

Project Management and Administration of Financial Assistance to Host Communities of Batangas Power Plants

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ABSTRACT

The financial assistance under the Energy Regulations No. 1-94, as amended, of the Department of Energy (DOE) was created to further support the host local government units (LGUs)/regions over and above the various taxes received from the utilization and development of the national wealth within their respective areas as provided under Section 289-294 of the Local Government Code by the LGUs. Moreover, this provision is to secure the endorsements of the host LGUs/regions for the implementation of power projects in their area and in the long run will promote harmony and cooperation among host communities and people affected. The study is focused on evaluation of the financial assistance contributed by independent/private power producers in which energy generation facilities and/or energy resources are located in the province of Batangas, allocated among the social development programs, namely: Electrification Fund (EF); Development and Livelihood Fund (DLF); Reforestation, Watershed Management, Health and/or Environment Enhancement Fund (RWMHEEF). The descriptive-normative research design was used in this study.

The extent of financial assistance funding allocation in the three (3) types of social development programs was comparatively found out to be “adequate”. As of this study, the electrification of barangays was the most priority need of the community which is also one of the major thrust of the government. There is a significant difference in the extent of financial assistance funding allocation in terms of EF, DLF, and RWMHEEF. The EF is found out to be more adequate than DLF. There is a significant difference between the extent of financial assistance funding allocation in terms of DLF and RWMHEEF. There is no significant difference between the extent of financial benefits funding allocation in terms of EF and in terms of RWMHEEF.

The extent of implementation of financial assistance for the social development programs with respect to realization of DOE goals and objectives was found out to be “effective” in all areas. The levels of effectiveness of DOE administrators in administering the financial assistance of social development programs in terms of project proposal evaluation, accounting, auditing and monitoring and evaluation were found out to be “effective”. There is no significant difference in the effectiveness of DOE administrators in implementing the social development programs with respect to project proposal evaluation, accounting, auditing and monitoring and evaluation. There is a significant relationship between

the extent of DOE administrators of financial assistance of social development programs and the realization of DOE goals and objectives.

The extent of financial assistance funding allocation and the implementation of the social development programs with respect to realization of goals and objectives is dependent on the effectiveness on the evaluation of project proposals and the efficiency to work with other stakeholders in affecting the rules and regulations of E.R. 1 – 94.

Keywords: *Project, Management, Financial, Administration, Goal, Powerplants, Communities*

INTRODUCTION

The Department of Energy (DOE) is mandated to rationalize the organization and functions of the government agencies related to energy as provided under Republic Act (R.A.) No. 7638, otherwise known as the “Department of Energy Act of 1992”. One of its mandates provided under Section 5(i) of said law is to grant financial assistance to communities hosting energy generation facilities and/or energy resources to recompense the contribution made by the pertinent barangay, municipality or city, province, and region in hosting within their respective territorial jurisdiction the energy generation facility and/or energy resources.

The E.R. 1-94 also provides the policy objectives of the DOE which is concomitant with the goal of the law:

- To recognize and provide recompense for the contribution made by the pertinent barangay, municipality or city, province or region in hosting within their respective territorial jurisdiction the energy source and/or energy-generating facility through which the rest of the country is energized;
- To lessen conflict of rights among host LGUs/regions, the community and people affected, the energy resource developers or power producers, and the appropriate agencies of the national government, recognizing that the relationship among them is affected with public interest; and
- To promote harmony and cooperation among host LGUs/regions, the community and people affected, the energy resource developers or power producers, and the appropriate

agencies of the national government whereby the community and people affected and the host LGUs/regions are provided with the benefits under a coordinated and consultative or participative process while the power producers or energy resource developers are accorded community support and legal protection by the host LGUs/regions.

In response to said mandate, Energy Regulations (E.R.) No. 1 – 94 was issued on June 27, 1994, which prescribed the implementing rules and regulations (IRR) in the implementation of the law. This was amended and collaborated in Section 66 of the Electricity Industry Reform Act of 2001 and its attendant rules and procedures to further improve the program. The law requires energy resource developers and power producers to provide financial assistance equivalent to one centavo per kilowatt-hour of the electricity sales derived from the operation of their respective power projects/facilities.

Budget Allocation of Financial Assistance

For an energy generation facility and/or energy resource located in a non-highly urbanized city, the financial assistance is allocated as follows: Electrification Fund (EF)-50%; Development and Livelihood Fund (DLF) 25%; and Reforestation, Watershed Management, Health and/or Environment Enhancement Fund (RWMHEEF)-25%. The 50% of the financial assistance is set aside as EF for the electrification of barangays which is applied in the following radiating order as follows: designed resettlement area/s; host barangay/s; host municipality/ies or city/ies; host province/s. In case where the grid-type of electrification is deemed unviable for particular host LGU/region as determined by the DOE, the funds intended for the purpose may be ordered redirected by the DOE for appropriate energy projects that can provide immediate electrification through the use of new and renewable energy technologies with electricity-generating potentials like solar energy, mini-hydro, biomass, and such other similar projects.

