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Fiscal Capability of the SOCCSKSARGEN Region in Implementing Local Development Programs

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Abstract. This study, titled "Fiscal Capability of the SOCCSKSARGEN Region in Implementing Local Development Programs and Projects," examined the region's capacity to generate, allocate, and manage financial resources for effective local development. Recognizing fiscal capability as a vital driver of regional growth, the research assessed how well the region supports programs aimed at economic progress, infrastructure development, and social services. Employing a quantitative descriptive-correlational design, the study utilized mean scores to evaluate levels of fiscal capability and Spearman Rank Correlation to examine relationships between fiscal performance and development outcomes. Results indicate a high level of fiscal capability in program implementation. However, challenges such as limited local revenue sources, reliance on national transfers, and inefficiencies in budget execution were also identified. The study recommends strengthening local revenue generation, improving budget allocation processes, and implementing strategic financial planning at the regional level. Capacity-building programs for local government units (LGUs), along with enhanced transparency and participatory budgeting mechanisms, are suggested to ensure long-term fiscal sustainability. The research contributes to a broader understanding of regional fiscal management within the framework of local development, offering insights for policymakers and planners in similar socioeconomic contexts. It underscores the importance of efficient and accountable fiscal systems in achieving sustainable development and improving the quality of life in local communities.

Keywords: Fiscal capability; Extent of implementation; Local development programs; Revenue generation; SOCCSKSARGEN Region.

1.0 Introduction

Fiscal capability is a fundamental determinant of local government units' (LGUs) capacity to implement development programs and projects effectively. It encompasses a local government's ability to generate revenue, manage expenditures efficiently, and sustain financial stability while addressing public service needs. In the Philippines, fiscal decentralization under the Local Government Code of 1991 has granted LGUs greater autonomy in planning and implementing local development initiatives. However, disparities in fiscal capability remain a significant challenge, particularly in regions where economic and governance factors limit resource mobilization and financial management efficiency.

The SOCCSKSARGEN Region, composed of South Cotabato, Cotabato, Sultan Kudarat, Sarangani, and General Santos City, plays a crucial role in Mindanao's economic and social development. The region has experienced growth in key industries, including agriculture, fisheries, and trade; however, fiscal constraints continue to limit its capacity to implement sustainable local development programs. Issues such as low revenue generation, dependency on Internal Revenue Allotment (IRA), and inefficiencies in budget execution and public financial management hinder the effective delivery of local projects. These fiscal limitations raise concerns about the region's ability to implement its development agenda and maximize the opportunities provided by recent fiscal policy reforms, such as the Mandanas-Garcia Ruling, which increases the share of LGUs in national taxes.

Existing literature on local public finance, fiscal decentralization, and LGU financial performance underscores the importance of revenue generation, fiscal autonomy, and financial accountability in ensuring sustainable development. However, previous studies have primarily focused on national trends and broader LGU challenges, with limited emphasis on region-specific fiscal capabilities. While assessments of Mindanao's economic development and governance have been conducted, a research gap remains in examining the fiscal capability of SOCCSKSARGEN in relation to the effective implementation of local development programs and projects. Analyzing the region's fiscal strengths and weaknesses is crucial for understanding how financial limitations affect local governance and policy implementation.

This study aims to assess the fiscal capability of the SOCCSKSARGEN Region in implementing local development programs and projects by analyzing revenue sources, expenditure patterns, and financial management strategies. It seeks to identify key challenges in fiscal governance and provide strategic recommendations to enhance the region's financial sustainability and development outcomes. The findings of this research will contribute to policymaking efforts aimed at strengthening LGU fiscal performance, ultimately supporting the region's long-term economic and social development.

This study is anchored on the Theory of Implementation, which focuses on the activities within a program. According to Weiss (1997), implementation theory focuses on the practical execution of program tasks. This theory is central to understanding how these activities drive the change mechanisms anticipated at the program's inception, essentially detailing the implementation process, as noted by Scheirer (1987). The interest in this field was sparked by the work of Leonid Hurwicz (1972), who is recognized as the progenitor of Implementation Theory. His curiosity extended to the functioning of economic systems beyond traditional market models. It became apparent that a critical component was absent in the theoretical framework of financial systems.

The theoretical foundation of this research is closely tied to this goal, positing that robust fiscal strength will enable the effective implementation and maintenance of development programs, ultimately benefiting society as a whole. Enhanced financial capacities of local government units (LGUs) will enable them to claim a more significant share of national wealth and taxes through mechanisms such as the Internal Revenue Allotment (IRA) and expanded taxation authority (LGA-DILG, Unpacking the LGC of the Philippines, 2003). The proposed framework suggests that fiscal capability is a prerequisite for successful implementation, thereby upholding the development agenda. Ideally, an LGU should be able to steer its progress and transformation through a series of plans that cover various scopes and timelines. In this context, the term "ideal" does not refer to an unattainable or fanciful state, but rather to a condition that has not yet been achieved. However, this is the vision that the Local Government Code (LGC) of 1991 (RA 7160) aspires for every LGU to reach. The LGC encourages LGUs to manage their development more effectively through many plans. Section 20 requires LGUs to formulate a comprehensive land use plan (CLUP) implemented through zoning ordinances, while Sections 106 and 109 direct LGUs to devise comprehensive multi-sectoral development plans (CDP) and public investment programs (UN–DESA, 2022).

Conceptualizing Fiscal Capability in Local Governance

Fiscal capability refers to a local government unit's (LGU) ability to generate, allocate, and manage financial resources to support public service delivery and development programs (Bahl & Linn, 2019). It is closely associated with fiscal decentralization, which entails devolving financial responsibilities and spending authority to LGUs, thereby allowing them to exercise autonomy in governance (Oates, 1999). The fiscal capability of LGUs is primarily influenced by their ability to raise revenues locally and effectively manage expenditures (Musgrave & Musgrave, 1989).

In the Philippine context, the Local Government Code of 1991 (Republic Act No. 7160) granted LGUs fiscal autonomy to manage local development affairs. However, more than three decades later, most LGUs continue to depend heavily on intergovernmental transfers, particularly the National Tax Allotment (formerly IRA), with local revenues accounting for only a small percentage of their total income (Manasan, 2004; Llanto, 2009; Domingo &

Cacnio, 2022). This reliance poses challenges to achieving sustainable and self-reliant development at the local level.

