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Department of Environment and Natural Resources  
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**FOR :** **The Regional Executive Directors**  
**DENR Regions 1-13, CAR and NCR**

**Bureau Directors**  
**BMB, LMB, FMB and ERDB**

**FROM :** **THE ASSISTANT SECRETARY**  
**Finance, Information Systems and Mining Concerns**

**SUBJECT :** **JUSTIFICATION OF LAPSED NCA FOR FY 2022**

**DATE :** **SEP 19 2022**

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This has reference to the Memorandum Circular No. 2022-1<sup>1/</sup> dated 24 March 2022 pertaining to the guidelines of the grant of the Performance-Based Bonus (PBB) for Fiscal Year 2022.

In line with this, it is required that the agencies must satisfy the criteria and conditions of PBB under the four (4) dimensions of accountability. One of which is the Financial Results (FR) which refer to the actual spending of the agency's budget allotment vis-à-vis the realization of the committed programs, projects and activities based on the FY 2022 GAA. The Disbursement BUR as well is a prevailing common target of all agencies.

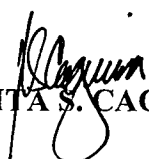
To facilitate the preparation of justification for spending performance for FY 2022 of the DENR, the offices concerned are required to submit Justification of Lapsed NCA per quarter together with your Monthly Report of Disbursement – FAR No. 4 (for the quarter ending September and December 2022). The status of the utilization of NCA by office is provided in the attached "Annex A".

This lapsed NCA was also mentioned in the CAAR Observation No. 2 – Utilization of funds and disbursement under Compliance with Other Legal and Regulatory Requirements pages 145-152 (copy attached) that needs to be resolved the issues identified to ensure the attainment of physical and financial targets.

You may submit the said report and justification through email address at [denrco.conso@gmail.com](mailto:denrco.conso@gmail.com) **every 5<sup>th</sup> day after the end of the quarter.**

Should you have any clarifications on the matter, please contact Ms. Leodina A. Laddaran of the Consolidation Section of the Accounting Division at telephone no. (02)8928-0254 or VOIP no. 1020/1019/1018.

For strict compliance.

  
ENGR. NONITA S. CAGUIOA

MEMO NO. 2022 - 640

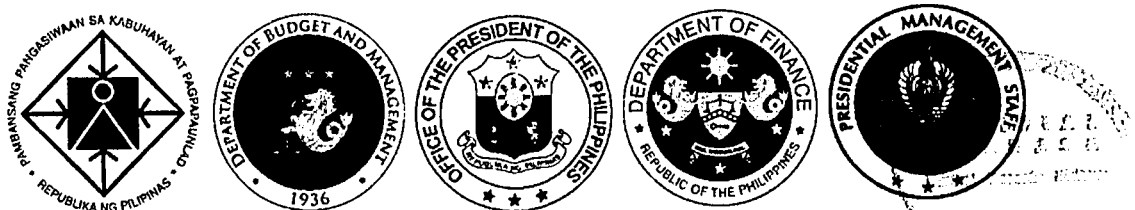
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<sup>1/</sup> Memorandum Circular No. 2022-1 dated March 24, 2022, "Guidelines on the Grant of the Performance-Based Bonus (PBB) for Fiscal Year (FY) 2022 under Executive Order No. 80 S. 2012 and Executive Order No. 201, S. 2016"

**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**  
**MONTHLY REPORT OF DISBURSEMENT**  
**As of June 30, 2022**

**Consolidated Fund Cluster 01, 02, 03 & 07**

<b>REGIONS</b>	<b>Total Disbursement Authorities Available</b>	<b>TOTAL DISBURSEMENT, net of tax</b>	<b>LAPSED NCA</b>	<b>% of Utilization</b>
	<b>( 4 = 1 + 2 - 3 )</b>	<b>( 5 )</b>	<b>( 6 )</b>	<b>( 7 = 5 / 4 )</b>
OSEC	1,599,763,997.42	1,597,914,480.68	1,288,947.74	99.88%
BMB	146,603,688.00	134,020,704.80	12,582,983.20	91.42%
FMB	121,741,991.08	120,476,503.98	1,265,487.10	98.96%
LMB	118,206,961.00	114,009,802.35	4,197,158.65	96.45%
ERDB	223,983,233.00	216,813,318.17	48,757.78	96.80%
NCR	272,442,895.00	267,851,012.66	4,591,882.34	98.31%
CAR	496,498,509.50	495,945,119.06	553,390.44	99.89%
Region I	322,323,317.00	322,211,416.68	111,900.32	99.97%
Region II	439,736,366.00	439,722,752.63	13,613.37	100.00%
Region III	595,265,996.00	571,416,467.02	23,849,528.98	95.99%
Region IV-A	503,943,163.00	503,943,163.00	-	100.00%
Region IV-B	409,520,180.00	398,317,767.35	11,202,412.65	97.26%
Region V	499,971,591.00	487,509,933.06	12,461,657.94	97.51%
Region VI	508,815,719.00	508,815,677.55	41.45	100.00%
Region VII	448,556,474.00	403,903,631.27	44,652,842.73	90.05%
Region VIII	443,592,782.00	443,592,782.00	-	100.00%
Region IX	424,726,024.00	424,725,921.89	102.11	100.00%
Region X	435,630,576.00	435,287,385.31	343,190.69	99.92%
Region XI	378,011,078.00	378,011,078.00	-	100.00%
Region XII	438,427,623.00	438,424,829.61	2,793.39	100.00%
Region XIII	528,874,171.00	528,872,796.65	1,374.35	100.00%
<b>GRAND TOTAL</b>	<b>9,356,636,335.00</b>	<b>9,231,786,543.72</b>	<b>117,168,065.23</b>	<b>98.72%</b>



