



MEMORANDUM

FOR : **NATIVIDAD Y. BERNARDINO**
OIC-Director, Biodiversity Management Bureau

LORMELYN E. CLAUDIO, CESO IV
OIC-Regional Executive Director, DENR-MIMAROPA Region

FROM : **DEMETRIO L. IGNACIO, JR., CESO I**
Executive Vice President and Acting President

SUBJECT : **ENDORSEMENT OF CY 2022 OPERATING BUDGET AND WORK AND FINANCIAL PLAN (JANUARY-JUNE) OF THE PALAWAN WILDLIFE RESCUE AND CONSERVATION CENTER**

DATE : 18 March 2022

This submits the CY 2022 Operating Budget (**Annex 1**) and Work and Financial Plan (**Annex 2**) of the Palawan Wildlife Rescue and Conservation Center (PWRCC), in the amount of P2,032,363, chargeable against PWRCC funds, managed and held in trust by NRDC, for the period January to June 2022.

A. BACKGROUND:

1. The PWRCC is a project owned by the DENR (represented by DENR-MIMAROPA Region and BMB) and is operated by NRDC as the designated Operating Entity, pursuant to DENR Administrative Order (DAO) No. 2020-10, dated 17 September 2020. It aims to: 1) conserve the two species of crocodiles in the Philippines (freshwater and saltwater crocodiles), 2) serve as a rescue and rehabilitation center for confiscated, donated and rescued wildlife in the province of Palawan, and 3) promote the socio-economic well-being of local communities through sustainable crocodile farming.
2. A draft Memorandum of Agreement (MOA), jointly prepared by NRDC, DENR-BMB, and DENR-MIMAROPA Region, was completed to establish the collaborative arrangements and define the roles and responsibilities among the three concerned agencies (including approval of the annual budget), in order to strengthen the operations of the Center. The MOA has been signed by NRDC and DENR-MIMAROPA and awaiting the signature of the DENR-BMB.
3. In the meantime that the MOA is not yet completely signed, the Annual Operating Budget and the Work and Financial Plan of PWRCC, as in previous years, shall be approved by DENR (DENR-BMB and DENR-MIMAROPA).

B. HIGHLIGHTS:

1. 2022 PWRCC Operating Budget. The proposed 2022 PWRCC Operating Budget for the period January to June 2022, under the austerity mode, is P2,032,363, broken down as follows:

	<u>Amount</u>	<u>% Share</u>
Personnel Services (PS)	P0	0%
Maintenance and Other Operating Expenses (MOOE)	P2,032,362	100%
Capital Outlay (CO)	P0	0%
TOTAL	P2,032,362	100%

2. Sources of Funds. The primary source of revenues for the Center is income from tourists visiting the Center. In addition, the Center also gets intermittent subsidy support from DENR (DENR-MIMAROPA Region and BMB) sourced from the GAA and sale of crocodiles. The COVID-19 pandemic has greatly affected the revenues from visitors. The number of visitors to the Center has

suffered from 272,937 in 2019 to 5,366 in 2021 or a decline of 98.0%. The following are the sources of funds for the PWRCC for the past 3 years and projections for 2022:

	Revenues From <u>Visitors</u>	DENR <u>Subsidy</u>	Sale of <u>Crocodiles</u>	Total <u>Revenues</u>
2019	P14,421,580	P2,643,000	-	P17,064,580
2020	P 2,238,340	-	-	P 2,238,340
2021	P 497,860	P3,000,000	-	P 3,497,860
2022 (Projected Jan to Jun)	P 480,000	P1,000,000	-	P 1,480,000

Since the pandemic, PWRCC has relied on the pre-pandemic cash balance, which will be fully depleted by the first half of this year, and subsidy from DENR. At the same time, expenses were drastically reduced. The working hours of PWRCC personnel were cut down by 50% to minimize salary expenses. Given the severe financial situation, the priorities are the welfare of the wildlife, upkeep of the Center and continuous employment of all personnel (with lower take home pay). Normally, the Center needs an average of about P9.3 million for its annual pre-pandemic operations.

The proposed 2022 PWRCC Operating Budget shall be funded from the remaining cash balance of P1.666 million (as of December 2021) and revenues from tourists, which is expected to gradually increase with the easing of travel restrictions, of P480,000 from January to June 2022.