Revenue Generation and Financial Sustainability of LGUs

One of the most critical indicators of fiscal capability is an LGU's capacity to generate revenue through local sources such as taxes, fees, and economic enterprises. Bird and Smart (2002) emphasized that strong local revenue mobilization is key to financial independence. According to a 2023 report by the Bureau of Local Government Finance (BLGF), the average local revenue generation in the SOCCSKSARGEN region remained below the national benchmark, with some municipalities relying on the NTA for up to 85% of their income. This dependence is more evident in rural municipalities like Palimbang, T'boli, and Lebak, where economic activity is limited and tax collection remains inefficient.

In contrast, urban centers like General Santos City and Koronadal have demonstrated comparatively stronger fiscal performance due to their more vibrant commercial sectors, ports, and efficient business permit processing systems (Dizon & Fabella, 2023). Nevertheless, even these cities face revenue challenges due to outdated tax ordinances, low compliance rates, and weak enforcement mechanisms. Esguerra (2018) and, more recently, Reyes et al. (2021) noted that across Mindanao, many LGUs fail to maximize their revenue potential due to administrative inefficiencies and a lack of investment in digital revenue systems.

Fiscal Decentralization and Local Development

The theory of fiscal decentralization posits that local governments are better positioned to understand and respond to the unique development needs of their constituents (Shah, 2007). Strong fiscal capacity enables LGUs to undertake initiatives in infrastructure, health, education, and livelihood, contributing to inclusive development (Smoke, 2013). However, decentralization has also led to fiscal disparities. Wealthier LGUs, often located in urban and industrialized areas, can leverage their economic advantage, while poorer LGUs lag due to weak revenue bases (Aldaba, 2019). In SOCCSKSARGEN, a notable gap is evident between cities like General Santos, which has invested heavily in roads, education, and public health facilities, and municipalities in Sultan Kudarat and Sarangani that struggle with delayed project implementation and budget constraints (COA Regional Report, 2023). The challenges include not only low fiscal capacity but also the lack of trained personnel in budgeting, procurement, and planning (Tuaño & Miranda, 2022).

The Mandanas-Garcia Ruling and Its Fiscal Implications

The implementation of the Mandanas-Garcia Ruling in 2022 significantly altered the fiscal landscape of LGUs. By mandating a larger share of national tax revenues for local governments, the ruling increased LGU budgets by up to 30% in some areas. According to the Department of Budget and Management (2021), this expansion was expected to empower LGUs to manage more devolved services in sectors like agriculture, health, and social welfare. However, studies caution that increased funds do not automatically translate into effective service delivery. Diokno (2022) and Habito (2021) stressed that LGUs must strengthen their capacity to plan, execute, and monitor projects effectively. In SOCCSKSARGEN, MinDA (2023) reported mixed results. While General Santos and Koronadal quickly adjusted to the increase in funds, smaller LGUs, such as Maitum, Columbio, and Esperanza, encountered bottlenecks in absorbing and utilizing funds efficiently due to weak fiscal systems and a limited technical workforce. The World Bank (2024) echoed these concerns, emphasizing that fiscal decentralization reforms, such as the Mandanas-Garcia Ruling, require parallel investments in local governance systems, capacity development, and financial accountability mechanisms to avoid inefficiencies and misallocation.

Problems and Disparities among SOCCSKSARGEN Cities

SOCCSKSARGEN's cities exhibit varying levels of fiscal **c**apability. General Santos City leads in terms of revenue generation, driven by its strategic location, thriving fishing industry, and dynamic commercial activity. Koronadal City, as the regional center, benefits from consistent national government support and business investments. In contrast, cities like Tacurong and Kidapawan (which partially overlap with the region) struggle due to limited economic drivers, higher poverty incidence, and constrained local business environments. There are challenges common to many cities in the region, which include overdependence on NTA transfers, limiting fiscal autonomy, weak local tax mapping and collection efficiency, underutilization of economic enterprises for revenue generation, a lack of trained budget officers and financial managers, delayed or partial implementation of local development projects, and poor alignment of budgets with development priorities. These disparities result in uneven development outcomes and reinforce the need for localized fiscal strengthening strategies tailored to each LGU's socioeconomic realities.

Identified Research Gap

While extensive literature exists on local fiscal decentralization in the Philippines, few empirical studies have explicitly focused on the fiscal capability of the SOCCSKSARGEN region. Most research generalizes Mindanao's development challenges without disaggregating data by province or city. Moreover, there is a need to assess how the implementation of the Mandanas-Garcia Ruling has affected the fiscal behavior and development planning of LGUs in this region. This study seeks to fill that gap by conducting a detailed assessment of the fiscal capability of SOCCSKSARGEN LGUs, particularly in the implementation of local development programs and projects. It evaluates revenue generation, fund allocation, expenditure management, and the impact of recent fiscal policy changes. The findings will inform regional policy recommendations and capacity-building initiatives to enhance LGU financial sustainability and governance effectiveness.

2.0 Methodology

2.1 Research Design

The study employed a descriptive design in quantitative methods. Determining the fiscal capability of the SOCCSKSARGEN Region in implementing local development programs in General Santos City and Sarangani Province, covering data from fiscal years 2020 to 2022. This study used correlation analysis to examine the relationship between fiscal capability and the successful implementation of local development programs and projects.

2.2 Research Environment

The study is set in General Santos City and Sarangani Province. General Santos, officially known as the City of General Santos and abbreviated as GenSan, is a first-class, highly urbanized city in the region of SOCSKSARGEN, Philippines. Sarangani, officially known as the Province of Sarangani (Cebuano: Lalawigan sa Sarangani; Hiligaynon: Kapuoran sang Sarangani; Maguindanao: Prubinsiya nu Sarangani; Filipino: Lalawigan ng Sarangani), is a province situated in the SOCCSKSARGEN Region of the Philippines. Its capital, Alabel, boasts a 230-kilometer (140-mile) coastline along Sarangani Bay and the Celebes Sea. Sarangani is an integral component of the South Cotabato-Cotabato-Sultan Kudarat-Sarangani-General Santos (SOCCSKSARGEN) development cluster, with well-established road connections to the international airport and harbor of General Santos. The province is geographically divided into two sections, separated by Sarangani Bay and the city of General Santos.

General Santos City, commonly known as GenSan, is a highly urbanized city in the SOCCSKSARGEN region of Mindanao, Philippines. It serves as a key economic hub in Southern Mindanao, renowned for its thriving fishing industry, robust agribusiness sector, and vibrant trade sector. The city is globally recognized as the Tuna Capital of the Philippines, being home to one of the country's largest fishing ports and tuna processing industries that export to international markets. Aside from its economic strength, General Santos City boasts a strategic location, a vibrant commercial landscape, and a rapidly growing population. It has a well-developed infrastructure, with an international-standard airport, major seaports, and commercial centers that contribute to its status as a regional economic powerhouse. Culturally, GenSan is a melting pot of diverse ethnic groups, including Indigenous peoples, Moro communities, and Christian settlers, making it rich in traditions and heritage. The city is also renowned for its annual Tuna Festival, which celebrates its fishing industry and local culture. With continuous investments in infrastructure, tourism, and industrial development, General Santos City remains a vital center for economic progress in Mindanao, attracting businesses and investors while maintaining its strong agricultural and fishing roots.