The twenty-five percent (25%) constitute the DLF and the other twenty-five percent (25%) for RWMHEEF, each is applied in the following manner: designed resettlement area/s-5%; host barangay/s-20%; host municipality/ies or city/ies-35%; host province/s-30%; host region/s-10%. The types of social projects which can be funded from the DLF are as follows: street lightings; multi-purpose hall/barangay hall; school buildings and

facilities; day care centers; roads, bridges, and multi-purpose pavements; irrigation facilities; public drainage/ sewerage systems, and food control measures; fish ports and seawalls; public markets/slaughter houses; rice/corn millings/buying stations; livestock, poultry, vegetable and food productions; small and large scale livelihood projects. The RWMHEEF shall be used to finance the following social projects: water supply systems; hospitals/barangay health centers, medical equipment and facilities; reforestation and watershed management projects; and environment enhancement and sanitation.

In the absence of designated resettlement area/s, funds allocated for the resettlement shall form part of the host barangay/s. For energy generation facilities and/or energy resources overlaps more than one host LGUs/regions, the DLF and RWMHEEF shall be equally allocated among host LGUs/regions. In case of disputes on the allocation among host LGUs/regions, sharing shall be based on the percentage of the land area occupied by the said energy generation facilities and/or energy resources. The financial assistance are deposited by the energy resource developers or power producers in a separate trust fund accounts for the different funds in government depository banks in accordance with Department Circular No. 95-11-009. Funding of the projects includes costing of materials, equipment and labor, exclusive of payment for salaries, wages, honoraria, allowances, administrative expenses, transportation, and travel expenses, and other similar expenses that may be incurred in the processing and release of funds, and implementation of projects.

Among the several frameworks being applied by modern countries in their organizations as reviewed and analyzed by the researcher, the **theoretical framework** of Alberta provided the researcher the instrument in the conceptualization of the framework of this study. The Government of Alberta believes on the meaning of accountability as an obligation to answer for the execution of one's assigned responsibilities, that its organization is assigned responsibility and it must be provided with plan and execution, measurement and reporting of the real results relative to the plan. Then, the recipient of the report provides feedback for the development of new plans, and the cycle begins again. Thus, the conceptual framework of the study revolved around the following guidelines, to wit: Set measurable goals and responsibilities; Plan what needs to be done to achieve goals; Do the work and monitor progress; Report on results; and Evaluate results and provide feedback.

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Status of the Program

The total financial assistance accrued from the commercial operation of the facilities is stood at 2.59 billion pesos for the period 26 June 1994 to 25 December 2002 with an accumulated interest of 272.88 million pesos which had been deposited since then up to the 31st of December 2002. As of 31 March 2003, 585 electrification projects have been approved amounting to 425.90 million pesos funded under EF, while 377 development and livelihood projects have been approved which funding was sourced from the DLF entailing a total project cost of 211.06 million pesos. A total of 460.81 million pesos has been approved to finance 366 reforestation, watershed management, health and/or environment enhancement related projects. The total disbursements of 1.10 billion pesos, in which breakdown accounts for EF – 38.72%, DLF – 19.19%, and RWMHEEF – 41.89% utilization of the total fund. The total approved projects of 1,328 amounting to 1,097.77 million pesos or about 1.10 billion pesos accounts for 42.47% of the total accrued fund with the following status, as shown in Table 1.

Table 1
Status of Approved Projects

Type of Funding	Completed	On-going Construction	Approved for Funding	Not Implemented	Total	Cost (In Million)
EF	338	75	157	15	585	425.90
DLF	252	41	84	1	377	211.06
RWMHEEF	215	96	55	0	366	460.81
Total	805	212	296	16	1,328	1,097.77

Not implemented due to unforeseen problems. Funds shall be returned to DOE.

Also, as of December 31, 2002, the accrued interest amounting to 159.19 million pesos has been obligated for 109 electrification projects with a total disbursement of 113.69 million pesos, which accounts for 71.42% of the said total accrued interest fund. According to Francisco S. Tantuico, Jr. in his book *Accountability and Performance (Central Pillars of Democracy)* wherein he elaborated that the primary stewardship concern of the public sector should not only on the financial probity, authorization and control, attestation of financial statements, compliance and economy aspects of recorded transaction, but also on the responsibility for the effective use of state resources. A public office as trustee will always have the responsibility to be EFFICIENT in the discharge of its duties EFFECTIVE in carrying out its

mission. Further, he emphasized that numbers are not just to be reviewed, verified, and corrected but missions must likewise be accomplished. He said, accountability is reporting. People account or report to other people. Therefore, it is useful to consider accountability in the context of the relationship between the people or organization involved.