3. The 2022 PWRCC Operating Budget (January to June) shall be devoted to the following major expenses:
 - a. Contracted Services – P1,710,000. Budget for the salaries of 30 existing contract-of-service (COS) personnel who will sustain the health and welfare of the crocodiles and wildlife and ensure continuous day-to-day operations. The personnel shall continue to be under the reduced work hours.
 - b. Supplies and Materials – P64,000. Budget for office supplies, janitorial supplies, COVID-19 supplies, and other emergency materials.
 - c. Fuel, Oil, and Lubricant – P53,000. Budget for the generators, chainsaws and one vehicle.
 - d. Repairs and Maintenance – P43,000. Budget for the repair and maintenance of the Center, vehicle, and other machineries and equipment.
4. The proposed CY 2022 Operating Budget excludes the funding support provided by DENR-BMB for the Center this year through the General Appropriations Act (GAA) in the amount of P1 million, which has been allocated for crocodile and wildlife feeds, drugs and medicines for wildlife animals, IEC activities for the Crocodile Conservation Week, payment for utilities, and construction of additional reptile house inside the Center. The proposed Work and Financial Plan for the P1 million funding support shall be submitted separately to DENR-BMB, through the PENRO-Palawan.
5. The proposed budget can only fund the expenses of the Center for the first six (6) months of the year due to the absence of assured additional revenues and subsidy from DENR. NRDC and BMB are working on the sale of 380 saltwater crocodiles to Primefresh Crocodile Farm, Inc., a Wildlife Farm Permit holder who is authorized to maintain and operate wildlife breeding farm of salt water crocodiles. Projected revenues from the sale shall be enough to sustain operations until the end of the year. However, there are still legal issues to be resolved. Without the sale of crocodiles, the Center will be forced to close operations with disastrous consequences on the crocodiles and wildlife.
6. Additionally, there is a need to include funding for the PWRCC in the 2023 proposed DENR-BMB and DENR-MIMAROPA Region budgets, to ensure continued operations until the Center recovers from the effects of the COVID-19 pandemic.

C. REQUESTS:

1. In view of the foregoing and pending the execution of the tripartite MOA, NRDC is seeking the approval and concurrence of DENR-BMB and DENR-MIMAROPA Region on the CY 2022

Operating Budget and Work and Financial Plan of the PWRCC, in the amount of P2,032,363, chargeable against PWRCC funds managed by NRDC, covering the period January to June 2022.

For any questions or clarifications on the subject, please feel free to contact Ms. Gina Varilla, PWRCC OIC-Project Manager, at 0916-226-6083 / giemvi.nrdc@gmail.com or Ms. Lilly Garcia, OIC-Operations Division, at 0917-532-7059 / lgarcia.nrdc@gmail.com.

Thank you very much for your continued cooperation and support.


DEMETRIO L. IGNACIO, JR. CESO I



Attachments:

Annex 1 – CY 2022 Operating Budget of the PWRCC

Annex 2 – CY 2022 Work and Financial Plan of the PWRCC



**CY 2022 OPERATING BUDGET OF
THE PALAWAN WILDLIFE RESCUE AND CONSERVATION CENTER**

Budget Items	Actual*	Proposed**	Assumptions/Remarks
	2021	2022	
1. Contracted Services	3,730,904.74	1,710,000.00	Salaries for 30 COS personnel with reduced workdays.
2. Other Supplies and Materials	78,354.70	56,000.00	Cost of janitorial supplies, COVID-19 supplies, and other emergency materials
3. Fuel, Oil and Lubricant	113,889.53	53,000.00	Actual expenses of P3000 in January and average of P10,000/month starting February
4. Accountable Forms	-	39,000.00	For printing of official receipts.
5. Representation Expenses	56,569.39	36,000.00	Average of P6,000/month.
6. Electricity Expenses	425,252.98	34,562.00	Actual consumption in January
7. Fidelity Bond Premiums	-	22,500.00	Fidelity bond of 3 accountable officers.
8. R&M – Government Facilities	10,705.00	20,000.00	For contingency.
9. R&M – Transportation Equipment	15,346.00	15,000.00	For contingency.
10. Taxes, Duties and Licenses	12,400.00	12,500.00	For LGU and barangay permits.
11. R&M – Machinery and Equipment	-	8,000.00	For contingency.
12. Office Supplies	36,909.00	8,000.00	For contingency
13. Postage and Courier Services	11,050.00	6,000.00	Average of P1,000/month.
14. Mobile Expenses	9,704.00	6,000.00	P1,000/month mobile allocation for OIC-Project Manager
15. Travelling Expenses-Local	46,390.00	3,000.00	For Messenger and authorized depositor of daily collections
16. Bank Charges	3,100.00	2,000.00	
17. Water Expenses	87,199.59	800.00	Actual consumption in January
18. Security Services	49,000.00	-	
19. Animal/Zoological Supplies	46,120.00	-	
20. Accountable Forms	5,250.00	-	
TOTAL	4,738,144.93	2,032,362.00	