Region 12, also known as the SOCCSKSARGEN Region, is located in the southern central part of Mindanao. It comprises four provinces: South Cotabato, Cotabato, Sultan Kudarat, and Sarangani, along with five cities: General Santos, Koronadal, Tacurong, Kidapawan, and Cotabato. Of these cities, General Santos and Cotabato are chartered cities, while Koronadal, Tacurong, and Kidapawan are classified as component cities. The economic profile of Region 12 is analyzed across four levels. The regional level provides an overview of the socio-economic conditions of SOCCSKSARGEN as a whole. The provincial level focuses on the socio-economic status of each of the four provinces within the region. The city level offers insights into the economic situation of the region's cities, while the municipal level provides a detailed perspective on the economic conditions within each municipality.

2.3 Respondents and Sampling Procedures
This study employed random sampling to select respondents. A pre-sampling process was conducted to determine the appropriate number of respondents. The inclusion criteria required that respondents be elected local officials, planning officers, budget officers, and their personnel. Respondents were expected to complete the survey instrument accurately and honestly during the data collection period. A total of 134 respondents were included in the study. There were four respondents from every municipality in Sarangani Province, including one planning officer and one budget officer from the provincial government, for a total of twenty respondents. In General Santos City, four respondents were selected from the twenty-six barangays, totaling one hundred thirty-four.

2.4 Research Instrument
The survey instrument is a researcher-made questionnaire that three (3) experts have validated. It has four (4) parts, including the demographic profile of the respondents, which is the first part. The second part contain the Fiscal Capability level of Sarangani Province and General Santos City with the following indicators, Operational Practices comprising of five (5) items; Planning and Execution comprised of five (5) items also; Human and Material Resources also have five (5)items; and Flexibility and responsiveness which also have five (5) items. The third part is the extent of implementing the local development programs and projects of the local governments of Sarangani Province and General Santos City in terms of the Social Development Sector, Economic Development Sector, Infrastructure Development Sector, and Macro Administration Sector, which also have five (5) components. The survey questionnaire consisted of forty-three (43) items in total. Indicators were measured using a 4-point Likert Scale, comprising four questions.

For content validity, the researcher requested three (3) experts in the field of interest to make sure the questions were relevant to the people in the study. These experts (validators) were from the academe, a practitioner, and a local government official. The content validation underwent a thorough evaluation of the relevance of each description under each construct, tailored to fit the study's context. The validator's suggestions on the instrument were considered. The content validation process ensured that the research instrument measures the content area it is intended to measure. (Ayre & Scolly, 2014). Cronbach's alpha was calculated to assess the instrument's reliability. The Cronbach's Alpha is 0.894, indicating a very reliable instrument.

2.5 Data-Gathering Procedure
Prior to data collection, the researcher sought permission and extended courtesy to key local officials, including Hon. Mayor Lorelie G. Pacquiao of General Santos City and Governor Rogelio D. Pacquiao of Sarangani Province. Formal requests were made to the concerned officials and potential respondents, accompanied by a clear explanation of the study's objectives and scope. The researcher also requested access to relevant files and documents necessary for the research. A mutually agreed-upon schedule for conducting surveys and interviews was established with the participating officials, including city mayors. All participants were assured that the data gathered would be handled with the highest level of confidentiality, in full compliance with the Data Privacy Act.

3.0 Results and Discussion

3.1 Fiscal Capability Level
Table 1 presents the distribution of respondents' ratings on the capability level of the SOCCSKSARGEN Region in implementing local development programs and projects, as assessed by the following indicators: Operational Practices, Planning and Execution, Human and Material Resources, and Flexibility and Responsiveness of the City/Provincial Government.

Table 1. *Distribution of Respondents' Rating on Fiscal Capability Level in Implementing the Local Development Programs and Projects (n=132)*

Range	Interpretation	*f*	%
4.5-5.0	Very High Capability	115	87.12
3.5-4.4	High Capability	15	11.36
2.5-3.4	Moderately High Capability	2	1.52
1.5-2.4	Low Capability	0	0.00
1.0-1.4	Very Low Capability	0	0.00
Total		132	100
Overall Mean	**4.5**		
Interpretation	**Very High Capability**		
Std. Deviation	**0.44**		

	Indicators	Mean	SD	Interpretation
1.1	**Operational Practices**	4.50	0.513	*Very High Capability* — This suggests that operational practices are well-implemented and consistently executed, ensuring efficiency and effectiveness in service delivery.
1.2	**Planning and Execution**	4.50	0.499	*Very High Capability* — The results indicate a high level of strategic planning and execution, reflecting strong organizational foresight and alignment with goals.
1.3	**Human and Material Resources**	4.50	0.532	*Very High Capability* — Effective utilization and management of both human and material resources contribute to sustained productivity and performance.
1.4	**Flexibility and Responsiveness of the City/Provincial Government**	4.55	0.516	*Very High Capability*- The local government demonstrates strong adaptability and responsiveness in addressing emerging needs and challenges.

Table 1 shows "Very High Capability" across all Indicators**.** All mean values are above 4.50, indicating strongly positive responses from the respondents. It also showed consistency in standard deviation, with values showing minimal variation, suggesting uniformity in responses and consensus among respondents. The flexibility and responsiveness indicator scored the highest (4.55), indicating proactive and adaptive governance at the city/provincial level, which highlights governance strengths.

The data present the interpretation of governance performance, with all indicators receiving "Very High Capability" ratings. The strengths in operational practices, planning and execution, resource management, and flexibility demonstrate the government's commitment to excellence. However, addressing variability in certain areas is essential for achieving greater consistency and equity. By building on existing strengths and addressing identified challenges, governments can further enhance their performance, meet stakeholder expectations, and contribute to sustainable development. This comprehensive analysis underscores the importance of continuous improvement and stakeholder engagement in achieving effective and inclusive governance.

In addition, the provided data highlights the evaluation of various indicators related to the performance of city or provincial government functions, focusing on operational practices, planning and execution, human and material resource management, and flexibility and responsiveness. Each indicator is analyzed through its mean score, representing the level of performance, and standard deviation (SD), which measures the variability in respondents' perceptions. The overall results are summarized with a grand mean and standard deviation, providing a holistic view of governance efficiency and effectiveness. The analysis and discussion that follow provide an in-depth exploration of the data, offering insights into its strengths, weaknesses, and areas for improvement.

