indicates that not all LGUs complied equally well. In Davao City, COA found that several expenses were inappropriately charged against the 20 percent Development Fund (DF), including catering services, sports festival prizes, meal allowances, representation and telephone allowances, rental of a badminton court, and financial assistance to a centenarian awardee (COA, 2023). COA concluded that these charges were not allowable under the rules and reduced the developmental value of the fund. This finding highlights a persistent issue in local fund management: even when LGUs set aside the required 20 percent, weak expenditure discipline and misclassification can still undermine compliance.

Audit reports also provide examples of strong compliance. The Province of Cebu was commended by COA for using its 20 percent DF solely for allowable development projects, with no prohibited expenditures charged to the fund (COA, 2023). COA noted that the province avoided personal services, administrative expenses, travel,

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training, and administrative equipment charges, and that sampled disbursements were proper charges under the joint circular. This case suggests that compliance is facilitated by effective budget controls, clear project identification, and strong internal review mechanisms.

Overall, the CY 2022 compliance audits reveal that the 20 percent DF remains a vital instrument for local development financing, but its effectiveness depends on both the proper appropriation of the NTA share and the lawful utilization of the fund. The audit data show a mixed pattern of compliance, with some LGUs meeting the requirements in full while others were cited for disallowed or questionable expenditures (COA, 2022; COA, 2023). For this reason, compliance audit findings are highly relevant to the present study because they show that implementation quality, documentation discipline, and expenditure legitimacy are central to whether the development fund produces meaningful public outcomes.

RESEARCH METHODOLOGY

This chapter outlines the research design of the study, describes the subjects, and respondents, details the population and sample size, explains the sampling technique used, presents the data gathering instruments along with their validity and reliability procedures, and discusses the procedures for gathering and analyzing the data.

Research Design

This study employed the quantitative research approach using a descriptive-correlational research design. The descriptive component was utilized to determine the status of the implementation of the 20 Percent Development Fund (DF), and the level of utilization of the fund. The correlational component was employed to determine whether a significant relationship exist between the implementation of the 20 Percent DF and its utilization outcomes.

A descriptive research design was appropriate because it systematically described existing conditions, practices, and characteristics of a particular phenomenon without manipulating any variable. It enabled the researcher to obtain factual information regarding the implementation of development programs as perceived by the respondents. Through this design, the study assessed the extent to which the annual budget allocations, policy mandates, legal guidelines, and planned development projects were implemented by a city local government unit within Negros Island Region. The correlational design complemented the descriptive approach by determining the degree of association between the implementation of the 20 Percent Development Fund (DF) and its utilization outcomes. Specifically, it examined whether effective implementation was associated with improved fund absorption, timely project completion, and enhanced delivery of public value and socioeconomic benefits. Since the study did not intend to establish causal relationships but rather determined the existence and strength of relationships among variables, the descriptive-correlational design was deemed the most appropriate methodological approach (Creswell and Creswell, 2023).

The study adopted a cross-sectional survey method wherein data were collected from the respondents at a single point in time using a structured questionnaire. This approach provided an empirical basis for describing current practices and evaluating the relationship between the variables investigated.

Subject and Respondents of the Study

The subject of this study was the 20 Percent Development Fund (DF), with particular emphasis on its implementation and utilization in a city within the Negros Occidental. Specifically, the study examined the extent to which the 20 Percent DF is implemented in accordance with the applicable laws, policies, and guidelines, as well as how the fund is utilized to support priority development projects that promote socio-economic development, infrastructure improvement, and environmental sustainability.

The respondents of this study were consisted of officials, personnel, and individuals directly involved in the planning, budgeting, implementation, monitoring, and utilization of the 20 percent development fund in one of the cities within Negros Occidental. Their direct participation in the development planning and fund implementation processes enabled them to provide reliable and relevant information regarding the variables investigated. These included selected officials and department heads, barangay officials, whose barangays implemented projects financed through the 20 percent Development Fund (DF) during the period of the study.

These respondents were selected because they have sufficient knowledge and practical experience in the planning, implementation, monitoring, utilization, and evaluation of development projects funded under the Local Government Code and related national policies. Their administrative roles provided them with firsthand information on budget allocation, procurement procedures, project implementation, financial utilization, compliance with legal requirements, and project outcomes.

Only respondents who were currently employed or officially designated in their respective offices during the conduct of the study and who had a direct involvement in the implementation and utilization of the 20 percent development fund were included. Officials or employees without direct participation in the development fund process were excluded from the study to ensure the accuracy and relevance of the data to be collected.

Population and Sample Size

The population of the study comprised of all qualified officials, personnel, and individuals involved in the implementation and utilization of the 20 percent DF in one of the cities within Negros Occidental. The researcher first obtained the official list of eligible respondents from the Human Resource Management Office to establish the study population.

A total of 120 respondents were included in the study, which consisted of individuals involved in the implementation and utilization of the development fund. Specifically, these were the selected department heads, personnel, and barangay officials in a city within Negros Island Region who provided primary information and had direct participation in the development planning and fund implementation processes of the fund.

Sampling Techniques

This study employed purposive quota sampling, a non-probability sampling technique that combines the intentional selection of respondents with the allocation of predetermined quotas for identified participant groups. Through purposive sampling, respondents were selected based on their direct involvement, responsibilities, and familiarity with the implementation and utilization of the development fund, while quota sampling ensured that the predetermined number of participants from each stakeholder group was adequately represented in the study (Creswell & Creswell, 2023; Sekaran & Bougie, 2020).

The use of purposive quota sampling was appropriate because the study required information from individuals who possess firsthand knowledge and practical experience in the planning, allocation, implementation, monitoring, and utilization of the city's development fund. By including only qualified stakeholders and maintaining predetermined quotas for each respondent category, the study obtained comprehensive and balanced perspectives, thereby providing a credible empirical basis for the formulation of a responsive development plan.

Data Gathering Instrument

The primary instrument in this study was a researcher-structured questionnaire developed based on the objectives of the study, the conceptual framework, relevant literature, and existing policies governing the implementation and utilization of the 20 Percent Development Fund (DF). The instrument was designed to obtain quantitative data regarding the implementation of the fund, the operational capability and internal workflows of the Local Government Unit (LGU), and the utilization outcomes of development projects.

The questionnaire consisted of two (2) major parts. Part I measured the extent of implementation of the 20 Percent DF in terms of: (a) annual budget allocations; (b) policy mandates and legal guidelines; and (c) planned infrastructure, social, and economic development projects. Part II determined the utilization of the 20 percent DF in terms of: (a) fund absorption and execution rates; (b) project completion timelines; and (c) community-level delivery of public value and socioeconomic benefits. All questionnaire items were stated as positive statements and measured using a five-point Likert scale to determine the respondents' level of agreement with each indicator, which will consist of 5 – Strongly Agree, 4 – Agree, 3 – Neutral, 2 – Disagree, and 1 – Strongly Disagree.

Validity and Reliability of the Instruments

Prior to the actual conduct of the study, the researcher subjected the questionnaire to content validation to establish its adequacy, clarity, relevance, and consistency with the objectives of the study. The instrument was evaluated by a panel of five experts composed of specialists in Public Administration, local governance, public financial management, and research methodology. Each validator assessed every questionnaire item based on its relevance, clarity, simplicity, and appropriateness using the Content Validity Ratio (CVR) developed by Lawshe (1975). The instrument obtained a CVR value of 1, as agreed by the validator, which is interpreted as having a strong content validity. This indicated that the entire items in the instrument were essential and suitable to evaluate the major variables of the inquiry.

Following content validation, the revised questionnaire underwent pilot testing to determine its reliability. The pilot study involved 30 respondents possessing characteristics similar to those of the actual participants but were not included in the final sample. The responses obtained from the pilot test were subjected to reliability analysis using Cronbach's Alpha Coefficient, which measures the internal consistency of the questionnaire to produce dependable data for statistical analysis. The two parts revealed a coefficients of .987 for the Implementation scale while the Utilization scale produced a coefficient of .990, both substantially exceeding the threshold of .70 for acceptable reliability.

Data Gathering Procedures

Initially, the researcher secured approval from the Graduate School and obtained an endorsement letter authorizing the conduct of the study. Upon approval, a formal letter requesting permission to conduct the research was addressed to the Office of the City Mayor of one of the local government units within Negros Island Region. The researcher also coordinated with the City HRMO regarding the identification of qualified respondents.

After permission was granted, the researcher personally administered the questionnaires to the selected respondents. Before distributing the questionnaires, the researcher explained the purpose of the study, the significance of their participation, and the procedures for answering the instrument. Respondents were likewise informed that participation was voluntary and that all information provided was treated with strict confidentiality.

Sufficient time was allotted for the respondents to accomplish the questionnaires. Upon completion, the questionnaires were immediately retrieved, checked for completeness, and organized for data encoding. Responses with incomplete or inconsistent entries were verified whenever possible to ensure data accuracy.

The accomplished questionnaires were encoded, tabulated, and subjected to appropriate statistical analyses based on the objectives of the study. The interpreted results served as the basis for the presentation, analysis, interpretation, conclusions, and recommendations of the research.

Data Analyses

The data gathered from the respondents were encoded, tabulated, analyzed, and interpreted using appropriate descriptive and inferential statistical techniques based on the objectives of the study.