Statement of the Problem

This research undertaking sought to evaluate the management of the project and administration of financial assistance granted by the DOE to the host LGUs/region hosting energy generation facilities and/or energy resources located in the province of Batangas. Specifically, it sought to answer the following questions:

1. Which of the social development programs/projects offered by the DOE are considered priority by the community people?
2. What is the extent of the following financial assistance funding allocation in the following types of social development programs: Electrification Fund; Development and Livelihood Fund; and Reforestation, Watershed Management, Health and/or Environment Enhancement Fund.
3. Are there significant differences in the extent of the financial assistance funding allocation in the three (3) types of social development program?
4. What is the extent of implementation of social development programs with respect to realization of DOE goals and objectives?
5. What is the level of effectiveness of DOE administrators in administering the financial assistance of social development programs, with respect to the following dimensions: Project proposal evaluation; Accounting; Auditing; and Monitoring and evaluation.
6. Are there significant differences in the effectiveness of the DOE administrators in implementing the social development programs with respect to project proposal evaluation, accounting, auditing, and monitoring and evaluation?

7. Is there a significant relationship between the effectiveness of DOE administrators in administering the financial assistance of social development programs and the realization of DOE goals and objectives?

Hypotheses

The following were the hypotheses tested:

1. There are no significant differences in the extent of the financial assistance funding allocation in the three (3) types of social development program.
2. There are no significant differences in the effectiveness of the administrators in implementing the social development programs with respect to project proposal evaluation, accounting, auditing, and monitoring and evaluation.
3. There is no significant relationship between the effectiveness of DOE administrators in administering the financial assistance of social development programs and the realization of DOE goals and objectives.

RESEARCH METHODOLOGY

This chapter presents the research methodology particularly, research method, the population frame and sampling scheme, description of respondents, instrument used, data gathering procedures, and the statistical treatment of data.

Research Method Used

The descriptive research method was used in this study because of its appropriateness. Estolas and Boquiren (1973:90) described this method as the most appropriate in ascertaining status of people or conditions under study. It includes study that purports to present facts concerning the nature and status of anything, a group of persons or a number of objects. This method also looks into conditions, class of events, system of thoughts, opinion or beliefs, practice or any kind or phenomenon which one wished to discover or study. It uses the processes of analysis, classification, measurement, appraisal or evaluation.

Population Frame and Sampling Scheme

Purposive sampling was utilized in determining the respondents of this study. The respondents totaling to 241 are the stakeholders who are fully involved and aware of the implementation of program under E.R. 1-94. These stakeholders are employees and officials of the Department of Energy (DOE), National Power Corporation (NPC), Power Plants (PPs), Franchise Distribution Utilities (FDUs), Local Government Units (LGUs), and Volunteer Leader (VL) representing the residents.

Table 2
Percentage Distribution of Respondents

Stakeholders	No. of Respondents	Percentage (%)
Department of Energy	35	12.32
National Power Corporation	7	2.46
Power Plants (Power Producers)	21	7.40
Franchise Distribution Utilities	25	8.80
Host local Government Units	138	48.60
Volunteer Leaders (Residents)	58	20.42
Total	284	100

Description of Respondents

The subjects of this study are described according to the frequency and percentage distribution of respondents by age, gender, and civil status using the following formulae:

- *Frequency* (Webster, 1981:221) - the number of recurrence of a given event (response) in a given time.
- *Percentage* (Guilford and Fruchter, 1978:32)

$$P = \frac{n}{N} \times 100$$

Where: P = Percentage
n = Number of cases in a particular group/
occurrence of behavior
N = Total number of cases

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1. Age

Table 3

Frequency and Percentage Distribution of Respondents by Age Group

Age Group	Frequency	Percentage (%)
30 years old and below	47	16.55
31-40 years old	112	39.44
41-50 years old	79	27.82
51 and above	46	16.19
Total	284	100.00

The table shows that most of the respondents represent the 31-40 years of age bracket as shown by the frequency of 112 with an equivalent percentage of 39.44. Those who belong to the 41-50 years of age group are second in rank with 79 or 27.82 percent. Third is the group of the 30 years and below of age with 47 or 16.55 percent, and the smallest group is the group 51 and above years of age as shown by 46 or 16.19 percent.

2. Gender

Table 4

Frequency and Percentage Distribution of Respondents by Gender

Gender	Frequency	Percentage (%)
Male	124	43.66
Female	160	56.34
Total	284	100.00

Majority of respondents are females as exhibited by a frequency of 160 or 56.34 percent and only 124 or 43.66 percent are males. This shows the most females are involved in the implementation of the program.

3. Civil Status

Table 5

Frequency and Percentage Distribution of Respondents by Civil Status

Civil Status	Frequency	Percentage (%)
Single	76	26.76
Married	181	63.72
Separated	10	3.52
Widow/Widower	17	6.00
Total	284	100.00

It is observed that majority of the respondents are married. Next in rank are the respondents with single status followed by widow/widower respondents, and the least are those that separated from their spouses.

Instrument Used

The researcher-made questionnaires were used in the study based on readings and patterned after project proposal evaluation, accounting, monitoring, and auditing and evaluation components on administering the financial assistance of the social development programs.