Operational Practices achieved a mean score of 4.50, categorized as "Very High," with a standard deviation of 0.513. This reflects the effectiveness of operational frameworks and processes in achieving intended objectives. Operational practices typically encompass strategies, policies, and workflows that promote efficiency in daily governance activities. The "Very High" rating indicates broad recognition of these practices as successful in driving results. This finding is consistent with those of Fernandez and Rainey (2021), who emphasized that well-structured operational management practices significantly enhance organizational performance and goal achievement in public administration. However, the standard deviation of 0.513 suggests moderate variability in responses. This implies that while many stakeholders experience consistently high standards, others may encounter gaps or inconsistencies. Al-Kahtani et al. (2023) noted that variability in operational effectiveness often arises from disparities in leadership style, resource distribution, and regional adaptability. Similarly, Hernandez and Kim (2022) advocated for the standardization of operational best practices and regular performance audits to minimize inconsistencies and strengthen uniformity across government sectors. In line with these recommendations, governments could prioritize standardizing best practices, conduct regular performance audits, and ensure uniform implementation across all sectors to achieve even higher operational consistency and effectiveness.

Planning and Execution also received a mean score of 4.50, with a slightly lower standard deviation of 0.499. This reflects strong alignment between strategic planning and the effective execution of initiatives. Effective planning involves setting clear objectives, formulating actionable strategies, and allocating resources efficiently (Bryson, 2018). Execution, in turn, translates these plans into tangible outcomes. The "Very High" score indicates that stakeholders perceive the planning and execution processes as well-coordinated and impactful. This finding is supported by Andrews et al. (2022), who emphasized that strategic alignment significantly enhances project implementation success. The relatively low response variability suggests a consistent experience among most stakeholders, likely due to the robust project management frameworks and governance structures in place. As noted by Müller and Jugdev (2021), strong project governance and planning processes contribute to lower performance discrepancies across organizations. Nevertheless, ongoing refinement of monitoring and feedback mechanisms remains essential to ensure that any emerging discrepancies between planning and execution are promptly identified and addressed (Marques & Guedes, 2023).

Human and Material Resources also received a "Very High" rating, with a mean score of 4.50. However, it exhibited the highest standard deviation among all indicators at 0.532. This suggests that, although resource management is generally viewed as effective, there are significant disparities in resource availability or utilization across different contexts. Human resources refer to personnel's skills, expertise, and motivation, while material resources encompass physical assets, infrastructure, and funding (Boxall & Purcell, 2022). The elevated variability may indicate challenges such as uneven resource distribution, inefficiencies in allocation, or differences in departmental or regional capacity. Recent findings by Zhang et al. (2023) suggest that resource disparities often arise from inconsistencies in funding mechanisms and gaps in regional infrastructure. For instance, some areas may face staff shortages, outdated equipment, or limited funding, while others operate with ample resources. Furthermore, Nguyen and Huynh (2022) emphasize that efficient resource management, particularly equitable deployment of human capital, directly impacts organizational performance. To address these imbalances, governments should focus on equitable resource distribution, invest in capacity-building initiatives, and implement strategies for optimal resource utilization. Regular assessments of resource needs and deployment can also help identify and address potential bottlenecks (Teng & Song, 2021).

The Flexibility and Responsiveness of the City/Provincial Government achieved the highest mean score of 4.55, reflecting a "Very High" level of performance. The standard deviation of 0.516 indicates moderate response variability, suggesting that most stakeholders perceive the government as adaptable and responsive to changing conditions. Flexibility and responsiveness are crucial in governance, especially when addressing dynamic challenges such as emergencies, public demands, and unforeseen events (Christensen et al., 2022). The high score in this area highlights the government's capacity to make timely decisions, adapt policies, and implement solutions effectively. This strength may be attributed to established crisis management protocols, efficient communication systems, and a culture that supports innovation (van der Wal, 2021). However, the moderate variability suggests that some stakeholders may encounter delays or inconsistencies in responsiveness. As Mavrot and Sager (2022) noted, variations often stem from differences in organizational agility and regional administrative capacities. To promote consistency, governments should continue to strengthen feedback mechanisms, streamline decision-making processes, and ensure that all departments and regions are equipped to respond effectively (Ongaro & Ferré, 2023).

The Grand Mean of 4.51, with a standard deviation of 0.440, provides an overall assessment of governance performance, categorizing it as "Very High." The relatively low variability in the grand standard deviation indicates that the collective performance across all indicators is consistent and widely perceived as effective. This suggests that, despite some differences in individual indicators, the governance systems in place are generally successful in meeting stakeholder expectations. The grand mean underscores the importance of maintaining high standards across all areas while addressing specific challenges that may arise in individual indicators.

From a broader perspective, the data offers several key insights. First, the high scores across all indicators reflect a strong foundation of governance characterized by effective operational practices, robust planning and execution, efficient resource management, and adaptability. These strengths are essential for fostering trust and confidence among stakeholders, ensuring the delivery of public services, and promoting sustainable development. The highest-performing indicator, flexibility and responsiveness, highlights the government’s ability to adapt to challenges and meet the needs of its constituents. This is particularly important in the face of rapid social, economic, and environmental changes.

To sustain high performance and address these challenges, governments should consider implementing several strategies. First, they should focus on capacity-building initiatives to strengthen the skills and competencies of personnel. This includes training programs, leadership development, and performance management systems. Second, governments should invest in infrastructure and technology to enhance resource utilization and streamline processes. Third, they should establish robust monitoring and evaluation frameworks to track performance, identify gaps, and implement corrective actions. Ultimately, fostering a culture of collaboration and innovation can drive continuous improvement, enabling governments to adapt to emerging challenges.

3.2 Extent of Implementation of Local Development Programs in General Santos City and Sarangani Province

Table 2 presents the respondents' ratings of the extent to which local development programs are implemented by the local governments of General Santos City and Sarangani Province, in terms of the following sectors: Social Development, Economic Development, Infrastructure Development, and Macro Administration.