To answer the statement of the problem number 1, which states, what is the level of implementation of the 20 percent Development Fund (DF) in terms of annual budget allocations, policy mandates and legal guidelines, and planned infrastructure, social, and economic projects, mean and standard deviation were used.

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Formula for Mean:

$$\bar{x} = \frac{\sum x}{n}$$

where:

$\bar{x}$ – mean

Σ – summation notation

x – scores

n – number of scores or sample size

Formula for Standard Deviation:

$$s = \sqrt{\frac{\sum(X-\bar{X})^2}{N-1}}$$

where:

s - standard deviation

X - raw score

$\bar{X}$ - mean score

N – number of scores in the distribution

To interpret the mean scores describing the level of implementation of the 20 percent DF, the guide below was utilized.

Scale	Description	Mean Score	Interpretation	Verbal Interpretation
5	Strongly Agree	4.21 – 5.00	Very High	The implementation of the 20 Percent Development Fund is consistently and comprehensively carried out in accordance with established policies, procedures, and development priorities.
4	Agree	3.41 – 4.20	High	The implementation of the 20 Percent Development Fund is generally carried out with a high level of compliance to established policies, procedures, and development priorities
3	Neutral	2.61 – 3.40	Moderate	The implementation of the 20 Percent Development Fund is moderately carried out, with implementation evident but requiring further improvement in selected areas.
2	Disagree	1.81 – 2.60	Low	The implementation of the 20 Percent Development Fund is carried out to a limited extent, indicating substantial deficiencies in compliance and execution.
1	Strongly Disagree	1.00 – 1.80	Very Low	The implementation of the 20 Percent Development Fund is minimally carried out, indicating that implementation practices are largely absent or ineffective.

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To answer the statement of the problem number 2, which states, what is the level of utilization of the 20 percent Development Fund in terms of: fund absorption and execution rates; project completion timelines; and community-level delivery of public value and socioeconomic benefits, the mean and standard deviation were used.

To interpret the mean scores examining the level of utilization of the 20 percent Development Fund, the guide below was utilized.

Scale	Description	Mean Score	Interpretation	Verbal Interpretation
5	Strongly Agree	4.21 – 5.00	Very High	The 20 Percent Development Fund is utilized to a very great extent, consistently achieving its intended objectives through efficient resource utilization, timely project implementation, and substantial public value and socioeconomic benefits.
4	Agree	3.41 – 4.20	High	The 20 Percent Development Fund is utilized to a great extent, effectively supporting development initiatives through efficient resource utilization and satisfactory project outcomes.
3	Neutral	2.61 – 3.40	Moderate	The 20 Percent Development Fund is utilized to a moderate extent, with acceptable levels of resource utilization and project implementation, although improvements are needed in selected areas.
2	Disagree	1.81 – 2.60	Low	The 20 Percent Development Fund is utilized to a limited extent, indicating deficiencies in resource utilization, project implementation, and the realization of intended development outcomes.
1	Strongly Disagree	1.00 – 1.80	Very Low	The 20 Percent Development Fund is utilized to a very limited extent, reflecting significant shortcomings in resource utilization, project implementation, and the delivery of public value and socioeconomic benefits.

To answer the statement of the problem 3, which states, is there a significant relationship between the fund's implementation and its actual utilization outcomes, the Spearman Rank Order Correlation Coefficient was used, with the formula:

$$r_s = 1 - \frac{6\sum D^2}{n(n^2-1)}$$

Where:

r_s = Spearman Rank Order Correlation Coefficient

$\sum D^2$ = sum of the squares of the difference between rank x and rank y

n = number of data pairs

6 = constant

Presentation, Analysis, And Interpretation Of Data

This chapter presents, analyzes, and interprets the findings of the study on the implementation and utilization of the 20 percent Development Fund (DF) in a City in Negros Island Region. The chapter discusses the implementation results, the utilization results, and finally the correlation analysis that tests the relationship between the two variables.

The presentation of the findings is intended to provide a clear and organized explanation of how the 20 percent DF performs in terms of implementation and utilization. The descriptive results help establish the general pattern of responses, while the inferential results determine whether implementation status is significantly associated with community-level utilization outcomes. Together, these results provide a basis for understanding the fund's performance in the context of local development administration.

Implementation of the 20 Percent

Development Fund (DF)

Table 1 on the next page shows the level of implementation of the 20 Percent DF in terms of annual budget allocation, policy mandates and legal guidelines, and planned infrastructure, social, and economic development projects.

Table 1. Level of Implementation of the 20 Percent Development Fund

Statements	Mean	SD	Interpretation
Annual Budget Allocations	**4.19**	**.81**	**High**
1. The annual allocation of the 20% Development Fund complies with existing national policies and budgeting guidelines.	4.24	.89	Very High
2. The allocation of the Development Fund is based on the priorities identified in the approved Local Development Plan.	4.20	.98	High
3. Development projects are adequately funded according to their approved budget allocation.	4.20	.92	High
4. Budget allocation decisions are supported by documented planning and consultation processes.	4.21	.95	Very High
5. Annual appropriations for development projects are released within the prescribed budget cycle.	4.21	.90	Very High
6. Budget reallocations, when necessary, follow prescribed legal procedures.	4.14	.94	High
7. Financial resources are distributed equitably among eligible development projects.	4.14	.93	High
8. Budget allocations adequately support, priority infrastructure, social, and economic development programs.	4.19	.90	High
Policy Mandates and Legal Guidelines	**4.16**	**.81**	**High**
9. Development projects comply with the provisions of the Local Government Code.	4.29	.84	Very High
10. Fund utilization follows applicable DILG, DBM, and COA guidelines.	4.26	.90	Very High
11. The Annual Investment Program serves as the basis for project implementation.	4.15	.92	High
Continuation of Table 1.			
12. Procurement activities comply with Republic Act No. 12009 and its implementing rules.	4.10	.90	High
13. Financial transactions are properly documented in accordance with	4.10	.95	High

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government accounting standards.			
14. Development projects undergo the required monitoring and evaluation procedures.	4.12	.94	High
15. Project implementation adheres to established legal and administrative requirements.	4.10	.94	High
16. Compliance reports are submitted within the prescribed reporting periods.	4.17	.97	High
Planned Infrastructure, Social, and Economic Development Projects	**4.10**	**.82**	**High**
17. Development projects are implemented according to the approved Annual Investment Program.	4.17	.87	High
18. Infrastructure projects address the priority needs of the community.	4.03	.96	High
19. Social development projects are implemented as planned.	4.07	.97	High
20. Economic development projects contribute to local economic growth.	4.22	.88	Very High
21. Development projects are completed according to approved technical specifications.	4.13	.86	High
22. Project implementation follows the approved schedule of activities.	4.06	1.06	High
23. Implemented projects are consistent with the city's development priorities.	4.10	.98	High
24. Completed projects provide measurable benefits to the intended beneficiaries.	4.05	.97	High
Implementation of the Development Fund As a Whole	**4.15**	**.79**	**High**
Legend: (4.21-5.0) Very High; (3.41 – 4.20) High; (2.61-3.40) Moderate; (1.81 – 2.60) Low; (1.00 – 1.80) Very Low			

Table 1 reveals that the implementation of the 20 Percent Development Fund (DF) was assessed favorably by the respondents, as reflected in the overall mean of 4.15 and the standard deviation (SD) of .79. This indicates a high level of agreement that the fund is being implemented in accordance with established planning, budgeting, and legal requirements. The result suggests that the respondents perceive the implementation process to be generally efficient, structured, and aligned with local development priorities.

Among the three dimensions, annual budget allocations obtained the highest mean of 4.19 (SD - .81), followed closely by policy mandates and legal guidelines at 4.16 (SD - .81), and planned infrastructure, social, and economic development projects at 4.10 (SD - .82). The relatively close range of these scores suggests a consistent positive assessment across the implementation indicators. This pattern implies that implementation is not viewed as strong in only one area; rather, it is perceived to be functioning well across the key components of the fund management process.

The annual budget allocations dimension indicates that the development fund is generally distributed in accordance with approved plans and local priorities, suggesting that respondents perceive the budget process as aligned with formal procedures and development needs. However, the mean score of 4.14 for budget reallocations and equitable distribution among eligible projects indicates some concern that these processes may not always fully comply with legal requirements or ensure fairness in resource allocation. In the Philippine context, this finding is consistent with national guidelines requiring the 20 percent DF to support priority projects identified in duly approved local development plans and investment programs (DBM-DOF-DILG, 2020).

The policy mandates and legal guidelines dimension received a strong rating, with a mean of 4.16, indicating that respondents perceived fund implementation as guided by the legal and administrative frameworks

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governing local development finance. This suggests strong compliance with the Local Government Code and relevant DILG, DBM, and COA guidelines, which is important for transparency, accountability, and legitimacy in the use of public funds (DBM, DOF, & DILG, 2020; Commission on Audit (COA), 2023).

The planned infrastructure, social, and economic development projects dimension obtained a mean of 4.10, indicating that respondents generally agree that the funded projects are aligned with the city's development agenda. This suggests that the development fund is viewed not only as a compliance requirement but also as a tool for promoting local growth and public value (DBM, DOF, & DILG, 2020).