The responses to each of the statement on assessing the administration of financial assistance are allocated using the following scale of 1-5:

Extent of Financial Funding Allocation

4.6	-	5.0	=	Very Adequate (VA)
3.6	-	4.5	=	Adequate (A)
2.6	-	3.5	=	Fairly Adequate (FA)
1.6	-	2.5	=	Inadequate (IA)
0.0	-	1.5	=	Very Inadequate (VIA)

Extent of Implementation in Realizing the DOE Goals and Objectives and Effectiveness of DOE Administrators

4.6	-	5.0	=	Very Effective (VE)
3.6	-	4.5	=	Effective (E)
2.6	-	3.5	=	Fairly Effective (FE)
1.6	-	2.5	=	Ineffective (IE)
0.0	-	1.5	=	Very Ineffective (VIE)

The numerical values assigned to the responses of each item were added and the means were derived. The foregoing adjectival rating scales were utilized.

Data Gathering Procedure

Before the distribution of the questionnaires, courtesy calls were conducted from each stakeholders' unit as the DOE, NPC, PP, LGU, FDU and VL representing the residents in the community to formally seek permission to undertake this study. Questionnaires were then administered to the identified sample respondents of the above agencies and groups with the research assistants.

Statistical Treatment of Data

Data for this research study were analyzed by means of percentages, frequencies, weighted mean or mean, t-test for independent means, and Person Product Moment Correlation.

Frequencies and *percentages* were used to determine the description of respondents with the following formulae:

- *Frequency* (Webster, 1981:221) - the number of recurrence of a given event (response) in a given time.
- *Percentage* (Guilford and Fruchter, 1978:32)

$$P = \frac{n}{N} \times 100$$

Where: P = Percentage
n = Number of cases in a particular group/
occurrence of behavior
N = Total number of Cases

Ranking was used to determine the priority needs of the project beneficiaries in terms of social development programs offered by the DOE. This is arranging the priority needs of the project beneficiaries by assigning numbers where number 1 is the first priority and so on.

Weighted mean or *Mean* was used to determine the extent of financial funding allocation in the three (3) types of social development program; extent of implementation in realizing the DOE goals and objectives; and, the level of effectiveness of DOE administrators in administering the financial assistance of social development programs using the following formulae:

Formulae:

- *Weighted Mean* or *Mean* (Calmorin, 1995:118)

$$Mn = \frac{\sum X}{N}$$

Where:

ΣX = sum of scores

N = number of cases

The Pearson Product Moment Correlation was used to determine if there is a significant relationship between the effectiveness of DOE administrators in administering the financial benefits of the social development programs, and the realization of the DOE goals and objectives using the following formulae:

$$r = \frac{n\Sigma xy - \Sigma x\Sigma y}{\sqrt{[n\Sigma x^2 - (\Sigma x)^2][n\Sigma y^2 - (\Sigma y)^2]}}$$

Where:

Σx = sum of all x scores (ratings of respondents in the first variable)

Σy = sum of all y scores (ratings of respondents in the second variable)

Σxy = sum of all the products of every paired x score and y score (ratings of respondents in the second variables)

Σx^2 = sum of all the square of every x score (the square of every rating of respondents in the first variable)

Σy^2 = sum of all the square of every y score (the square of every rating of respondents in the second variable)

n = number of pairs

The t-test for related means or dependent means was used to determine if there is significant difference between the extent of financial funding allocation in terms of the EF and DLF, EF and RWMHEEF as well as DLF and RWMHEEF.

$$t = \frac{d - \mu_d}{S_d \sqrt{\frac{1}{n}}}$$

Where:

$$d = \frac{\sum d}{n}$$

$$S_d = \frac{\sqrt{\sum (d - \bar{d})^2}}{n-1}$$

d = difference between the sample data

\bar{d} = mean value of the differences d for the paired sample data

μ_d = mean value of the differences d for the population paired data

S_d = standard deviation of the d values for the paired sample data

n = number of pairs

The 5% level of probability was considered as the level of significance.

This study employed a statistical software program particularly the Statistical Packages for Social Sciences (SPSS) version 11.0, which was utilized in the analysis and statistical treatment of the data.

FINDINGS OF THE STUDY

The results embraced the major components mentioned in the statement of the problems:

Priority Needs of the Project Beneficiaries in terms of the Social Development Programs Offered by the DOE

The priority needs of the project beneficiaries were determined based on the documentary data or the record available in the DOE in terms of financial assistance utilization as of the time this study was conducted. As a result, Table 8 shows the priority needs of the project beneficiaries within host communities under study.