Table 2. *Distribution of Respondents' Rating on Extent of Implementation of Local Development Programs and Projects (n=132)*

Range	Interpretation	*f*	%
4.5-5.0	Very High Extent	113	85.61
3.5-4.4	High Extent	18	13.64
2.5-3.4	Moderately High Extent	1	0.76
1.5-2.4	Low Extent	0	0.00
1.0-1.4	Very Low Extent	0	0.00
Total		132	100
Overall Mean	**4.5**		
Interpretation	**Very High Extent**		
Std. Deviation	**0.44**		

	Indicators	Mean	SD	Interpretation
2.1	**Social Development Sector**	4.50	0.489	*Very High Extent* — This indicates that social development programs and initiatives are well-implemented, making significant contributions to community welfare and societal progress.
2.2	**Economic Development Sector**	4.50	0.522	*Very High Extent* — Reflects strong economic policies and initiatives that promote business growth, investment, and financial stability.
2.3	**Infrastructure Development Sector**	4.48	0.524	*High Extent* — Suggests that infrastructure projects are well-executed, though there may be room for further improvement in efficiency and expansion.
2.4	**Macro Administration Sector**	4.50	0.541	*Very High Extent* — Demonstrates strong governance, administrative efficiency, and practical policy implementation at the macro level.

The data provide the performance of four key sectors—Social Development, Economic Development, Infrastructure Development, and Macro Administration—using mean scores to measure perceived effectiveness and standard deviation (SD) values to gauge variability in perceptions. An overall mean and standard deviation summarize the overall results, offering insights into the collective performance of these sectors. Each sector's evaluation reflects its contribution to broader governance objectives, including improving the quality of life, driving economic growth, enhancing infrastructure, and ensuring effective administration. This analysis will examine each sector in detail, assess their collective performance, and provide insights into their strengths, weaknesses, and opportunities for improvement.

The data paint a positive picture of governance performance, with all sectors receiving high or very high ratings. The strengths in social and economic development underscore the government's commitment to improving quality of life and driving economic growth. Meanwhile, the challenges in infrastructure development and macro administration highlight opportunities to enhance consistency and equity. By addressing these challenges and building on existing strengths, governments can further improve performance, meet stakeholder expectations, and promote sustainable development. This comprehensive analysis underscores the importance of continuous improvement, innovation, and inclusivity in achieving effective and equitable governance outcomes.

The Social Development Sector achieved a mean score of 4.50, categorized as "Very High," with a standard deviation of 0.489. This result reflects the effectiveness of initiatives aimed at improving the social well-being of communities, including education, healthcare, social welfare, and community development programs. Recent studies have highlighted that integrated social development strategies make a significant contribution to poverty reduction, improved health outcomes, and enhanced educational attainment (World Bank, 2022; OECD, 2023). The relatively low variability in perceptions suggests a high level of consistency in the implementation and outcomes of social development initiatives across different regions or groups, aligning with findings that well-coordinated social programs tend to yield more equitable benefits (UNDP, 2022).

The strong performance indicates that stakeholders widely recognize the positive impact of these programs. However, challenges in social development often center around inclusivity and equity. Although the high score indicates overall effectiveness, ensuring that vulnerable and marginalized groups equally benefit remains critical (UNICEF, 2023). The moderate variability suggests that disparities in access to social services across regions or demographic groups may still exist. To enhance equity, governments could strengthen their data collection systems to identify underserved populations better, expand the reach of social programs, and foster partnerships with non-governmental organizations (NGOs) to address localized challenges (Smith & Taylor, 2023).

The Economic Development Sector also received a mean score of 4.50, with a standard deviation of 0.522, placing it in the “Very High” category. This score reflects strong performance in fostering economic growth, creating jobs, promoting investment, and ensuring overall economic stability (World Bank, 2023). Economic development plays a crucial role in societal progress, and the “Very High” rating indicates that stakeholders perceive government efforts in this area as effective. The slightly higher standard deviation, compared to the Social Development Sector, suggests moderate variability in perceptions. This could be attributed to differing levels of economic activity, resource availability, or the success of policy implementation across regions (OECD, 2022). The variability in the Economic Development sector may stem from uneven economic growth, with some regions or sectors experiencing robust growth while others lag behind. Urban areas often experience more robust economic development due to their better infrastructure, improved market access, and increased investment opportunities. In contrast, rural or remote areas face limited resources and inadequate infrastructure. Recent research emphasizes the significance of inclusive strategies, including rural entrepreneurship and targeted infrastructure investment, in bridging these gaps (Lall & Alzua, 2022; Rodríguez-Pose & Hardy, 2023). To address these disparities, governments should focus on inclusive economic strategies that prioritize underdeveloped regions, promote rural entrepreneurship, and invest in critical infrastructure to boost productivity. Additionally, fostering partnerships with the private sector and encouraging innovation can help sustain high performance in economic development.

The Infrastructure Development Sector scored a mean of 4.48, categorized as "High," with a standard deviation of 0.524. While this score is commendable, it is slightly lower than the ratings of the other sectors evaluated, indicating that infrastructure development may not be as consistently perceived as successful. Infrastructure development encompasses the construction and maintenance of roads, bridges, utilities, transportation networks, and public facilities—key enablers of economic activity and social progress (Arezki et al., 2023; Kessides, 2022). The relatively higher standard deviation (SD: 0.524) suggests variability in the quality, availability, or accessibility of infrastructure across different areas. Urban centers tend to benefit from well-developed infrastructure, while rural or underserved regions may struggle with issues such as poor connectivity, inadequate public utilities, or delays in project implementation (Asian Development Bank, 2022; UN-Habitat, 2023). The slightly lower mean score underscores the need for increased investment and better project management to ensure that infrastructure development effectively meets the needs of all communities (OECD, 2022). Governments should prioritize equitable infrastructure planning, allocate resources efficiently, and strengthen monitoring mechanisms to ensure timely completion and quality outcomes (Kessides, 2022). Funding limitations, land acquisition challenges, and environmental considerations frequently impact infrastructure development. To overcome these barriers, governments should explore innovative financing models, such as public-private partnerships (PPPs), and adopt sustainable development practices that balance growth with environmental conservation (Gómez & De la Torre, 2023). By addressing these challenges, the sector can achieve greater consistency and equity in performance.

The Macro Administration Sector achieved a mean score of 4.50, with the highest standard deviation of 0.541 among all sectors. This “Very High” rating reflects strong governance and administrative capabilities, including policy formulation, public service delivery, and regulatory enforcement (Andrews et al., 2022). Macro administration is critical in ensuring the overall governance framework functions efficiently and effectively. The high mean score indicates that stakeholders perceive the government's administrative functions as effective in driving progress and maintaining stability (Arundel & Lorenz, 2022). However, the relatively higher variability suggests that perceptions of administrative effectiveness may differ based on regional governance quality, leadership styles, or resource allocation (Janssen & van der Voort, 2021). Some regions or departments may exhibit exemplary administrative practices, while others may face challenges such as bureaucratic inefficiencies, delays in service delivery, or inadequate capacity (Kettunen & Kallio, 2023). To reduce this variability and enhance consistency, governments should invest in capacity-building programs for public officials, streamline administrative processes, and leverage technology to improve service delivery. Digitalizing administrative functions—such as developing comprehensive e-governance platforms—can enhance transparency, efficiency, and accessibility (Janssen & van der Voort, 2021; Kettunen & Kallio, 2023). The variability within the Macro Administration Sector also highlights the importance of fostering collaboration across different levels of government and engaging stakeholders in the decision-making process. Effective coordination and communication among various government units can minimize inconsistencies and ensure that administrative policies and practices are uniformly implemented (Arundel & Lorenz, 2022).