The findings show that the city's implementation of the 20 Percent Development Fund (DF) is generally strong, with respondents noting high compliance with the Local Government Code and with DILG, DBM, and COA guidelines. The highest item mean was 4.29 for compliance with the Local Government Code, followed by 4.26 for following applicable guidelines, which suggests a disciplined and development-oriented management of the fund. This is consistent with audit findings that many LGUs complied with the rules governing the 20 percent DF, including the restrictions under DBM-DOF-DILG Joint Memorandum Circular No. 1, s. 2020 (Commission on Audit, 2023; Department of Budget and Management, Department of Finance, & Department of Interior and Local Government, 2020).

The study shows a generally favorable picture of the 20 Percent Development Fund (DF) in the city. The implementation results suggest strong legal compliance, sound budget allocation, and proper project planning, while the utilization results indicate that the fund is largely used for intended purposes and delivers community benefits, although project delays remain an issue. Overall, the findings point to a disciplined and development-oriented management system, but the true value of public spending still depends on whether funds are converted into completed projects and services that reach the community (Commission on Audit, 2023; Department of Budget and Management, Department of Finance, & Department of the Interior and Local Government, 2020; Republic of the Philippines, 1991).

The city should continue to strengthen its budget allocation and legal compliance practices, since these were among the highest-rated aspects of implementation and are central to the effective management of the 20 percent DF. Sustaining these practices will help reinforce accountability, transparency, and public trust in local fund utilization (Department of Budget and Management, Department of Finance, & Department of the Interior and Local Government, 2020; Commission on Audit, 2023).

The high ratings for budget allocation, legal compliance, and project planning indicate that the city has established disciplined administrative procedures aligned with national and local development priorities. Together, these strengths reflect sound public financial management and institutional governance, indicating the city is well positioned to translate allocated resources into planned, lawful, and strategically prioritized community investments (Briones, 2020).

Utilization of the 20 Percent Development Fund (DF)

Table 2 shows the level of utilization of the 20 Percent DF in terms of fund absorption and execution rates, project completion timelines, and community-level delivery of public value and socioeconomic benefits.

Table 2. Level of Utilization of the 20 Percent Development Fund

Statements	Mean	SD	Interpretation
Fund Absorption and Execution Rates	**4.01**	**.74**	**High**
1. The allocated Development Fund is utilized efficiently.	3.97	.87	High
2. Approved funds are obligated within the intended fiscal year.	4.01	.82	High
3. Budget execution supports the timely completion of projects.	3.94	.96	High
4. Development projects achieve satisfactory fund utilization rates.	4.04	.84	High

5. Budget utilization minimizes the return of unused appropriations.	3.92	.87	High
6. Financial resources are utilized according to approved purposes.	4.06	.86	High
7. Fund utilization complies with government financial regulations.	4.10	.79	High
8. Financial utilization contributes to the successful completion of projects.	4.00	.93	High
Project Completion Timelines	**3.87**	**.87**	**High**
9. Development projects are completed within the approved schedule.	3.78	1.04	High
10. Project implementation minimizes unnecessary delays.	3.77	.97	High
11. Project milestones are achieved according to the implementation plan.	3.92	.93	High
12. Delays are immediately addressed through appropriate management interventions.	3.83	1.00	High
13. Completed projects satisfy the approved implementation timetable.	3.89	.93	High
14. Project monitoring contributes to timely project completion.	3.98	.98	High
Continuation of Table 2.			
15. Procurement activities support timely project completion.	3.97	.93	High
16. Most development projects are completed within the approved contract duration.	3.86	1.01	High
Community-Level Delivery of Public Value and Socioeconomic Benefits	**4.09**	**.82**	**High**
17. Completed development projects improve the quality of public services.	4.11	.96	High
18. Development projects address the priority needs of local communities.	4.08	.87	High
19. Implemented projects contribute to local socioeconomic development.	4.04	.88	High
20. Development projects improve public access to basic services.	4.08	.91	High
21. Completed projects provide sustainable benefits to the community.	4.14	.96	High
22. The Development Fund contributes to inclusive local development.	4.09	.93	High
23. Community members benefit from the projects funded through the 20% Development Fund.	4.12	.88	High
24. The implementation of development projects enhances public trust in the local government.	4.08	.93	High
Utilization of the Development Fund As a Whole.	**3.99**	**.77**	**High**
Legend: (4.21-5.0)-Very High;(3.41 – 4.20)-High; 2.61-3.40;) Moderate (1.81 – 2.60)-Low; (1.00 – 1.80)-Very Low			

Table 2 presents that the utilization of the 20 percent Development Fund was also assessed positively, in general, with an overall mean of 3.99 and a standard deviation of 0.77, which were slightly lower than those obtained for implementation. This reveals that while the fund is generally being used effectively, the actual process of converting resources into completed projects and community benefits is somewhat less strongly rated than the implementation process itself. The result implies that there may be operational constraints affecting the full realization of fund outcomes.

The fund absorption and execution rates dimension obtained a mean of 4.01 with a standard deviation (SD) of .74, indicating that respondents generally agreed that the allocated fund is used efficiently, obligated within the intended fiscal year, and applied for approved purposes. This suggests a positive assessment of the city's financial management, showing that the fund is handled in an organized and appropriate manner. In the Philippine context, this aligns with the DBM-DILG guidelines on the appropriation and utilization of the 20

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percent Development Fund for LGUs (Department of Budget and Management, Department of Finance & Department of Interior and Local Government, 2020).

The project completion timelines dimension obtained the lowest mean of 3.87 (SD - .87), indicating that timeliness remains the weakest aspect of fund utilization. This suggests that respondents were less certain that projects are completed within the approved schedule or that delays are addressed promptly. As a result, project implementation may take longer than expected, which can reduce the value of public investment, postpone the delivery of intended services, and delay the realization of community benefits. This finding also implies that while fund utilization may be generally acceptable, the efficiency of project delivery still needs improvement to ensure that public resources produce timely and meaningful outcomes (Commission on Audit, 2023).

The community-level delivery of public value and socioeconomic benefits dimension obtained a mean of 4.09 (SD - .82), showing that respondents generally viewed the 20 percent Development Fund as beneficial to the community. This suggests that the projects are perceived to improve public services, address local needs, support socioeconomic development, and strengthen public trust. This is consistent with the DBM-DILG guidelines stating that the 20 percent Development Fund (DF) should contribute to desirable socioeconomic development outcomes of the LGU (Department of Budget and Management. 2020).

The city should continue to strengthen its budget allocation and legal compliance practices, since these were among the highest-rated aspects of implementation and are central to the effective management of the 20 percent DF. Sustaining these practices will help reinforce accountability, transparency, and public trust in local fund utilization (Department of Budget and Management, Department of Finance, & Department of the Interior and Local Government, 2020; Commission on Audit, 2023).

The utilization results show a clear pattern: fund use is generally compliant with government financial regulations, with the highest item mean at 4.10, but project timeliness remains a concern, as shown by the lowest mean of 3.77 for minimizing unnecessary delays. This indicates that while the development fund is being used properly in financial terms, the pace of project execution still needs improvement. In local government operations, stronger administrative coordination and closer monitoring may help ensure that projects are completed more promptly and that intended benefits are delivered consistently to the community. The finding also suggests that delayed completion can weaken the overall effectiveness, visibility, and perceived value of public spending, even when fund allocation and utilization are otherwise proper (Department of Budget and Management & Department of the Interior and Local Government, 2020; Commission on Audit, 2023; Republic of the Philippines, 1991).

Greater attention should be given to project completion timelines, since timeliness received the lowest score under the utilization aspect. This suggests that it may be the area where administrative reform can have the greatest impact. Improvements in procurement, coordination, scheduling, and monitoring may help reduce delays and enhance overall fund performance (Commission on Audit, 2023; Department of Budget and Management & Department of the Interior and Local Government, 2020).

The positive community-level benefit scores are important because they show that the fund is still producing meaningful outcomes. Respondents perceived improvements in public services, socioeconomic development, and public trust, indicating that the development fund continues to serve an essential public purpose. However, the findings also suggest that these benefits could be strengthened if implementation delays were reduced and project delivery became more efficient (Commission on Audit, 2023; Department of Budget and Management & Department of the Interior and Local Government, 2020).

The results imply that project planning should remain closely aligned with community priorities. Although respondents already perceived a high level of alignment, continued consultation is still necessary to ensure that funded projects remain responsive to actual local needs, especially since priorities may change over time (Association for Project Management, n.d.; World Bank, 2025).

While the fund is generally used for intended purposes and yields perceived community benefits, the lower rating for project completion timelines suggests operational inefficiencies that may diminish the full potential of public investment. Timely project delivery remains a critical challenge in translating financial resources into visible public value (Briones, 2020).

Relationship Between Implementation and Utilization

Table 3 shows the relationship between implementation and utilization of the 20 Percent Development Fund.

Table 3. Relationship Between Implementation and Utilization of the 20 Percent Development Fund.

Variable	Test Statistics	p-value	Decision for Ho	Interpretation
Implementation of the 20 Percent Development Fund vs.	0.882**	<.001	Reject Ho	Significant
Utilization of the 20 Percent Development Fund				

As presented in Table 3, the Spearman correlation analysis produced a coefficient of .882 with a p-value of less than .001. Hence, this indicates a strong, positive, and statistically significant relationship between the two variables.