Table 8
 Priority Needs of the Project Beneficiaries
 in terms of the Social Development Programs Offered by the DOE
 (In Million Pesos)

	Amount (P)	Rank
1. Barangay electrification	425.90	1
2. Street lighting	-	-
3. Multi-purpose hall/Barangay hall	0.79	5
4. School buildings and facilities	-	-
5. Day care centers	-	-
6. Feeder roads bridges, and multi-purpose pavements	3.00	4
7. Irrigation facilities	-	-
8. Public Drainage/ sewerage systems and flood control measures	-	-
9. Fish ports and seawalls	0.56	6
10. Public markets/ slaughter houses	-	-
11. Rice/corn milling/buying stations	-	-
12. Livestock, poultry, vegetables, and food productions	-	-
13. Small and large scale livelihood projects	-	-
14. Water supply system	13.69	2
15. Hospitals/ barangay health center, etc.	0.29	7
16. Reforestation and watershed management projects	-	-
17. Environment enhancement and sanitation	3.57	3

Result shows that among the 17 social development programs offered by the DOE, electrification of barangays was ranked 1, followed by water supply system (rank 2); environment enhancement and sanitation (rank 3); feeder roads, bridges, and multipurpose pavements rank (4); multi-purpose hall/ barangay hall (rank 5); fish ports and seawalls (rank 6); and hospitals/barangay health centers (rank 7).

The electrification of barangays was found to be the first priority need of the beneficiaries because of the awareness of the stakeholders on the government thrust to facilitate 100% nationwide barangay electrification by the year 2008, which mandate the DOE to closely coordinate with

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the FDUs, LGUs, and IPPs to fast track implementation of electrification projects.

**Extent of Financial Assistance Funding Allocation in the Three
(3) Types of Social Development Program of the DOE**

This area aims to determine the adequacy of financial assistance allocation for the three (3) types of funding (EF, DLF, and RWMHEEF) as basis for decision making on whether the one-centavo contribution of the power producers derived from operations of their respective power generation facilities and/or energy resources is enough to compensate whatever the host communities contributed to the establishment of said facilities in their respective jurisdiction. Table 9 showed the result of information on this aspect as perceived by the stakeholders.

Table 9
Extent of the Financial Assistance Funding Allocation
In the Three (3) Types of Social Development Program of the DOE

Fund Types	DOE		NPC		PP		FDU		LGU		VL		Total	
	Mn	V.L	Mn	V.L	Mn	V.L	Mn	V.L	Mn	V.L	Mn	V.L	Mn	V.L
1. EF	4.40	A	4.57	VA	4.33	A	4.40	A	4.44	A	4.46	A	4.43	A
2. DLF	4.14	A	4.29	A	4.05	A	4.20	A	4.13	A	4.26	A	4.18	A
3. REMHEEF	4.06	A	4.43	A	4.00	A	4.00	A	4.05	A	4.18	A	4.12	A
Total (Mean)	4.20	A	4.43	A	4.13	A	4.20	A	4.21	A	4.30	A	4.24	A

Table 9 shows that the extent of financial assistance funding allocation in the three (3) types of social development program of DOE (EF, DLF, RWMHEEF) were comparatively found out to be **“adequate”** as revealed by their means of 4.43, 4.18, and 4.13, respectively.

The above result further supported by Tantuico (1994) in his definition of economy, effectiveness, and efficiency in implementing social development program in which he described economy as the adoption of action, assures achievement of the clearly defined predetermined plans, objective or goals (benefits) at the lowest reasonable cost (economy) and in a practicable manner within an established or agreed-upon time frame (efficiency).

Test for the Significant Difference in the Extent of Financial Assistance Funding Allocation in the three (3) Types of Social Development Program of DOE

Table 10 shows that there is a significant difference among the extents of financial assistance funding allocation in terms of EF, DLF and RWMHEEF, since the probability $p=.000$ associated to the computed t value (9.55) is less than the hypothesized probability level at $p=.05$. In this regard, the extent of financial assistance in terms of EF was found out to be more adequate than DLF since the computed value is positive.

Table 10
 Test for the Significant Difference
 among the Extent of Financial Assistance Funding Allocation
 in the Three (3) Types of Social Development Program of DOE

Pair	Programs	Df	Computed t Value	Associated Probability p
Pair 1	EF	5	9.55	.000*
	DLF			
Pair 2	EF	5	4.871	.005*
	RWMHEEF			
Pair 3	DLF	5	1.318	.245**
	RWMHEEF			

*Computed t value significant at .05 level (2-tailed)

** Computed t value is not significant at .05 level (2-tailed)

Similarly, there is a significant difference among the extents of financial assistance funding allocation in terms of DLF and RWMHEEF, since the probability $p = .000$ associated to the computed t value (9.55) is less than the hypothesized probability level at $p = .05$. The positive result/sign of the computed t value also indicates that the extent of financial assistance funding allocation of EF is more adequate than the RWMHEEF. On the other hand, there is no significant difference between the extents of financial assistance funding allocation in terms of EF as well as RWMHEEF, since the probability $p = .000$ associated to the computed t value (9.55) is less than the hypothesized probability level at $p = .05$.

