



Republic of the Philippines
Department of Environment and Natural Resources
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MEMORANDUM

TO : ALL REGIONAL EXECUTIVE DIRECTORS

THE DIRECTOR
Environmental Management Bureau
DENR Building, Visayas Avenue
Diliman, Quezon City

FROM : THE UNDERSECRETARY
Field Operations and Environment

SUBJECT : 1ST SEMESTER OF FY 2021 AGENCY PERFORMANCE REVIEW (APR)
AND EVALUATION REPORT

DATE : NOV 10 2021

Endorsed herewith is the Memorandum dated 22 October 2021 from the Undersecretary for Finance, Information Systems and Climate Change referring the letter of Department of Budget and Management (DBM) regarding the above-mentioned subject on physical and financial and income performance of our department.

Please take note of the DBM's recommendation to improve the agency's performance and utilization rate, particularly:

1. To re-strategize for the implementation of projects hampered by pandemic;
2. To closely monitor the performance of the major programs to ensure that any problems in the implementation may be addressed immediately; and
3. To factor in the "new normal" scenario in program/project implementation and foster closer coordination with stakeholders on the delivery of services and/or equipment during ECQ/lockdowns to ensure that targets and deliverables are achieved.

Relative to this, you are hereby instructed to submit your comment/report addressing the aforementioned DBM recommendation within seven (7) days from receipt hereof to the Office of the Undersecretary for Finance, Information Systems and Climate Change, copy furnished this Office citing document tracking no. OUFOE-2021-000920 for record and monitoring purposes.

For compliance.


ATTY. JUAN MIGUEL T. CUNA, *CESO I*

MEMO NO. 2021 - 763

Encls.: as stated

cc: Office of the Undersecretary
Finance, Information Systems and Climate Change



Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City
Tel Nos. (632) 929-66-26 to 29 · (632) 929-62-52
929-66-20 · 929-66-33 to 35
929-70-41 to 43

MEMORANDUM

FOR : **The Undersecretary**
Field Operations and Environment

FROM : **The Undersecretary**
Finance, Information Systems and Climate Change

SUBJECT : **1st SEMESTER OF FY 2021 AGENCY PERFORMANCE
REVIEW (APR) AND EVALUATION REPORT**

DATE : 22 October 2021

We are forwarding to your office the copy of the Department of Budget and Management (DBM) letter dated 4 October 2021 regarding the FY 2021 1st Semester Agency Performance Review (APR) and Evaluation Report on physical, financial and income performance of our department.

Based on the DBM's findings on our physical performance, the department was able to accomplish most of the set targets for the semester of FY 2021 based on the submitted Physical Plan, consistent with the Performance Informed Budget (PIB). However, it was noted that some output indicators are lower than the target accomplish rates.

With regards to our financial performance, our department collectively posted an obligation rate of **52.58%** and disbursement rate of **67.65%** as of June 30, 2021. The financial performance of DENR major programs are shown below:

- a) **Obligations Budget Utilization Rate:**
Highest - National Greening Program – 83.01%
Lowest - Manila Bay Rehabilitation Program – 17.22%
- b) **Disbursements Budget Utilization Rate:**
Highest - Clean Water Program – 84.07%
Lowest - National Greening Program – 38.24%

Further, the actual combined income of the DENR agencies is P1.921 Billion against a full-year target of P2.123 Billion or an equivalent rate of **90.50%**. It is also noted that MGB exceeded its FY 2021 annual revenue target by 50.88%.

In view of this, may we request your office's support to expedite the following DBM's recommendation to improve the agency's performance and utilization rate:

- 1) To re-strategize for the implementation of projects hampered by pandemic;
- 2) To assess the cause of the low rate of obligations and identify areas which may hamper the rate of disbursements;
- 3) To closely monitor the performance of the major programs to ensure that any problems in the implementation may be addressed immediately;

Let's Go Green

- 4) Implement early procurement activities short of award upon issuance of National Expenditure Program;
- 5) To factor in the “new normal” scenario in program/project implementation and foster closer coordination with stakeholders on the delivery of services and/or equipment during ECQ/lockdowns to ensure that targets and deliverables are achieved;
- 6) Strengthen linkages between planning, budgeting and accounting divisions to achieve optimum fund utilization;
- 7) Ensure the accurate encoding of all required Budget and Financial Accountability Reports (BFARs) in the Unified Reporting System (URS).
- 8) Ensure that the performance indicators and targets reported in the BAR No. 1 – Quarterly Physical Report of Operation consistent with the performance indicators and targets under Volume II of the RA No. 11518 and FY 2021 GAA; and
- 9) Monthly Updating of the Personal Services Itemization and Plantilla of Personnel (PSIPOP) in the web-based application system.

May we request your office’s support in addressing the concerns related to implementation of plans and performance of offices particularly the **Items No. 1, 3 and 5** as mentioned above.