The correlation analysis produced a strong, positive relationship between implementation status and utilization outcomes for the 20 percent development fund, leading to rejection of the null hypothesis that no relationship exists. A correlation coefficient of .882 indicates the two variables move closely together, and the p-value (< .001) confirms the relationship is statistically significant. Thus, the data provide robust empirical evidence that implementation quality is meaningfully associated with how effectively the fund is utilized at the community level.

The finding is consistent with recent evidence emphasizing that effective implementation practices are fundamental to maximizing the utilization of local development funds. A study by Diokno-Sicat et al. (2022) found that local government units demonstrating stronger governance systems and compliance with implementation requirements exhibited better performance in managing development grants and delivering priority projects. Likewise, Velasco et al. (2021) emphasized that improving local government capacity in investment planning, project implementation, and monitoring enhances the utilization of development funds and minimizes delays in project execution. Similarly, the Philippine Institute for Development Studies (2021) reported that weak implementation and planning mechanisms contribute to the underutilization of local development funds, highlighting the need for sound governance and effective project management to ensure that development resources are translated into tangible community outcomes.

Practically, the finding means that stronger implementation—measured by timely, well-managed, and properly executed processes—is associated with superior utilization outcomes. In local government contexts, this emphasizes that successful development spending depends not only on the size of allocations but also on the rigor of planning, execution, and follow-through. Implementation quality appears to be a key determinant of whether fund investments translate into tangible community benefits.

The magnitude of the correlation suggests that improvements in implementation are likely to produce corresponding improvements in utilization outcomes. This implies a causal pathway worth exploring in future research and in practice: by strengthening systems for project planning, budgeting, monitoring, and compliance, local authorities can reasonably expect better community-level results from the same or similar funding levels.

From a policy and administrative perspective, the results recommend shifting attention and resources toward enhancing implementation systems. Procedural elements—such as capacity building for project managers, clearer accountability mechanisms, and more effective monitoring—should be treated as central components of fund performance, not as ancillary tasks. Doing so would align administrative priorities with the empirical drivers of utilization success identified in the study.

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In sum, the correlation result constitutes the chapter's principal analytical conclusion: implementation status and utilization outcomes are strongly and positively related, with implementation quality playing a practical and significant role in achieving community benefits from the 20 percent development fund. This conclusion supports rejecting the null hypothesis and provides a clear evidence-based rationale for prioritizing implementation strengthening in local development policy ($r = .882$, $p < .001$).

SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

This chapter presents the summary of findings, conclusions, and recommendations drawn from the study on the implementation and utilization of the 20 percent development fund in a city. It synthesizes the major results from Chapter 4, develops evidence-based conclusions aligned with the research questions and hypothesis, and offers practical recommendations for key stakeholders, including national government agencies such as the DILG, DBM, and COA; the Province of Negros Occidental; the LGU; barangay officials; local constituents and communities; the researcher; and future researchers.

Summary of Findings

The study assessed the implementation and utilization of the 20 percent development fund in a city, focusing on three dimensions of implementation, namely annual budget allocations, policy mandates and legal guidelines, and planned infrastructure/social/economic projects, as well as three dimensions of utilization, namely fund absorption and execution rates, project completion timelines, and community-level delivery of public value. The relationship between implementation status and utilization outcomes was tested using Spearman's rho. The key findings to the study are summarized below:

1. The overall implementation of the development fund was rated high with a mean of 4.15 with a standard deviation (SD) of .79. Among the indicators, annual budget allocation received the highest rating (M - 4.19, SD - .81, High), followed by adherence to policy mandates and legal guidelines (M - 4.16, SD - .81, High), and the planning of infrastructure and socioeconomic projects (M - 4.10, SD - .82, High).

2. The overall utilization of the development fund was also rated high with a mean of 3.99 with a standard deviation (SD) of .77. Among the indicators, community-level delivery of public value and socioeconomic benefits obtained the highest mean (M - 4.09, SD - .82 High), followed by fund absorption and execution rates (M - 4.01, SD - .74, High), and project completion timelines (M - 3.87, SD - .87, High).

3. There is a significant relationship between implementation status and utilization outcomes ($r = .882$, $p < .001$).

Conclusions

Based on the findings of the study, the following conclusions are drawn:

1. The implementation of the 20 Percent Development Fund is generally carried out with a high level of compliance to established policies, procedures, and development priorities

2. The 20 Percent Development Fund is utilized to a great extent, effectively supporting development initiatives through efficient resource utilization and satisfactory project outcomes.

3. The hypothesis that there is no significant relationship between the levels of implementation and the utilization of 20 percent Development Fund is rejected. Implementation quality is a primary determinant of utilization outcomes. Better implementation of the development fund positively affects utilization outcomes.

Recommendations

In light of the findings and conclusions, the following recommendations are proposed for specific stakeholders.

1. National Government Agencies (DILG, DBM, and COA) may provide clearer and more actionable guidelines on project timeliness and execution efficiency and conduct strengthened capacity-building programs for LGU budget and project officers. While compliance frameworks are well-established, national agencies may develop and disseminate standardized protocols, time-bound benchmarks, and incentives for timely project completion. This could include simplified procurement pathways for small-scale projects or expedited approval processes for priority initiatives.

2. The Province of Negros Occidental may facilitate inter-LGU knowledge sharing and benchmarking and provide technical assistance for dynamic evaluation and timely monitoring of programs and projects.

3. The LGU may sustain proper budget allocation and legal compliance while addressing project completion delays through administrative reforms, including improving coordination between planning, procurement, and implementation units, instituting regular and timely monitoring of actual accomplishments against approved plans. Targeted capacity-building for project officers will boost accountability and help convert structured budget planning into timely, measurable community outcomes.

4. Barangay Officials may participate actively in project identification, implementation, and monitoring.

5. Local constituents and communities may engage in participatory budgeting and public consultations as provide feedback on project outcomes based on their monitoring of project implementations.

6. The researcher may use the study's findings to formulate a data-driven development plan that targets the specific gaps affecting fund implementation and utilization. In particular, the researcher may recommend stronger project planning, closer monitoring of implementation progress, and regular evaluation of outcomes so that the development fund is translated into timely and measurable community benefits.

7. Future researchers may use this study to conduct further qualitative case studies on project delays, expand the study to other LGUs, and examine long-term socioeconomic impacts of implementation and utilization of the 20 percent development fund.

Proposed Development Plan

The actual implementation and utilization of the 20 Percent Development Fund (DF) start with the strict appropriation of no less than 20 percent of the Internal Revenue Allotment (IRA), later named as National Tax Allotment per Mandanas-Garcia ruling, in the annual budget for priority development projects identified in the Local Development Plan (LDP) and Annual Investment Program (AIP). In practice, the Local Planning and Development Coordinator, together with the Local Development Council, Engineering Office, and Budget Office, validates and prioritizes infrastructure proposals to ensure they are aligned with approved local plans before being coded as 20% DF expenditures in the appropriation ordinance. This front-end planning and budgeting process operationalizes the mandate under Section 287 of Republic Act No. 7160 and related joint circulars, transforming the legal requirement into a concrete set of programs, projects, and activities ready for implementation (Republic Act No. 7160, 1991; Department of the Interior and Local Government [DILG] & Department of Budget and Management [DBM], 2017).

Once appropriated, the 20 percent DF is utilized through a structured sequence of activities that moves projects from detailed engineering design and cost estimation to procurement, contract award, and physical construction (Republic Act No. 12009, 2024; Government Procurement Policy Board, 2004). These implementation steps ensure that the 20% DF is actually spent on tangible infrastructure outputs rather than remaining as unutilized appropriations.

The utilization of the 20 percent DF is completed through financial management, monitoring, and turnover processes that convert physical accomplishments into functional public assets. Together, these activities reflect the actual on-the-ground use of the 20% DF and provide the empirical basis for the developmental plan presented in Table 1 (DILG & DBM, 2020; Commission on Audit, 2022).

To translate these policy requirements and implementation practices into an operational roadmap, Tables 4 and 5 present the detailed development plan that maps each stage of the 20 percent DF utilization cycle into specific activities, responsible offices, timelines, performance indicators, and risk controls specifically towards the completion of infrastructure projects within the timeline set.

Table 4 and 5 contains column headings that collectively describe how infrastructure projects funded from the 20% DF should be validated, prioritized, budgeted, designed, procured, implemented, monitored, and turned over.

The Activity No. column identifies the sequence of implementation stages, while the Activity Description column provides the specific task or process to be undertaken in each stage.

The activities enumerated in Tables 4 and 5 follow a logical sequence from planning to asset turnover.

Activities 1 and 2 cover validation and prioritization of infrastructure projects aligned with the LDP and AIP, and budget appropriation and allocation of the 20% DF to specific infrastructure projects in the annual budget and AIP.

Activities 3 to 6 involve detailed engineering design, BOQ, and cost estimation; procurement and bidding of infrastructure projects in compliance with Republic Act No. 12009; contract signing and issuance of NTP; and physical implementation and construction of infrastructure projects.

Activities 7 and 8 pertain to financial management, including processing of progress billings and payments, as well as monitoring, reporting, and evaluation of physical and financial performance.

Activity 9 completes the cycle through completion, final inspection, turnover, and establishment of O&M arrangements. These activities collectively ensure that the 20% DF is utilized in a planned, transparent, and accountable manner, from project identification to sustained delivery of public services (DILG & DBM, 2017; Republic Act No. 12009, 2024; Commission on Audit, 2022).