*Includes items requested for realignment.

**Covers expenses for six (6) months or until June 2022.

Prepared by:

GINA M. VARILLA
OIC-Project Manager
Palawan Wildlife Rescue and Conservation Center

Endorsed by:

DEMETRIO L. IGNACIO, JR., CESO I
Executive Vice President and Acting President
Natural Resources Development Corporation

Approved by:

NATIVIDAD Y. BERNARDINO
OIC-Director
Biodiversity Management Bureau

LORMELYN E. CLAUDIO, CESO IV
OIC-Regional Executive Director
DENR-MIMAROPA Region

PALAWAN WILDLIFE RESCUE AND CONSERVATION CENTER
FY 2022 WORK AND FINANCIAL PLAN
To be funded from PWRCC Funds Managed by NRDC

ANNEX 2

P/A/P	PERFORMANCE INDICATORS	2021 PHYSICAL PERFORMANCE TARGETS					2021 FINANCIAL PERFORMANCE TARGETS					TOTAL
		Q1 Estimate	Q2 Estimate	Q3 Estimate	Q4 Estimate	TOTAL (6+2+3+4+5)	EXP CLASS	Q1 Estimate	Q2 Estimate	Q3 Estimate	Q4 Estimate	TOTAL (11=7+8+9+10)
		(2)	(3)	(4)	(5)			(7)	(8)	(9)	(10)	
1 FACILITY MANAGEMENT AND MAINTENANCE												
2.1 Utilities												
2.1.1 Water	No. of bills paid	3	3			6	MOOE	800	-			800
2.1.2 Electricity	No. of bills paid	3	3			6	MOOE	34,562	-			34,562
2 SUPPORT SERVICES												
3.1 Availment of COS Personnel	No. of staff currently hired	31	31			62	MOOE	855,000	855,000			1,710,000
3 PROJECT ADMINISTRATION												
3.1 Permits	Fees paid	1				1	MOOE	12,500				12,500
3.2 Fidelity Bond Premiums	No. of bonded personnel		3			3	MOOE	22,500				22,500
3.3 Reimbursement/Representation of Project Manager	No. of monthly allowance reimbursed	3	3			6	MOOE	18,000	18,000			36,000
3.4 Procurement of Office and other supplies												
3.4.1 Office Supplies												
3.4.2 COVID-19 Supplies												
3.4.3 Janitorial Supplies												
3.5 Fuel, Oil and Lubricants												
3.6 Communication												
3.6.1 Postage and Courier Services	No. of mails sent											
3.6.2 Mobile Load Allowance	No. of cellcards purchased	3	3			6	MOOE	3,000	3,000			6,000
3.7 Travelling and Transportation												
3.8 Other Supplies and Materials	No. of materials purchased											
3.9 Accountable Forms	No. of official receipts printed (pads)		75			75	MOOE	18,000	18,000			36,000
3.10 Other MOOE (Bank Charges)	No. of manager's check											
4 REPAIRS AND MAINTENANCE												
4.1.1 Government Facilities	No. of facilities renovated/repared											
4.1.2 Transportation Equipment	No. of vehicles repaired											
4.1.3 Machinery and Equipment	No. of equipment repaired											
GRAND TOTAL												2,032,362

Prepared by:

GINA M. VARILLA
OIC-Project Manager

Reviewed by:

LILLY KIARA S. GARCIA
OIC, Operations Division

Endorsed by:

DEMETRIO L. JEN, CIO, JR. CESO I
Acting President

Approved by:

NATIVIDAD Y. BERNARDINO
OIC-Director

Approved by:

LORMELYN E. CLAUDIO, CESO IV
OIC, Regional Executive Director