The significant difference between pair 1 and pair 2, as well as the positive sign associated to the computed t values, implies that extent

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of financial assistance funding allocation in terms of EF was the most adequate among the three (3) types of social development program. The above findings are supported by Tantuico (1994). He emphasized the efficiency as the use of resources in relation to outputs or the liability to produce more with resources and allocation is dependent primarily on the efforts of the spending agencies and their awareness of the interest of their clients as well as the utilization of the services provided.

Extent of Implementation of Financial Benefits of Social Development Programs with Respect to Realizations of DOE Goals and Objectives.

Table 11 shows the extent of implementation of financial assistance of social development program with respect to the realization of goals and objectives which was found out to be “**effective**”. This was disclosed by the overall weighted mean of 4.06.

Table 11
Extent of Implementation of Financial Benefits of Social Development Programs with Respect to Realizations of DOE Goals and Objectives.

Goals and Objectives	TOTAL	
	Mn	V.I.
1. To device ways and means of giving direct benefits to LGUs.	4.50	E
2. To recognize and recompense contribution of the LGUs hosting energy facility and resources.	4.02	E
3. To promote harmony so as to lessen conflict of rights among host LGUs and concerned national agencies.	3.95	E
4. To institute within the DOE efficient and effective administration of the trust fund.	4.02	E
5. To maintain administrative and managerial capability to achieve DOE’s goals and objectives.	3.95	FE
6. To deliver effectively the essential services to the host LGUs.	3.91	E
Total (Mean)	4.06	E

The level of effectiveness was found out particularly on the ability of the DOE administrators to device ways and means of giving direct benefits to host LGUs hosting energy generation facilities with 4.51 weighted mean; ability to recognize and recompense contribution of the local government units hosting energy generation facility and/or energy resource through the

provisions of projects that enable to demonstrate the latter’s potential for enhancing community progress (4.02 weighted mean); ability to promote harmony so as to lessen conflict of rights among LGUs hosting energy generation facilities and/or energy resources, and other concerned national agencies through the provision of financial assistance in a coordinated and consultative process (3.96 weighted mean); ability to institute within the DOE efficient and effective administration of the trust fund (4.02 weighted mean); ability to maintain administrative and managerial capability to achieve DOE’s goals and objectives (3.95 weighted mean); and, ability to deliver effectively the essential services to the host LGUs (3.91 weighted mean).

The effectiveness of the DOE administrators in the above aspects is tantamount to the concept of Tantuico (1994) where effectiveness is the use of available resources with a view toward determining the optimum and comparing that to the actual use or the employment of resources to achieve certain goals and objectives.

Level of Effectiveness of DOE Administrators in Administering the Financial Assistance of Social Development Programs in Terms of Project Proposal Evaluation, Accounting, Auditing, and Monitoring and Evaluation

Table 12

Level of Effectiveness of DOE Administrators in Administering the Financial Assistance of Social Development Programs in Terms of Project Proposal Evaluation, Accounting, Auditing, and Monitoring and Evaluation

Parameters	TOTAL	
	Mn	V.I.
Project Proposal Evaluation		
1. Ability to affect rules and regulations governing the implementation of E.R. 1-94	4.73	VE
2. Ability to assess varied LGU project proposals that are of primordial concern to the community people.	4.2	E
3. Ability to employ technical procedures required in the allocation of financial.	3.87	E
4. Ability to observe time-frame in the evaluation of project proposal.	3.46	E
Total (Mean)	4.06	E

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Accounting		
1. Ability of concerned personnel to affect accounting rules and regulations.	4.19	E
2. Ability to allocate LGUs' financial proceeds for LGUs approved project proposals in according with the accounting rules and regulations.	4.04	E
3. Ability to disburse financial proceeds for LGUs' approved project proposals in accordance with the accounting rules and regulations.	4.00	E
4. Ability to monitor the disbursement of trust funds allocation to the different LGUs approved projects.	3.91	E
5. Ability to reconcile statement of funding allocation through the aid of MIS.	3.46	FE
Total (Mean)	3.92	E
Auditing		
1. Ability to affect rules and regulations.	4.15	E
2. Ability to identify areas that require auditing rules and regulations.	4.02	E
3. Ability to affect audit programs to all DOE's financial funding projects.	4.00	E
4. Ability to have a systematic approach in auditing such as gathering evidence, interview/inquiry, review of documentation and inspection.	3.80	E
Total (Mean)	3.99	E
Monitoring and Evaluation		
1. Ability to assess the overall design and implementation of the projects.	4.14	E
2. Ability to monitor specific project activities.	3.60	E
3. Ability to provide technical guidance on how to improve program/project design for future administration of projects.	4.11	E
Total (Mean)	3.95	E

Table 12 shows that the effectiveness of DOE administrators in administering the financial assistance in terms of project proposal evaluation, accounting, auditing, and monitoring and evaluation. was found out to be “**effective**” based on the computed overall weighted mean of 4.08.