Table 4 presents the following columns:

The Legal/Policy Basis column indicates the statutory and administrative issuances that authorize and govern each activity, ensuring that the use of the 20 percent DF is consistent with national and local policy frameworks.

The Primary Responsible Office/Person and Support Offices/Persons columns delineates accountability and coordination arrangements across planning, engineering, budgeting, procurement, accounting, and executive offices, thereby clarifying institutional roles and responsibilities.

The Indicative Timeline column specifies when each activity should be performed relative to the fiscal year or contract period.

Several acronyms are used in Table 4 to denote key legal, institutional, and technical terms, as follows:

RA refers to Republic Act. A legislative enactment passed by Congress and signed into law, serving as a legal basis for governmental action;

DF, Development Fund. A designated fund allocated for development-related programs, projects, or activities;

IRA, Internal Revenue Allotment. A national revenue share transferred to local government units to support their general and development expenditures;

AIP, Annual Investment Plan; A yearly plan that identifies the priority programs, projects, and activities to be funded and implemented.

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LDP, Local Development Plan A strategic planning document that outlines the long-term development goals and directions of the local government unit;

JMC, Joint Memorandum Circular; A joint issuance by two or more agencies that establishes unified policy guidelines or implementation rules.

EO, Executive Order; An official directive issued by the Chief Executive to prescribe policy, organization, or administrative action.

DBM, Department of Budget and Management. The national agency responsible for budget preparation, allocation, and expenditure management.

DILG, Department of the Interior and Local Government. The national agency tasked with promoting local governance, peace and order, and public administration oversight.

DOF, Department of Finance. The government agency responsible for fiscal policy, revenue administration, and financial management.

COA, Commission on Audit. The constitutional audit institution responsible for examining government accounts, expenditures, and compliance with accounting and auditing rules and procedures.

DPWH, Department of Public Works and Highways. The government agency responsible for infrastructure planning, construction, and maintenance of public works.

GPPB, Government Procurement Policy Board. The national policy-making body responsible for procurement rules, standards, and reforms;

MOOE, Maintenance and Other Operating Expenses. Expenditures required for the routine operation and maintenance of offices, facilities, and programs;

NTP, Notice to Proceed. The formal notice issued to authorize the contractor to begin work under a contract;

M&E, Monitoring and Evaluation. The systematic process of tracking implementation progress and assessing results or performance;

O&M, Operations and Maintenance. Activities undertaken to ensure the proper functioning, upkeep, and sustainability of assets or facilities;

LGU, Local Government Unit. A political subdivision of the state, such as a province, city, municipality, or barangay, with local administrative authority; and

BAC, Bids and Awards Committee. The committee responsible for managing procurement activities, including bidding, evaluation, and award of contracts.

These abbreviations are standard in local governance, budgeting, procurement, and infrastructure administration, and they help make the table more concise while preserving technical clarity (DILG & DBM, 2017; DILG & DBM, 2020; Republic Act No. 7160, 1991).

Table 4. Development Plan for 20 percent Development Fund Relative to Timely Implementation of Projects containing the Legal Basis, Persons Responsible, and Indicative Timelines

Activity No.	**Activity Description**	**Legal/ Policy Basis**	**Primary Responsible Office/Person**	**Support Offices/ Persons**	**Indicative Timeline**
1	Validation and prioritization of	RA 7160, Sec. 287; DILG–DBM JMC	Local Planning and	Local Development	6 Months

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	infrastructure projects aligned with the Local Development Plan (LDP) and Annual Investment Plan (AIP)	No. 2017-1; JMC No. 1, s. 2020	Development Coordinator (LPDC/MPDC)	Council (LDC), Engineering Office, Budget Office	before year -end
1	Validation and prioritization of infrastructure projects aligned with the LDP and AIP	RA 7160, Sec. 287; DILG–DBM JMC No. 2017-1; JMC No. 1, s. 2020	LPDC/ MPDC	LDC, Engineering Office, Budget Office	6 Months before year-end
2	Budget appropriation and allocation of 20% DF to specific infrastructure projects in the Annual Budget and AIP	RA 7160, Sec. 287; EO 189; DILG–DBM JMC No. 2017-1; JMC No. 1, s. 2020	Local Budget Officer (LBO)	Mayor/Chief Executive, Sanggunian, Planning Office	6 Months before year-end
2	Budget appropriation and allocation of 20% DF to specific infrastructure projects in the Annual Budget and AIP	RA 7160, Sec. 287; EO 189; DILG–DBM JMC No. 2017-1; JMC No. 1, s. 2020	LBO	Mayor/Chief Executive, Sanggunian, Planning Office	6 Months before year-end
3	Detailed engineering design, Bill of Quantities (BOQ), and cost estimation	RA 12009 and IRR; DPWH technical guidelines	Local Engineer	Planning Office, Barangay Officials	6 Months before year-end
3	Detailed engineering design, Bill of Quantities (BOQ), and cost estimation	RA 12009 and IRR; DPWH technical guidelines	Local Engineer	Planning Office, Barangay Officials	6 Months before year-end
4	Procurement and bidding of infrastructure projects in compliance with RA 12009	RA 12009 and IRR; GPPB guidelines; COA rules	Bids and Awards Committee (BAC)	Engineering Office, General Services Office (GSO), Legal Office, Budget Office	Within the fiscal year (as required)
4	Procurement and bidding of infrastructure projects in compliance with RA 12009	RA 12009 and IRR; GPPB guidelines; COA rules	BAC	Engineering Office, GSO, Legal Office, Budget Office	Within the fiscal year (as required)
5	Contract signing and issuance of Notice to Proceed (NTP)	RA 12009 and IRR; GPPB Res. 018-2004, LGU contracting rules	Mayor/Chief Executive	BAC, Engineering Office, Legal Office	Within a month from bid date
5	Contract signing and issuance of Notice to Proceed (NTP)	RA 12009 and IRR; GPPB Res. 018-2004, LGU contracting rules	Mayor/Chief Executive (or authorized signatory)	BAC, Engineering Office, Legal Office	Within a month from bid date

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5	Contract signing and issuance of Notice to Proceed (NTP)	RA 12009 and IRR; GPPB Res. 018-2004, LGU contracting rules	Mayor/Chief Executive (or authorized signatory)	BAC, Engineering Office, Legal Office	Within a month from bid date
6	Physical implementation and construction of infrastructure projects	Contract terms; RA 12009; DPWH standards; GPPB Res. 018-2004	Contractor	Local Engineer, Project Engineer, Site Inspector	Within period indicated in the contract agreement
6	Physical implementation and construction of infrastructure projects	Contract terms; RA 12009; DPWH standards, GPPB Res. 018-2004	Contractor	Local Engineer, Project Engineer, Site Inspector	Within period indicated in the contract agreement
7	Financial management: processing of progress billings and payments	COA rules; LGU accounting regulations; RA 11032, RA 12009	Accounting Office, Budget Office	Engineering Office, Treasurer's Office, ICD	Within the number of days required to take action
7	Financial management: processing of progress billings and payments	COA rules; LGU accounting regulations; RA 11032, RA 12009	Accounting Office, Budget Office	Engineering Office, Treasurer's Office	Within the number of days to take action
8	Monitoring, reporting, and evaluation of physical and financial performance	DILG–DBM JMC No. 2017-1; JMC No. 1, s. 2020; COA rules	Planning Office (LPDC/MPDC), Engineering Office	Budget Office, Accounting Office, ICD	Within the contract period
8	Monitoring, reporting, and evaluation of physical and financial performance	DILG–DBM JMC No. 2017-1; JMC No. 1, s. 2020; COA rules	Planning Office (LPDC/MPDC), Engineering Office	Budget Office, Accounting Office, ICD	Within the contract period
9	Completion, final inspection, turnover, and establishment of O&M arrangements	Contract provisions; LGU asset management policies	Local Engineer	Mayor's Office, GSO, Accounting Office Barangay Officials	Within one year from end of contract period
9	Completion, final inspection, turnover, and establishment of O&M arrangements	Contract provisions; LGU asset management policies	Local Engineer	Mayor's Office, GSO, Accounting Office, Barangay Officials, O&M Unit	Within one year from end of contract period

Aside from the columns for Activity Number and Description, Table 5 also presents the following columns:

The Key Performance Indicator (KPI) and Target/Standard columns define measurable criteria and desired levels of compliance or achievement.

The Risk Category/Key Risk and Mitigation Measures columns identify potential governance, technical, financial, legal, procurement, and implementation risks, along with corresponding controls and corrective actions designed to safeguard project performance and public value delivery. By specifying the legal basis, accountable units, KPIs, targets, risks, and mitigation measures for each activity, the table serves as a practical guide for LGUs in converting the 20% DF mandate into measurable development outcomes (DILG & DBM, 2017; DILG & DBM, 2020).