3.3 Extent of the Revenue-generating Activities of the Local Governments of General Santos City and Sarangani Province

Table 3. *Distribution of Respondents' Rating on Extent of the Revenue Generation Activities of the Local Governments (n=132)*

Range	Interpretation	*f*	%
4.5-5.0	Very High Extent	89	67.42
3.5-4.4	High Extent	33	25.00
2.5-3.4	Moderately High Extent	10	7.58
1.5-2.4	Low Extent	0	0.00
1.0-1.4	Very Low Extent	0	0.00
Total		132	100

Overall Mean	**4.4**
Interpretation	**High Extent**
Std. Deviation	**0.69**

	Indicators	Mean	SD	Interpretation
3.1	**Local sources, including both tax and non-tax revenues**	4.40	0.821	*High* — The LGU effectively utilizes local revenue sources, ensuring financial sustainability through both tax and non-tax collections.
3.2	**External sources, primarily the intergovernmental fiscal transfer (IRA/NTA)**	4.40	0.773	*High* — The LGU heavily relies on external funding, particularly IRA/NTA, which plays a crucial role in financing local development programs.
3.3	**LGU-initiated activities utilizing its taxing powers, such as penalties for ordinance violations**	4.40	0.734	*High* — The LGU actively enforces its taxing powers, including penalties, demonstrating an apparent effort to maximize revenue generation.
3.4	**Barangays also conducted revenue generation activities to support community plans**	4.40	0.704	*High* — Barangays play an active role in generating revenues to support local initiatives, indicating strong fiscal participation at the grassroots level.

The interpretation for each indicator is as follows: Local sources, including both tax and non-tax revenues (Mean = 4.40, SD = 0.821, High), which indicates that local sources of revenue, including taxes and non-tax revenues, are perceived to be well-utilized by the local government unit (LGU). The relatively high standard deviation (0.821) suggests some variation in responses, but the overall perception remains high. The second indicator, external sources, particularly intergovernmental fiscal transfers like IRA/NTA (Mean = 4.40, SD = 0.773, High): The LGU significantly relies on external funding sources, particularly the Internal Revenue Allotment (IRA) or National Tax Allotment (NTA). The high mean value suggests that these funds are crucial in sustaining local development programs. The third indicator, LGU-initiated activities utilizing its taxing powers, such as penalties for ordinance violations (Mean = 4.40, SD = 0.734, High). The LGU has actively enforced its taxing powers, including penalties for ordinance violations, demonstrating an effort to maximize local revenue generation. The lower standard deviation compared to the previous indicators suggests a more consistent perception among respondents.

The fourth indicator is Barangay-led revenue generation activities to support community plans (Mean = 4.40, SD = 0.704, High). Barangays have been proactive in generating revenue to support their initiatives. The mean score of 4.40 indicates strong engagement, while the lower standard deviation (0.704) suggests a relatively high level of agreement among respondents regarding this perception.

The Overall Mean = 4.40, SD = 0.69, Indicating a High Level. The aggregated results suggest that both local and external sources, as well as LGU and barangay-level initiatives, contribute significantly to the fiscal capability of the LGU. The overall high rating highlights a strong fiscal performance, although the slight variations in standard deviation suggest differences in perception among different stakeholders. For general Interpretation, the findings indicate that the LGU has a strong fiscal foundation, effectively utilizing both local and external revenue sources. Both LGUs and barangays actively engage in revenue-generating activities, which enhances financial sustainability. However, while the overall perception is high, the standard deviations suggest that there are some variations in respondents' views, possibly due to differences in local economic conditions, governance efficiency, or revenue collection practices.

3.4 Significant Relationship between the Fiscal Capability Level and the Extent of Implementation of Local Development Programs and Projects in General Santos City and Sarangani Province

Table 4. *Correlation Matrix between the Fiscal Capability Level and the Extent of Implementation of the Local Development Programs*

Variables	Social Development Sector	Economic Development Sector	Infrastructure Development Sector	Macro Administration Sector
Operational Practices	0.500	0.584	0.500	0.405
p-value	<0.0001	<0.0001	<0.0001	<0.0001
Significance	(S)	(S)	(S)	(S)
Planning and Execution	0.545	0.644	0.566	0.590
p-value	<0.0001	<0.0001	<0.0001	<0.0001
Significance	(S)	(S)	(S)	(S)
Human and Material Resources	0.614	0.605	0.657	0.538
p-value	<0.0001	<0.0001	<0.0001	<0.0001
Significance	(S)	(S)	(S)	(S)
Flexibility and Responsiveness	0.538	0.667	0.624	0.478
p-value	<0.0001	<0.0001	<0.0001	<0.0001
Significance	(S)	(S)	(S)	(S)

Table 4 presents the correlation between various Operational dimensions and four key development sectors: Social Development, Economic Development, Infrastructure Development, and Macro Administration. It measures the strength of association through correlation coefficients and evaluates the statistical significance using p-values. The key components of the table are variables which analyzed four operational components; Operational Practices which refers to the efficiency and effectiveness of daily management processes; Planning and Execution that evaluated the quality and accuracy of strategic planning and its implementation; Human and Material Resources that assessed the adequacy and management of personnel and physical assets; and Flexibility and Responsiveness which measures the ability to adapt to changes and respond to emerging needs. For the Local Development Sector, the analysis was conducted across four sectors: the Social Development Sector, the economic development sector, the Infrastructure Development Sector, and the Macro Administration Sector. The Correlation Coefficients of all variables showed moderate to strong positive correlations (ranging from 0.405 to 0.667) with the development sectors, suggesting a meaningful relationship between operational practices and sectoral performance. All P-values are less than 0.0001, indicating statistically significant relationships across all variables and sectors. For the Significance (S), each relationship is marked as significant (S), which reinforces the reliability of the observed correlations. In summary, the table suggests that effective operational practices, planning, resource management, and responsiveness are significantly correlated with improved performance across all four development sectors. The Correlation Values (ρ) are the numbers in the first row of each. Variable indicates the correlation coefficient, showing the strength and direction of the relationship between the independent variables and each development sector. A higher correlation (closer to 1) suggests a stronger positive relationship. For example, Human and Material Resources has the highest correlation (0.657) with Infrastructure Development, indicating a strong positive association. P-values are presented in the second row under each variable, indicating the statistical significance of the correlation. Since all p-values are <0.0001, they indicate that the results are highly statistically significant. Significance (S/NS) is in the final row of each variable and shows whether the correlation is statistically significant (S) or not significant (NS). Since all variables have (S), this means all relationships in the table are statistically significant.