ATTY. ANALIZA RIBUELTA-TEH



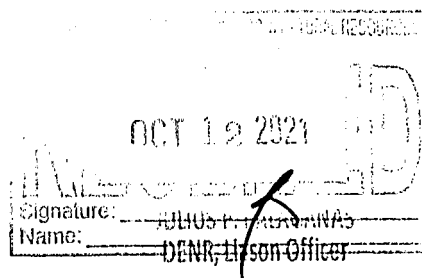
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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

OCT 04 2021

SECRETARY ROY A. CIMATU

Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City

Dear **Secretary Cimatu**:

Pursuant to DBM Circular Letter No. 2018-13 (Guidelines for the Conduct of Agency Performance Reviews (APRs) and Evaluation Thereof Effective FY 2018 and Onwards), please be informed that we have completed the mid-year review of your Department's physical, financial and income performance, the results of which are presented below:

On Physical Performance:

The Department was able to accomplish most of the set targets for the 1st semester of FY 2021 based on the submitted BED 2 – Physical Plan, consistent with the Performance Informed Budget (PIB). However, we noted lower than target accomplishment rates for some output indicators:

Agency	Performance Indicators	Accomplishment Rate (vs. 1st Sem. Targets)
Office of the Secretary (OSEC)	<ul style="list-style-type: none">• Number of critical habitats established and managed• Number of residential free patents issued	16.67% 56.08%
Mines and Geosciences Bureau (MGB)	<ul style="list-style-type: none">• Percentage of total Philippine area surveyed for geology and mineral potential	87.18%
National Mapping and Resource Information Authority (NAMRIA)	<ul style="list-style-type: none">• Number of maps and charts produced or updated and published	53.06%
Palawan Council for Sustainable Development Staff (PCSDS)	<ul style="list-style-type: none">• Number of endemic species subjected to population studies	0.00%

On Financial Performance:

Insofar as financial performance is concerned, the DENR agencies collectively posted an obligation rate of **52.58%** (obligations vs. allotment released) and a slightly higher disbursement rate of **67.65%** (disbursements vs. obligations) as of June 30, 2021

However, the obligation BUR, if computed against the Financial Plan (BED 1) is **89.26%**, and the disbursement BUR if computed against the Monthly Disbursement Program (BED 3) is **69.60%**.

A review of the performance of DENR's major programs under the Office of the Secretary and the Environmental Management Bureau (EMB) disclosed that as of mid-year, obligations BUR ranged from a low of 17.22% (Manila Bay Rehabilitation Program) to a high of 83.01% (National Greening Program). On the other hand, if we consider the disbursements BUR, NGP registered a 38.24% rate while the Clean Water Program of the EMB registered the highest BUR at 84.07%.

Please refer to **Annex A** for the details.

On Income Performance:

As of June 30, 2021, the actual combined income of the DENR agencies reached **P1.921 Billion** against a full-year target of **P2.123 Billion**, or an accomplishment rate of **90.50%**, details as follows:

Agency	Amount (in Thousand PHP)		Accomplishment Rate
	Programmed	Actual	
OSEC	916,488	700,120	76.39%
EMB	406,387	199,812	49.17%
MGB	628,029	947,570	150.88%
NAMRIA	8,845	2,937	33.21%
NWRB	147,441	63,441	43.03%
PCSDS	15,354	7,015	45.69%
Total	2,122,544	1,920,895	90.50%

It is encouraging to note that the MGB has already exceeded its FY 2021 annual revenue target by 50.88%.

Recommendations:

- On the attainment of physical targets, the DENR may have to re-strategize for the implementation of projects hampered by the pandemic during the first semester, particularly OSEC and the PCSDS.
- With regard to financial performance, given the collective obligations BUR of 52.58%, (BURs of the EMB and the MGB are yet to reach the 50% mark), there may be a need for the agencies to assess the cause of the low rate of obligations and to address these as needed. We noted however that the BURs are significantly higher if we compare obligations against the First Semester Financial Plans. Similarly, the agencies may need to identify areas which are hampering the rate of disbursements considering the collective rate of 67%.
- The performance of major programs has to be closely monitored to ensure that any problems in implementation may be addressed immediately;

- We reiterate policies on early procurement activities short of award upon the issuance of the National Expenditure Program, pursuant to Sections 7.6 and 20.1 of the Revised Implementing Rules and Regulations of RA 9184 (Government Procurement Reform Act);
- To factor in the "new normal" scenario in program/project implementation and foster closer coordination with stakeholders on the delivery of services and/or equipment during ECQ/lockdowns to ensure that targets and deliverables are achieved;
- Strengthen linkages between planning, budgeting, and accounting divisions to achieve optimum fund utilization;
- Ensure the accurate encoding of all required Budget and Financial Accountability Reports (BFARs) through the Unified Reporting System (URS) With regard to the submission of BAR No. 1 - Quarterly Physical Report of Operation, the performance indicators and targets reported should be consistent with the performance indicators and targets under Volume II of the Republic Act (RA) No. 11518, FY 2021 General Appropriation Act (GAA); and
- Monthly updating of the Personal Services Itemization and Plantilla of Personnel (PSIPOP) in the web-based application system pursuant to National Budget Circular No. 549 dated October 21, 2013 to avoid deficiencies in the annual appropriations for Personnel Services.

The government recognizes the efforts of the DENR in delivering its commitments reflected in the performance indicators under Vol. II of RA No. 11518, FY 2021 GAA.

The DBM shall be pleased to provide any clarification/additional information on the findings contained in this letter as needed. Thank you.

Very truly yours,


TINA ROSE MARIE L. CANDIA
 Officer-in-Charge



cf: **Director William P. Cuñado**
 Environmental Management Bureau
 East Avenue, Diliman, Quezon City

Director Wilfredo G. Moncano
 Mines and Geosciences Bureau
 MGB Compound, North Avenue, Diliman, Quezon City

Undersecretary Peter N. Tiangco
 National Mapping and Resource Information Authority
 Lawton Ave., Fort Andres Bonifacio, Taguig City

Executive Director Seville D. David, Jr.
 National Water Resources Board
 8th Floor, NIA Building, EDSA, Diliman, Quezon City

Executive Director Teodoro Jose S. Matta
 Palawan Council for Sustainable Development Staff
 PCSD Building Sports Complex Road, Sta. Monica Heights, Puerto Princesa City, Palawan