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Table 5. Development Plan for 20 percent Development Fund Relative to Timely Implementation of Projects containing the KPI, Target/Standards, Risk Category/Key Risk, and Mitigating Measures

Activity No.	Activity Description	Key Performance Indicator (KPI)	Target/ Standard	Risk Category/ Key Risk	Mitigation Measures
1	Validation and prioritization of infrastructure projects aligned with the Local Development Plan (LDP) and Annual Investment Plan (AIP)	Percentage of proposed infrastructure projects mapped to LDP and AIP line items	100%	Governance Political pressure to include non-priority projects	Use transparent scoring matrix; require LDC endorsement; document justification for all inclusions
1	Validation and prioritization of infrastructure projects aligned with the LDP and AIP	Existence of documented priority ranking using defined criteria	Yes (all projects)	Technical Incomplete feasibility or design information	Require preliminary engineering estimates and site validation before project inclusion
2	Budget appropriation and allocation of 20% DF to specific infrastructure projects in the Annual Budget and AIP	Appropriation ordinance with ≥ 20% of IRA coded as Development Fund	100% compliance	Financial/ Legal Late or deficient appropriation of 20% DF	Start budget process early; align with NGAs' guidelines; conduct pre-approval reviews
2	Budget appropriation and allocation of 20% DF to specific infrastructure projects in the Annual Budget and AIP	Percentage of infrastructure projects reflected in AIP and budget	100%	Legal/Compliance Misclassification of expenditures (e.g., MOOE charged to 20% DF)	Strict adherence to JMC definitions of allowable charges; internal audit review before approval
3	Detailed engineering design, Bill of Quantities (BOQ), and cost estimation	Percentage of projects with approved detailed designs and BOQ before bidding	100%	Technical/ Financial Under- or over-estimation of project costs	Conduct peer review of designs; use updated unit prices; conduct formal site inspection; include contingency within legal limits
3	Detailed engineering design, Bill of Quantities (BOQ), and cost estimation	Variance between estimated and final contract amount	≤ 10%	Implementation/Legal Unidentified right-of-way (ROW) issues	Confirm ownership of ROW, include ROW assessment and cost estimates during detailed engineering

4	Procurement and bidding of infrastructure projects in compliance with RA 12009	Percentage of projects with completed bidding within planned schedule	≥ 90%	Procurement Delays in bidding due to protests or incomplete documents	Prepare complete bidding documents early; conduct early procurement activities including pre-bid conferences; ensure legal review
4	Procurement and bidding of infrastructure projects in compliance with RA 12009	Number of successful bid protests	0 (or all resolved within prescribed periods)	Governance/ Procurement Collusion or non-compliance with RA 12009	Ensure transparent posting of bids; strict compliance with RA 12009; coordinate with COA and internal audit
5	Contract signing and issuance of Notice to Proceed (NTP)	Percentage of awarded projects with signed contracts before work start	100%	Implementation Delays in contract signing or NTP issuance	Use prescribed standard contract templates; comply with set timelines for contract signing and NTP issuance
5	Contract signing and issuance of Notice to Proceed (NTP)	Mobilization completed within agreed NTP period	100%	Technical/ Implementationm Contractor under-capacity to deliver	Conduct strict eligibility checks; require performance bonds; include in contract specific provisions for liquidated damages and termination of contract
5	Contract signing and issuance of Notice to Proceed (NTP)	Complete and clear contract details including contract period, termination and payment schemes	100% compliance	Implementation Non-compliance of contractors	Prepare personalized contracts and include specific details on termination and payment schedules
6	Physical implementation and construction of infrastructure projects	Percentage of projects on or ahead of approved work schedule (S-curve)	≥ 90%	Implementation Construction delays (weather, materials, labor)	Develop realistic schedules; include contingency time; procure materials early; enforce termination clauses, conduct close monitoring of conformity with schedules and percentage of work done
6	Physical implementation and construction of infrastructure projects	Percentage of work items passing inspection on first submission	≥ 90%	Technical Substandard workmanship or materials	Conduct regular site inspections; withhold final payment until defects are addressed; impose penalties on delays including termination of contract

7	Financial management: processing of progress billings and payments	Average payment processing time for progress billings	Within prescribed period (in working days, ≤ 3, for simple transaction, ≤ 7, for complex transaction, and no more than 20 or as determined, whichever is shorter, for highly technical transactions)	Financial Delayed payments causing work stoppage	Prepare cash flow plan; prioritize 20% DF-backed projects; implement payment schemes in contract; pre-verify documentary requirements; coordinate project validation timeframes, strictly comply with processing time limits
7	Financial management: processing of progress billings and payments	Percentage of billings with complete documentation and site verification	100%	Legal/ Compliance Irregular or unsupported disbursements	Enforce strict documentary requirements; conduct internal audit pre-review; coordinate regularly with COA
8	Monitoring, reporting, and evaluation of physical and financial performance	Percentage of projects with up-to-date physical and financial monitoring reports	100%	Governance/ Implementation Weak data quality or late monitoring reports	Use standardized templates; coordinate monitoring timeframes; hold monthly review meetings
8	Monitoring, reporting, and evaluation of physical and financial performance	Variance between planned and actual accomplishments (time and cost)	± 10%	Legal/ Compliance Audit findings of non-compliance	Conduct internal audit; prepare and implement corrective measures within a specific period; maintain COA coordination
9	Completion, final inspection, turnover, and establishment of O&M arrangements	Percentage of completed projects formally accepted and turned over	100%	Implementation/Financial Premature deterioration due to lack of O&M	Integrate O&M costs in regular budget; assign clear O&M responsibility by facility
9	Completion, final inspection, turnover, and establishment of O&M arrangements	Existence of O&M plan and dedicated budget line for each facility	Yes (all facilities)	Technical/ Governance Incomplete documentation at turnover	Use standard turnover checklist; require as-built plans, warranties, and operation manuals

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APPENDICES

Appendix C

Survey Questionnaire

Implementation And Utilization Of Development Fund In A City: Basis For A Development Plan

General Instructions: Please indicate your level of agreement with each statement using the scale below: 1 – Strongly Disagree, 2 – Disagree, 3 – Neutral, 4 – Agree, 5 – Strongly Agree by checking (√) the corresponding column.

Part I: Implementation of the 20 Percent Development Fund

Statements	**5**	**4**	**3**	**2**	**1**
A. Annual Budget Allocations					
1. The annual allocation of the 20% Development Fund complies with existing national policies and budgeting guidelines.					
2. The allocation of the Development Fund is based on the priorities identified in the approved Local Development Plan.					
3. Development projects are adequately funded according to their approved budget allocation.					
4. Budget allocation decisions are supported by documented planning including consultation processes.					
5. Annual appropriations for development projects are released within the prescribed budget cycle.					
6. Budget reallocations, when necessary, follow prescribed legal procedures.					
7. Financial resources are distributed equitably among eligible development projects.					
8. Budget allocations adequately support priority infrastructure, social, and economic development programs.					
B. Policy Mandates and Legal Guidelines					
9. Development projects comply with the provisions of the Local Government Code.					
10. Fund utilization follows applicable DILG, DBM, and COA guidelines.					
11. The Annual Investment Program serves as the basis for project implementation.					
12. Procurement activities comply with Republic Act No. 9184 and its implementing rules.					
13. Financial transactions are properly documented in accordance with government accounting standards.					
14. Development projects undergo the required monitoring and evaluation procedures.					
15. Project implementation adheres to established legal and administrative requirements.					
16. Compliance reports are submitted within the prescribed reporting periods.					

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C. Planned Infrastructure, Social, and Economic Development Projects					
17. Development projects are implemented according to the approved Annual Investment Program.					
18. Infrastructure projects address the priority needs of the community.					
19. Social development projects are implemented as planned.					
20. Economic development projects contribute to local economic growth.					
21. Development projects are completed according to approved technical specifications.					
22. Project implementation follows the approved schedule of activities.					
23. Implemented projects are consistent with the city's development priorities.					
24. Completed projects provide measurable benefits to the intended beneficiaries.					

Part II: Utilization of the 20 Percent Development Fund

Statements	**5**	**4**	**3**	**2**	**1**
A. Fund Absorption and Execution Rates					
1. The allocated Development Fund is utilized efficiently.					
2. Approved funds are obligated within the intended fiscal year.					
3. Budget execution supports the timely completion of projects.					
4. Development projects achieve satisfactory fund utilization rates.					
5. Budget utilization minimizes the return of unused appropriations.					
6. Financial resources are utilized according to approved purposes.					
7. Fund utilization complies with government financial regulations.					
8. Financial utilization contributes to the successful completion of projects.					
B. Project Completion Timelines					
9. Development projects are completed within the approved schedule.					
10. Project implementation minimizes unnecessary delays.					
11. Project milestones are achieved according to the implementation plan.					
12. Delays are immediately addressed through appropriate management interventions.					
13. Completed projects satisfy the approved implementation timetable.					
14. Project monitoring contributes to timely project completion.					
15. Procurement activities support timely project completion.					
16. Most development projects are completed within the approved contract duration.					
C. Community-Level Delivery of Public Value and Socioeconomic Benefits					
17. Completed development projects improve the quality of public services.					
18. Development projects address the priority needs of local communities.					
19. Implemented projects contribute to local socioeconomic development.					

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20. Development projects improve public access to basic services.					
21. Completed projects provide sustainable benefits to the community.					
22. The Development Fund contributes to inclusive local development.					
23. Community members benefit from the projects funded through the 20% Development Fund.					
24. The implementation of development projects enhances public trust in the local government.					

Appendix D

Validity Test Results

Research Instrument Validation Form

Using the Content Validity Ratio (CVR) devised by C.H. Lawshe (1975), kindly rate each item in the instrument by responding to the question for each of the items. Is the skill or knowledge measured by this item (a) Essential, (b) Useful but not essential, or (c) Not necessary to the measurement of **Implementation and Utilization of Development Fund in a City: Basis for a Development Plan.**

Kindly check the appropriate rating scale on the blank that corresponds to your response.