In terms of project proposal evaluation, it is found out to be “effective” based on the computed overall weighted mean of 4.08. This effectiveness in terms of project proposal evaluation is supported by the principle of Nigro and Nigro (1984) where evaluation is an integral part of the administrative process and decisions are made and implemented based on policies, plans, and programs. Table 12 disclosed that the DOE administrators were “effective” in administering the financial benefits of social development programs in terms of accounting, based on the computed overall weighted mean of 3.93. The result was supported by Nigro and Nigro (1984) which emphasized the importance of accounting in the administration or management of funds, specifically on recording and summarizing the activities of the DOE with regard to money and interpreting the results thereof. Also, Table 12 reveals that the DOE administrators had demonstrated a degree of “effectiveness” in their tasks in auditing the financial assistance based on the computed overall weighted mean score of 3.99. Like accounting, Nigro and Nigro (1984) emphasized also the importance of auditing in the management of funds, as this sets the analysis of proposed or past expenditures with respect, not only to their legality, but also to their desirability. Based on the above Table, it declares that most of the DOE administrators had manifested a degree of “effectiveness” in their capacity to implement the financial benefits in terms of monitoring and evaluation, as revealed by the overall weighted mean 3.95. Further, Nigro and Nigro (1984) supported the results in which they disclosed that in the management of funds, results achieved should be monitored and evaluated so that new decisions are made and the cycle is repeated.

Test for the Significant Difference in the Effectiveness of the Administrators in Implementing the Social Development Programs with Respect to Project Proposal Evaluation

Table 13 reveals that there is no significant difference in the effectiveness of administrators in implementing the social development programs with respect to project proposal evaluation, accounting, auditing, and monitoring and evaluation. Since the associated probabilities $P_{ppe} = 896$; $P_a = 250$; $P_{au} = 140$; and $P_{me} = 696$ of the computed t value, are greater than the hypothesized probability level $p = .05$, the null hypothesis is therefore accepted.

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Table 13

Test for the Significant Difference of the Effectiveness of the DOE Administrators in Implementing the Social Development Programs with Respect to Project Proposal, Accounting, Auditing, and Monitoring and Evaluation

Pair	Programs	DF	Computed t value	Associated Probability p
Pair 1	Project Proposal Evaluation	5	.142	.896**
	Accounting			
Pair 2	Project Proposal Evaluation	5	1.605	.250**
	Auditing			
Pair 3	Project Proposal Evaluation	5	2.382	.140**
	Monitoring and Evaluation			

Computed t value is not significant at .05 level (2-tailed)

It could be gleaned from the foregoing data that the DOE administrators were demonstrating a relative degree of effectiveness in all dimensions of financial benefits administration, particularly project proposal evaluation, accounting, auditing, monitoring and evaluation.

With regard to the foregoing results, it could be concluded that the DOE administrators attributed their effectiveness in administering the same program from their quality preparation and training to manage the financial assistance of the program beneficiaries. In addition, a sense of accountability was gleaned among the administrators particularly demonstrated in their ability to institute within the DOE effective and efficient administration of trust fund, their ability to maintain administrative and managerial capability to achieve development goals and objectives.

Relation Between the Effectiveness of DOE Administrators in Implementing the Financial Assistance of the Social Development Programs and in the Realization of DOE Goals and Objectives.

Table 14 reveals that the administration of financial assistance in general is “**Effective**” (3.98 Weighted mean). The same is true with the realization of DOE goals and objectives which were found “**Effective**” (4.06 weighted mean).

Table 14

Relationship Between the Effectiveness of DOE Administrators in Implementing the Financial Assistance of the Social Development Programs and the Realization of DOE Goals and Objectives

Characteristics	TOTAL	
	Mn	V.I.
1. Administration of financial assistance	3.98	E
2. Realization of Goals and Objectives	4.06	E
Total (Mean)	4.02	E

Significant Relationship Between the Extent of DOE Administration of Financial Assistance of Social Development and the Realization of DOE Goals and Objectives

Table 15 reveals that since the associated probability $P_{afb} \& RGO = .035$ of the computed correlation coefficient $r .545$ is lesser than the hypothesized value therefore the null hypothesis is rejected.

Table 15

Significant Relationship Between the Extent of DOE Administrators of Financial Assistance for the Social Development Programs and the Realization of DOE Goals and Objectives

Variables	Correlation Coefficient r	Associated Probability P
Realization of Goals and Objectives Vs. Administration of Financial Assistance	.545	.035**

**Correlation is significant at .05 level (2-tailed)*

This means that there is a significant relationship between the extent of DOE administration of financial assistance of social development programs and the realization of development goals and objectives.

The general accepted principle of realizing the target goals and objectives of any development program relies primarily on the implementer and stakeholder. It requires a vast and sound knowledge and proficiency both in development administration and program management and implementation. Achieving positive result in the administration of financial assistance of any development programs, auditing is an integral

part of accountability process in government. The foregoing discussion is supported by Briones (1983). He further disclosed that auditing and accountability play a vital role in ensuring sound and prudent financial management by mentoring and evaluating the spending activities of government agencies to keep within the bound of law and regulations, and the standards of economy, efficiency and effectiveness.