To assess the correlation between the fiscal capability level and the extent of implementation of local development programs in Sarangani Province and General Santos City, the data evaluates four critical sectors: Social Development, Economic Development, Infrastructure Development, and Macro Administration. Within each sector, key operational variables—Operational Practices, Planning and Execution, Human and Material Resources, and Flexibility and Responsiveness—are analyzed for their relationships with fiscal capability. A correlation matrix is constructed to identify patterns, strengths, and implications for program implementation. This discussion provides a comprehensive interpretation of the relationships between fiscal capability and program execution.

Additionally, the correlation matrix highlights the intricate linkages between fiscal capability and program implementation, offering valuable insights for policymakers and practitioners. By strengthening fiscal capacity, addressing sector-specific challenges, and adopting innovative governance practices, LGUs and barangays can enhance the effectiveness and equity of local development programs, ultimately improving the quality of life of their constituents.

The correlation values for Operational Practices across all four sectors—Social Development (0.5), Economic Development (0.584), Infrastructure Development (0.5), and Macro Administration (0.405)—indicate varying degrees of association with fiscal capability. The relatively strong positive correlations in the Social Development and Infrastructure Development sectors suggest that operational practices in these areas have a significant influence on the implementation of development programs. Conversely, the weaker correlation in the Macro Administration sector (0.405) implies that while operational practices contribute to program implementation, other factors, such as administrative policies or inter-agency coordination, may play a more prominent role. The consistent "[S]" significance notation across all sectors further reinforces the importance of fiscal capability in supporting effective operational frameworks.

The findings suggest that enhancing operational practices, such as streamlining processes, adopting technology, and training personnel, can improve program execution, particularly in sectors where fiscal capability is more closely linked to outcomes. LGUs should prioritize resource allocation and capacity-building initiatives to strengthen these practices.

Planning and Execution demonstrate robust correlations with fiscal capability across all sectors: Social Development (0.545), Economic Development (0.644), Infrastructure Development (0.566), and Macro Administration (0.59). These correlations emphasize that the quality of planning and execution is heavily dependent on fiscal resources, as funding enables comprehensive program design, feasibility studies, and effective monitoring mechanisms.

The highest correlation in the Economic Development sector (0.644) underscores the critical role of fiscal capability in implementing economic initiatives such as investment promotion, job creation programs, and market infrastructure projects. Strong planning and execution frameworks supported by adequate fiscal resources can significantly enhance program outcomes. In comparison, the lower correlation in the Social Development sector (0.545) suggests that while fiscal capability is essential, non-monetary factors such as community participation and partnerships with NGOs also play a crucial role. To leverage these insights, LGUs should adopt participatory planning approaches that involve stakeholders in decision-making. Additionally, performance-based budgeting can ensure that fiscal resources are allocated to high-impact projects, improving planning and execution outcomes.

Human and Material Resources exhibit the highest correlations with fiscal capability across the four variables: Social Development (0.614), Economic Development (0.605), Infrastructure Development (0.657), and Macro Administration (0.538). These findings underscore the crucial dependence of program implementation on the availability of skilled personnel and sufficient material resources. For instance, the strong correlation in Infrastructure Development (0.657) reflects the sector's reliance on financial resources to procure construction materials, hire technical experts, and maintain equipment. Similarly, the high correlation in Social Development (0.614) indicates that effective delivery of social services, such as education and healthcare, requires well-trained personnel and sufficient resources.

The slightly lower correlation in Macro Administration (0.538) suggests that while human and material resources are important, the sector's performance may also depend on policy coherence, leadership, and institutional frameworks. To address these challenges, LGUs should invest in capacity-building programs to enhance the skills of public servants and ensure that material resources are strategically utilized to maximize impact.
Flexibility and Responsiveness show varying correlations with fiscal capability: Social Development (0.538), Economic Development (0.667), Infrastructure Development (0.624), and Macro Administration (0.478). The high correlation in the Economic Development sector (0.667) highlights the importance of fiscal resources in enabling adaptive responses to economic challenges, such as fluctuating market conditions or emerging investment opportunities. Similarly, the strong correlation in Infrastructure Development (0.624) underscores the need for financial flexibility to address unforeseen issues, such as project delays or cost overruns.

The lower correlation in the Macro Administration sector (0.478) suggests that factors beyond fiscal capability, such as leadership quality, intergovernmental coordination, and regulatory frameworks, may influence responsiveness in this area. Nevertheless, the significance of fiscal resources in enhancing flexibility and responsiveness cannot be overlooked. LGUs should establish contingency funds and adopt agile management practices to improve adaptability across all sectors.

The correlation matrix reveals several critical insights into the relationship between fiscal capability and the extent of program implementation. Across all variables and sectors, fiscal capability consistently exhibits positive correlations with implementation outcomes, emphasizing the foundational role of financial resources in achieving development objectives. The significance of these correlations ([S]) indicates that fiscal capability is a statistically important factor influencing program execution.

The highest correlations are observed in the Infrastructure Development and Economic Development sectors, reflecting the capital-intensive nature of these areas. Conversely, the relatively lower correlations in the Macro Administration sector highlight the need to address non-fiscal factors, such as governance structures and institutional capacity. These findings suggest that while fiscal capability is a key driver of program success, a holistic approach that integrates financial, human, and institutional resources is essential.

Based on the analysis of the correlation matrix, there is a significant relationship between the fiscal capability level of the local governments of General Santos City and Sarangani Province and the extent of implementation of local development programs and projects. Across all four critical sectors—Social Development, Economic Development, Infrastructure Development, and Macro Administration—fiscal capability consistently exhibits positive correlations with key operational variables, including Operational Practices, Planning and Execution, Human and Material Resources, and Flexibility and Responsiveness. These findings underscore the foundational role of financial resources in driving effective program implementation.

The strongest correlations are observed in the Infrastructure Development and Economic Development sectors, reflecting the capital-intensive nature of these areas. For example, fiscal capability supports essential activities such as investment promotion, job creation, and the construction of critical infrastructure. In contrast, the relatively weaker correlations in the Macro Administration sector suggest that factors such as governance structures, leadership quality, and inter-agency coordination also play a vital role in program execution.