Statements	**Essential**	**Useful but not Essential**	**Not Necessary**	**Comment**
Part I: Implementation of the Development Fund				
A. Annual Budget Allocations				
1. The annual allocation of the 20% Development Fund complies with existing national policies and budgeting guidelines.	☐☐	☐	☐	☐
2. The allocation of the Development Fund is based on the priorities identified in the approved Local Development Plan.	☐☐	☐	☐	☐
3. Development projects are adequately funded according to their approved budget allocation.	☐☐	☐	☐	☐
4. Budget allocation decisions are supported by documented planning including consultation processes.	☐☐	☐	☐	☐
5. Annual appropriations for development projects are released within the prescribed budget cycle.	☐☐	☐	☐	☐
6. Budget reallocations, when necessary, follow prescribed legal procedures.	☐☐	☐	☐	☐
7. Financial resources are distributed equitably among eligible development projects.	☐☐	☐	☐	☐
8. Budget allocations adequately support priority infrastructure, social, and economic development programs.	☐☐	☐	☐	☐
B. Policy Mandates and Legal Guidelines				
9. Development projects comply with the provisions	☐☐	☐	☐	☐

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of the Local Government Code.				
10. Fund utilization follows applicable DILG, DBM, and COA guidelines.	□□	□	□	□
11. The Annual Investment Program serves as the basis for project implementation.	□□	□	□	□
12. Procurement activities comply with Republic Act No. 12009 and its implementing rules.	□□	□	□	□
13. Financial transactions are properly documented in accordance with government accounting standards.	□□	□	□	□
14. Development projects undergo the required monitoring and evaluation procedures.	□□	□	□	□
15. Project implementation adheres to established legal and administrative requirements.	□□	□	□	□
16. Compliance reports are submitted within the prescribed reporting periods.	□□	□	□	□
C. Planned Infrastructure, Social, and Economic Development Projects				
17. Development projects are implemented according to the approved Annual Investment Program.	□□	□	□	□
18. Infrastructure projects address the priority needs of the community.	□□	□	□	□
19. Social development projects are implemented as planned.	□□	□	□	□
20. Economic development projects contribute to local economic growth.	□□	□	□	□
21. Development projects are completed according to approved technical specifications.	□□	□	□	□
22. Project implementation follows the approved schedule of activities.	□□	□	□	□
23. Implemented projects are consistent with the city's development priorities.	□□	□	□	□
24. Completed projects provide measurable benefits to the intended beneficiaries.	□□	□	□	□
Part II: Utilization of the Development Fund				
A. Fund Absorption and Execution Rates				
1. The allocated Development Fund is utilized efficiently.	□□	□	□	□
2. Approved funds are obligated within the intended fiscal year.	□□	□	□	□
3. Budget execution supports the timely completion of projects.	□□	□	□	□
4. Development projects achieve satisfactory fund utilization rates.	□□	□	□	□
5. Budget utilization minimizes the return of unused	□□	□	□	□

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appropriations.				
6. Financial resources are utilized according to approved purposes.	□□	□	□	□
7. Fund utilization complies with government financial regulations.	□□	□	□	□
8. Financial utilization contributes to the successful completion of projects.	□□	□	□	□
B. Project Completion Timelines				
9. Development projects are completed within the approved schedule.	□□	□	□	□
10. Project implementation minimizes unnecessary delays.	□□	□	□	□
11. Project milestones are achieved according to the implementation plan.	□□	□	□	□
12. 12. Delays are immediately addressed through appropriate management interventions.	□□	□	□	□
13. Completed projects satisfy the approved implementation timetable.	□□	□	□	□
14. Project monitoring contributes to timely project completion.	□□	□	□	□
15. Procurement activities support timely project completion.	□□	□	□	□
16. Most development projects are completed within the approved contract duration.	□□	□	□	□
C. Community-Level Delivery of Public Value and Socioeconomic Benefits				
17. Completed development projects improve the quality of public services.	□□	□	□	□
18. Development projects address the priority needs of local communities.	□□	□	□	□
19. Implemented projects contribute to local socioeconomic development.	□□	□	□	□
20. Development projects improve public access to basic services.	□□	□	□	□
21. Completed projects provide sustainable benefits to the community.	□□	□	□	□
22. The Development Fund contributes to inclusive local development.	□□	□	□	□
23. Community members benefit from the projects funded through the 20% Development Fund.	□			
24. The implementation of development projects enhances public trust in the local government.	□			

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Comments/Suggestions and Modifications:

____

____

____

____

Validator:

JORDAN T. YAP

Signature over Printed Name

Using the criteria developed for evaluating the content validity of a researcher-made instrument, as set forth by C.H. Lawshe (1975), five evaluators assessed the questionnaire on **"Implementation and Utilization of Development Fund in a City: Basis for a Development Plan."**

For a panel of 5 or 6 experts, an item must achieve a minimum CVR value of **0.99** to be considered significantly valid at the $\alpha = 0.05$ level. Since $N = 5$, this effectively means all five panelists must agree that an item is "essential" for it to meet Lawshe's original threshold for inclusion.

Implementation of Development Fund in a City

Mean CVR = $\frac{\text{Total number of essential items}}{\textit{number of items}}$

Total number of essential items = **24** Number of Items = **24**

Mean CVR = 24 **=** 1 **Strong Content Validity (all items are essential)**

24

Utilization of Development Fund in a City

Mean CVR = $\frac{\text{Total number of essential items}}{\textit{number of items}}$

Total number of essential items = **30** Number of Items = **30**

Mean CVR = 30 = 1 **Strong Content Validity (all items are essential)**

30

Zyrene Kaye G. Cahayagan, Lpt

Appendix E

Reliability Test Result

Implementation of 20 Percent Development Fund

Cronbach's Alpha	N of Items
.987	24

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Item Statistics

	Mean	Std. Deviation	N
Q1	4.67	.479	30
Q2	4.67	.479	30
Q3	4.67	.479	30
Q4	4.60	.621	30
Q5	4.60	.621	30
Q6	4.53	.819	30
Q7	4.53	.730	30
Q8	4.40	.894	30
Q9	4.53	.730	30
Q10	4.53	.730	30
Q11	4.53	.730	30
Q12	4.40	.894	30
Q13	4.67	.479	30
Q14	4.60	.621	30
Q15	4.73	.450	30
Q16	4.40	1.102	30
Q17	4.33	1.373	30
Q18	4.33	1.269	30
Q19	4.40	1.037	30
Q20	4.47	.973	30
Q21	4.40	1.102	30
Q22	4.33	1.093	30
Q23	4.47	.900	30
Q24	4.33	1.155	30

Scale Mean if Item Deleted		Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q1	103.47	314.051	.936	.986
Q2	103.47	314.051	.936	.986
Q3	103.47	314.051	.936	.986
Q4	103.53	309.223	.942	.986
Q5	103.53	309.223	.942	.986
Q6	103.60	304.524	.874	.986
Q7	103.60	304.662	.980	.986
Q8	103.73	301.582	.895	.986

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Q9	103.60	307.145	.879	.986
Q10	103.60	307.145	.879	.986
Q11	103.60	308.248	.835	.986
Q12	103.73	299.375	.970	.986
Q13	103.47	314.051	.936	.986
Q14	103.53	309.223	.942	.986
Q15	103.40	315.145	.929	.987
Q16	103.73	293.444	.941	.986
Q17	103.80	288.303	.858	.987
Q18	103.80	290.786	.874	.987
Q19	103.73	295.789	.934	.986
Q20	103.67	300.920	.839	.986
Q21	103.73	293.444	.941	.986
Q22	103.80	292.303	.981	.985
Q23	103.67	301.885	.880	.986
Q24	103.80	293.545	.892	.986

Utilization of 20 Percent Development Fund

Cronbach's Alpha	N of Items
.990	24

Reliability Statistics

Item Statistics

	Mean	Std. Deviation	N
Q25	4.00	1.438	30
Q26	4.47	.819	30
Q27	4.13	1.224	30
Q28	4.13	1.224	30
Q29	4.07	1.258	30
Q30	4.13	1.106	30
Q31	4.40	.724	30
Q32	4.33	.959	30
Q33	4.13	1.224	30
Q34	4.27	1.081	30
Q35	4.40	.894	30
Q36	4.13	1.383	30
Q37	4.20	1.126	30

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Q38	4.27	1.081	30
Q39	4.13	1.224	30
Q40	4.20	1.126	30
Q41	4.27	.868	30
Q42	4.40	.894	30
Q43	4.13	1.106	30
Q44	4.27	.944	30
Q45	4.13	1.042	30
Q46	4.07	1.143	30
Q47	4.13	1.224	30
Q48	4.20	1.186	30