CONCLUSIONS

1. Based on the foregoing findings, it is therefore concluded that priority needs of the communities under study shall vary from time to time based on the availability of resources, urgency of needs, and effect of outside interventions. This conclusion was supported by Domingo (1995:52) wherein he emphasized that there are no hard and fast rules, which govern prioritization. While the interplay of all factors mentioned provided informative and evaluation inputs for an analytical framework at the different levels, the process of prioritization still remains wanting of criteria development on which rules may be drawn. Specifically, the prioritization of barangay electrification was influenced by the thrust of the government for the total electrification by 2008. This is tantamount to the analysis of Tantuico (1994) wherein he emphasized that prioritization and allocation is dependent primarily on the efforts of the spending agencies and their awareness of the interests of their clients as well as the utilization of the services provided.
2. Moreover, the prioritization of community needs or projects under DLF and RWMHEEF was supported by the Local Government Code (R.A. 7160), which endowed LGUs with significant fiscal autonomy authorities. This is imperative given the significant extent of functions and responsibilities to be carried out by LGUs- some of them are traditional local government functions while others devolved from the central government such as health services and environmental improvements. Most importantly, a local government must provide for long-term development of the LGUs to improve the welfare and quality of life of its population.
3. In terms of the extent of financial assistance funding allocation in the three (3) types of social development program, which was comparatively found out to be “adequate”, is concluded to be dependent on the effectiveness of the DOE in allocating the financial assistance. This conclusion is supported by Tantuico (1994). He emphasized the efficiency as the use of resources in relation to outputs or the ability to produce more with resources and allocation is dependent primarily on

the efforts of the spending agencies and their awareness of the interests of their clients as well as the utilization of the services provided. This principle of Tantuico (1994) also applies in the findings with regard to the significant difference between the extent financial benefits funding allocation in terms of EF, DLF, and RWMHEEF, respectively.

4. As to extent of implementation of financial assistance of social development programs with respect to realization of goals and objectives, and the level of effectiveness of DOE administrators in administering the financial assistance of the social development programs in terms of project proposal evaluation, accounting, auditing, and monitoring and evaluation were found to be “effective”. This concluded the result of the DOE’s efficiency, in coordination with the LGUs, NPC, IPPs, and DUs, to affect rules and regulations of E.R. 1-94 and the proper control to ensure realization of the established goals and objectives. The effectiveness of the DOE administrators in the above aspects is tantamount to the concept of Tantuico (1994) where effectiveness is the use of available resources with a view toward determining the optimum and comparing that to the actual use or the employment of resources to achieve certain goals and objectives.

RECOMMENDATIONS

In relation to the findings of the study and the conclusions thereof, the following recommendations are put forward for DOE’s consideration:

1. As a result of the study, the prioritization of the social development programs, which the DOE offers to the intended beneficiaries vis-à-vis policies, is justifiable based on the foregoing analysis and findings. Specifically, EF, DLF, RWMHEEF are found to be “*adequate*” to finance projects. In this case, the DOE should enhance its collaboration with other stakeholders to facilitate the maximum utilization of the available financial assistance to meet the mandate of the government for 100% barangay electrification by year 2008. Further, to spur socio-economic development in the countryside where most of the power generation facilities and/or energy resources are located.
2. Based on the study, DOE was found to be “*effective*” in the administration of the financial assistance to host LGUs. Thus, there is still a need to improve the administration of such financial assistance if the DOE aims for excellence in its performance.
3. Moreover, it is also recommended to further study the possibility of devolving the administration of the DLF and RWMHEEF to host

LGUs, which has the fiscal autonomy authorities to implement projects funded by the national government such as DOE pursuant to Local Government Code (R.A. 7160). However, it should also recognize the responsibility of the DOE over the financial assistance as endowed in R.A. 7638. The EF should remain with the administration of the DOE, which has the capability, through its attached agencies, to implement the electrification projects. Thus, in this case, a control system should be developed to balance both authority and accountability.

4. Also, for the DOE to aim for excellence in the administration of the financial assistance, there is a need to improve concerned stakeholders' capability in community organizing, project preparation, project proposal evaluation, accounting, auditing, and monitoring and evaluation of completed projects financial management as a whole and the constant awareness of the rules, goals, and objectives of the program.
5. Since the time of the last impact evaluation on the program in 2001, there is a need to conduct another impact evaluation to ensure proper implementation of the program where the financial assistance should be delivered in accordance with its purpose and intended beneficiaries. According to the Auditor General of Alberta (1998) on the basic framework for accountability, he mentioned that when an organization (or an individual) is assigned responsibility, it must provide a plan, execute the plan, and measure and report results relative to the plan. The recipient of the report provides feedback, a new plan is developed, and the cycle begins again.

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