Generally, fiscal capability is a statistically significant driver of program success, enabling local governments to allocate resources effectively, enhance planning frameworks, and strengthen human and material capacities. However, a holistic approach that integrates financial capacity with institutional improvements and stakeholder engagement is crucial for maximizing development outcomes.

3.5 Relationship between the Fiscal Capability Level and Extent of Revenue-Generating Activities
Table 5 presents the correlation matrix between the fiscal capability level and the extent of revenue generation activities of the local governments in Sarangani Province and General Santos City. The findings emphasized the importance of fiscal capability as a foundation for practical revenue generation activities. However, they also highlight the need for a comprehensive approach that integrates fiscal capacity with institutional improvements, leadership development, and governance reforms to maximize revenue potential. The correlation matrix between the fiscal capability level and the extent of revenue-generating activities of the local governments in Sarangani

Province and General Santos City reveals significant insights into the relationship between financial capacity and operational efficiency. The four key variables analyzed—Operational Practices, Planning and Execution, Human and Material Resources, and Flexibility and Responsiveness—demonstrate varying degrees of association with fiscal capability, reflecting their distinct contributions to revenue generation outcomes.

Table 5. *Correlation Matrix between the Fiscal Capability Level and the Extent of the Revenue Generation Activities of the Local Government*

Variables	Correlation Coefficient (ρ)	p-value	Significance (S/NS)
Operational Practices	0.249	0.004	(S)
Planning and Execution	0.390	<0.0001	(S)
Human and Material Resources	0.383	<0.0001	(S)
Flexibility and Responsiveness	0.215	0.013	(S)

The correlation between fiscal capability and Operational Practices is weak but statistically significant ($r = 0.249$, $p = 0.004$). This suggests that while fiscal resources play a role in enhancing operational efficiency, non-fiscal factors, such as administrative systems, regulatory frameworks, and leadership, likely have a greater influence. Improving operational practices, such as automating processes, strengthening transparency, and implementing robust enforcement mechanisms, could address these challenges. Fiscal investments should focus on modernizing systems and reducing inefficiencies to better support revenue generation.

Planning and execution demonstrate a moderate and statistically significant correlation with fiscal capability ($r = 0.390$, $p < 0.0001$). This highlights the importance of financial resources in developing comprehensive revenue generation plans, conducting feasibility analyses, and establishing monitoring mechanisms. Fiscal capability enables LGUs to invest in data-driven tools and engage experts to create and implement effective strategies. The relatively stronger correlation here suggests that improving fiscal capacity can significantly enhance the planning processes, allowing for better prioritization of revenue-generating initiatives.

The correlation between fiscal capability and Human and Material Resources is also moderate and statistically significant ($r = 0.383$, $p < 0.0001$). This highlights the crucial role of fiscal capacity in ensuring the availability of skilled personnel and material inputs necessary for efficient revenue generation. For example, hiring trained tax assessors and equipping offices with modern technology directly impacts the efficiency of collection systems. Investments in capacity-building programs and technological upgrades are necessary to address gaps in this area, thereby improving revenue outcomes.

The correlation between Flexibility and Responsiveness is weak but statistically significant ($r = 0.215$, $p = 0.013$), indicating a limited influence of fiscal capability on this variable. While financial resources are essential for enabling adaptive responses to challenges, other factors, such as decision-making agility, inter-agency collaboration, and governance structures, may play a more prominent role. LGUs should focus on improving policy coherence, stakeholder engagement, and real-time problem-solving mechanisms to enhance flexibility and responsiveness in revenue collection.

The study revealed that Local Government Units (LGUs) in the SOCCSKSARGEN region demonstrate a moderate level of operational effectiveness, with established planning mechanisms and governance frameworks guiding their local development programs. Notably, the existence of these systems reflects the institutionalization of development planning at the local level. While challenges persist, the foundations for effective program implementation are already in place. LGUs have initiated programs in key sectors such as health, education, social welfare, livelihood, and business support, indicating a strong commitment to inclusive and responsive governance. The implementation of these social and economic programs continues to address community needs, despite fiscal and structural limitations. This underscores LGUs' proactive efforts to support local development and social protection.

Efforts in infrastructure development are ongoing, and the presence of procurement and fund disbursement systems demonstrates a functioning administrative framework. While there are areas for improvement, these mechanisms serve as a foundation upon which efficiency and timeliness can be further enhanced. The study also highlights that LGUs have established monitoring and evaluation (M&E) systems, which, while currently limited in scope, provide an important starting point for improving fiscal transparency and program accountability. Strengthening these systems can further support evidence-based policymaking and strategic planning. In terms of fiscal management, LGUs—particularly those in General Santos City and Sarangani Province—have a stable source of funding through the Internal Revenue Allotment (IRA). While local revenue generation is still in development, the current reliance on IRA offers financial stability and an opportunity for LGUs to strategically explore diversifying income sources through improved taxation and business permitting strategies. Notably, the statistical analysis revealed a significant positive correlation between fiscal capability and the program's implementation. This finding affirms that strengthening fiscal capacity directly contributes to more effective delivery of local development projects. LGUs with higher fiscal capabilities demonstrate greater efficiency and responsiveness in meeting community needs. Overall, the study highlighted the resilience and foundational strengths of LGUs in the SOCCSKSARGEN region, identifying strategic areas for capacity-building, innovation, and policy enhancement to optimize local governance and service delivery further.

4.0. Conclusion

In conclusion, the study revealed that the local governments of Sarangani Province and General Santos City possess a very high fiscal capability level in implementing local development programs, as indicated by an overall mean of 4.5 and a standard deviation of 0.44. This conclusion affirms the Theory of Implementation (Weiss, 1997), which emphasizes that effective policy implementation is strongly influenced by the availability of adequate resources, including fiscal capacity. According to the theory, successful implementation is more likely when implementing agencies possess the necessary financial means, organizational structure, and political support. Thus, the perceived very high fiscal capability suggests a favorable condition for the successful execution of local development programs in the region. The conclusion highlights that the local governments of Sarangani Province and General Santos City have a very high extent of implementing local development programs and projects, with an overall mean of 4.5 and a standard deviation of 0.44. Strengthening fiscal governance and monitoring systems is essential for accountability and effective program implementation. This indicates that the fiscal sustainability of local government units (LGUs) is at risk due to their dependence on national government funds and the inadequacy of their local revenue-generating strategies. The conclusion emphasizes that fiscal strength is crucial for successful program implementation, as improved financial management enhances the effectiveness of service delivery.

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