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach'sAlpha if Item Deleted
Q25	97.00	517.379	.911	.990
Q26	96.53	546.740	.825	.990
Q27	96.87	523.844	.958	.990
Q28	96.87	523.844	.958	.990
Q29	96.93	521.444	.975	.989
Q30	96.87	527.430	.992	.989
Q31	96.60	552.110	.776	.991
Q32	96.67	545.609	.726	.991
Q33	96.87	523.568	.963	.989
Q34	96.73	534.133	.876	.990
Q35	96.60	542.593	.855	.990
Q36	96.87	518.602	.929	.990
Q37	96.80	527.890	.964	.989
Q38	96.73	534.133	.876	.990
Q39	96.87	525.361	.930	.990
Q40	96.80	529.683	.927	.990
Q41	96.73	545.030	.820	.990
Q42	96.60	547.007	.746	.991
Q43	96.87	527.430	.992	.989
Q44	96.73	539.237	.887	.990
Q45	96.87	534.740	.897	.990
Q46	96.93	528.892	.929	.990
Q47	96.87	525.637	.924	.990
Q48	96.80	525.959	.950	.990

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Appendix F

Raw Data

IMPLEMENTATION OF 20 PERCENT DEVELOPMENT FUND																								
	Annual Budget Allocations								Policy Mandates and Legal Guidelines								Planned Infrastructure, Social, and Economic Development Projects							
	Question No.																							
Respondent	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1	5	5	5	4	4	4	5	4	5	5	5	5	4	5	5	5	5	4	5	5	4	5	5	4
2	5	5	5	5	4	4	5	4	5	4	5	5	5	5	5	4	4	5	4	5	5	5	5	4
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28	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3

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29	4	3	4	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
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31	4	4	5	5	5	4	4	4	4	5	5	5	5	5	4	4	4	4	4	5	5	5	4	3
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33	4	4	4	5	5	4	4	5	4	4	4	4	5	5	5	5	5	5	4	5	4	4	4	4
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38	4	5	4	5	4	4	4	5	5	5	5	4	4	5	5	4	4	4	4	4	4	3	4	4
39	3	4	5	4	4	3	3	4	4	3	3	5	4	4	4	5	4	3	3	4	4	3	3	4
40	4	5	5	4	5	5	5	4	4	5	4	5	4	5	4	5	5	5	5	4	5	5	5	4
41	5	5	5	5	4	5	4	5	5	5	5	4	4	5	4	5	5	5	4	4	5	5	5	5
42	5	5	5	5	5	5	5	4	5	5	4	5	5	4	5	5	5	5	4	5	5	4	5	5
43	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
44	1	1	2	2	2	1	2	2	2	1	1	1	1	2	2	2	2	2	2	1	3	3	2	1
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UTILIZATION OF 20 PERCENT DEVELOPMENT FUND																								
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Appendix G

Normality Test Results

Explore

Tests of Normality

	Kolmogorov-Smirnov[a]				Shapiro-Wilk	
	Statistic	Df	Sig.	Statistic	df	Sig.
IMPLEMENTATION OF THE 20 PERCENT DEVELOPMENT FUND	.161	120	<.001	.888	120	<.001
UTILIZATION OF THE 20 PERCENT DEVELOPMENT FUND	.097	120	.007	.944	120	<.001

a. Lilliefors Significance Correction

Appendix H

Statistical Data Analysis Results

SOP 1

Descriptive Statistics

N		Mean	Std. Deviation
Annual Budget Allocations	120	4.19	.81
1. The annual allocation of the 20% Development Fund complies with existing national policies and budgeting guidelines.	120	4.24	.89
2. The allocation of the Development Fund is based on the priorities identified in the approved Local Development Plan.	120	4.20	.98
3. Development projects are adequately funded according to their approved budget allocation.	120	4.20	.92
4. Budget allocation decisions are supported by documented planning including consultation processes.	120	4.21	.95
5. Annual appropriations for development projects are released within the prescribed budget cycle.	120	4.21	.90
6. Budget reallocations, when necessary, follow prescribed legal procedures.	120	4.14	.94
7. Financial resources are distributed equitably among eligible development projects.	120	4.14	.93
8. Budget allocations adequately support priority infrastructure, social, and economic development programs.	120	4.19	.90
Policy Mandates and Legal Guidelines	120	4.16	.81
9. Development projects comply with the provisions of the Local Government Code.	120	4.29	.84
10. Fund utilization follows applicable DILG, DBM, and COA guidelines.	120	4.26	.90

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11. The Annual Investment Program serves as the basis for project implementation.	120	4.15	.92
12. Procurement activities comply with Republic Act No. 12009 and its implementing rules.	120	4.10	.90
13. Financial transactions are properly documented in accordance with government accounting standards.	120	4.10	.95
14. Development projects undergo the required monitoring and evaluation procedures.	120	4.12	.94
15. Project implementation adheres to established legal and administrative requirements.	120	4.10	.94
16. Compliance reports are submitted within the prescribed reporting periods.	120	4.17	.97
Planned Infrastructure, Social, and Economic Development Projects	120	4.10	.82
17. Development projects are implemented according to the approved Annual Investment Program.	120	4.17	.87
18. Infrastructure projects address the priority needs of the community.	120	4.03	.96
19. Social development projects are implemented as planned.	120	4.07	.97
20. Economic development projects contribute to local economic growth.	120	4.22	.88
21. Development projects are completed according to approved technical specifications.	120	4.13	.86
22. Project implementation follows the approved schedule of activities.	120	4.06	1.06
23. Implemented projects are consistent with the city's development priorities.	120	4.10	.98
24. Completed projects provide measurable benefits to the intended beneficiaries.	120	4.05	.97
IMPLEMENTATION OF THE 20 PERCENT DEVELOPMENT FUND (Overall Mean)	120	4.15	.79
Valid N (listwise)	120		

SOP 2

Descriptive Statistics

N		Mean	Std. Deviation
Fund Absorption and Execution Rates	120	4.01	.74
1. The allocated Development Fund is utilized efficiently.	120	3.97	.87
2. Approved funds are obligated within the intended fiscal year.	120	4.01	.82
3. Budget execution supports the timely completion of projects.	120	3.94	.96
4. Development projects achieve satisfactory fund utilization rates.	120	4.04	.84
5. Budget utilization minimizes the return of unused appropriations.	120	3.92	.87
6. Financial resources are utilized according to approved purposes.	120	4.06	.86
7. Fund utilization complies with government financial regulations.	120	4.10	.79

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8. Financial utilization contributes to the successful completion of projects.	120	4.00	.93
Project Completion Timelines	120	3.87	.87
9. Development projects are completed within the approved schedule.	120	3.78	1.04
10. Project implementation minimizes unnecessary delays.	120	3.77	.97
11. Project milestones are achieved according to the implementation plan.	120	3.92	.93
12. Delays are immediately addressed through appropriate management interventions.	120	3.83	1.00
13. Completed projects satisfy the approved implementation timetable.	120	3.89	.93
14. Project monitoring contributes to timely project completion.	120	3.98	.98
15. Procurement activities support timely project completion.	120	3.97	.93
16. Most development projects are completed within the approved contract duration.	120	3.86	1.01
Community-Level Delivery of Public Value and Socioeconomic Benefits	120	4.09	.82
17. Completed development projects improve the quality of public services.	120	4.11	.96
18. Development projects address the priority needs of local communities.	120	4.08	.87
19. Implemented projects contribute to local socioeconomic development.	120	4.04	.88
20. Development projects improve public access to basic services.	120	4.08	.91
21. Completed projects provide sustainable benefits to the community.	120	4.14	.96
22. The Development Fund contributes to inclusive local development.	120	4.09	.93
23. Community members benefit from the projects funded through the 20% Development Fund.	120	4.12	.88
24. The implementation of development projects enhances public trust in the local government.	120	4.08	.93
UTILIZATION OF THE 20 PERCENT DEVELOPMENT FUND (Overall Mean)	120	3.99	.77
Valid N (listwise)	120		

SOP 3

Correlations

			IMPLEMENTATION OF THE 20 PERCENT DEVELOPMENT FUND	UTILIZATION OF THE 20 PERCENT DEVELOPMENT FUND
Spearman's rho	IMPLEMENTATION OF THE 20 PERCENT DEVELOPMENT FUND	Correlation Coefficient	1.000	.882**
		Sig. (2-tailed)	.	<.001
		N	120	120
	UTILIZATION OF THE 20 PERCENT	Correlation Coefficient	.882**	1.000

	DEVELOPMENT FUND	Sig. (2-tailed)	<.001	.
		N	120	120

**. Correlation is significant at the 0.01 level (2-tailed).

Seminars and Workshops Attended

1. *Orientation Workshop on the New Government Procurement Act for COA Auditors*

GPPB-TSO Building, Commonwealth Avenue, Diliman, Quezon City

July 14-17, 2025

2. *Financial Audit Seminar*

COA, Regional Office No. VI, Pavia, Iloilo

April 21-25, 2025

3. *Compliance Audit Seminar*

COA, Regional Office No. VI, Pavia, Iloilo

August 27-29, 2024

4. *Webinar on Audit Observation Memorandum Writing*

COA, RSAO-NIS, Bacolod City

November 8-11, 2022

5. *Training on Handbook on the Financial Transactions of Sangguniang Kabataan*

COA, RSAO-NIS, Bacolod City

October 5-8, 2021

6. *Audit of Government Expenditures*

COA, RSAO-NIS, Bacolod City

September 7-9, 2019

7. *Supervisory Development Program*

COA, Regional Office No. XVI, Bacolod City

July 15-19, 2019

8. *Barangay Financial Management Seminar*

COA, Regional Office No. XVI, Bacolod City

March 5-8, 2019