INTER-AGENCY TASK FORCE ON THE HARMONIZATION OF  
NATIONAL GOVERNMENT PERFORMANCE MONITORING, INFORMATION AND REPORTING SYSTEMS  
(Administrative Order No. 25 S. 2011)

**MEMORANDUM CIRCULAR NO. 2022- 1**

March 24, 2022

**TO : ALL HEADS OF DEPARTMENTS, BUREAUS, OFFICES AND OTHER AGENCIES OF THE NATIONAL GOVERNMENT, INCLUDING CONSTITUTIONAL COMMISSIONS, CONGRESS, THE JUDICIARY, STATE UNIVERSITIES AND COLLEGES, GOVERNMENT-OWNED OR-CONTROLLED CORPORATIONS, LOCAL WATER DISTRICTS, AND LOCAL GOVERNMENT UNITS**

**SUBJECT: GUIDELINES ON THE GRANT OF THE PERFORMANCE-BASED BONUS (PBB) FOR FISCAL YEAR 2022 UNDER EXECUTIVE ORDER (EO) NO. 80, S. 2012 AND EO NO. 201, S. 2016**

**1.0 PURPOSE**

This Circular is being issued to prescribe the criteria and conditions on the grant of the PBB for FY 2022 performance, to be given in FY 2023. In FY 2021, a simplified scheme was adopted to strengthen the effectiveness of the existing incentive system and assist agencies in achieving the goals and expected outcomes of the government. Under the simplified scheme, the PBB criteria were classified according to the four dimensions of accountabilities. The good governance conditions were considered separate agency accountabilities. A scoring system for accomplishments was introduced, which also enables agencies to conduct self-assessment of their overall performance. The agency score was tied-up to the rates of incentives and higher threshold for individual performance rating was required in order to be eligible for the performance-based incentive.

The FY 2022 cycle shall continue to observe the simplified PBB scheme. The FY 2022 PBB will sustain focus on results especially on the delivery of agency performance commitments and optimum utilization of agency budget, and make stronger the roles of agencies in ensuring accountability for results of their delivery units. Further, the FY 2022 PBB shall measure and evaluate agency performance highlighting the public's satisfaction with the quality of public service delivery, utilization of resources, and strengthened agency stewardship. The FY 2022 PBB shall facilitate a more transparent and objective assessment of performance and timely release of the PBB to eligible agencies.

## 2.0 COVERAGE

The FY 2022 PBB covers all departments, bureaus, offices, and other agencies of the National Government, including Constitutional Commissions, Other Executive Offices (OEOs), Congress, the Judiciary, State Universities and Colleges (SUCs), Government-Owned or-Controlled Corporations (GOCCs), Local Water Districts (LWDs), and Local Government Units (LGUs). For the list of departments/agencies and SUCs enrolled in the FY 2022 PBB, please refer to *Annex 1: Master List of Departments/Agencies and State Universities and Colleges*.

2.1 The implementation of this Circular shall be done in close coordination with the following agencies:

- a. Department of Budget and Management (DBM) for the Departments and attached agencies;
- b. Office of the President-Office of the Executive Secretary (OP-OES), Office of the Cabinet Secretary (OP-OCS), and DBM for OEOs, including the OP-attached agencies and the GOCCs covered by the DBM;
- c. Commission on Higher Education (CHED) for SUCs;
- d. Governance Commission for GOCCs (GCG) for GOCCs covered by Republic Act (RA) No. 10149;
- e. Local Water Utilities Administration (LWUA) for LWDs; and
- f. Department of the Interior and Local Government (DILG) for LGUs.

Accordingly, consistent with this Circular, the DILG, the LWUA, and the GCG shall issue separate guidelines for the grant of the FY 2022 PBB for LGUs, LWDs, and GOCCs covered by RA No. 10149, respectively, containing the specific targets/requirements to be satisfied by their covered agencies.

2.2 The personnel of agencies holding regular, contractual, and casual positions are covered by this Circular. Excluded from the coverage herein are individuals engaged without employer-employee relationship and funded from non-Personnel Services budget.

## 3.0 ELIGIBILITY CRITERIA

To be eligible for the grant of the FY 2022 PBB, each agency must satisfy the criteria and conditions under the four (4) dimensions of accountability: **Performance Results, Process Results, Financial Results, and Citizen/Client Satisfaction Results** and attain a total score of at least 70 points, and achieve at least a rating of 4 for at least three (3) criteria based on the PBB Scoring System as will be discussed in detail in Section 4.0.

Similar to FY 2021 PBB, the **Performance Results** refer to the accomplishment of the Congress-approved performance targets under the Performance-Informed Budgeting (PIB) of the FY 2022 General Appropriations Act (GAA). The **Process Results** refer to the achievements in ease of doing business/ease of transaction with the agency as a result of streamlining, standardization *e.g., through the ISO-certified QMS or its equivalent*, digitization, systems and procedures reengineering, and other related improvements. The **Financial Results** refer to the actual spending of the agency's budget allotment vis-à-vis the realization of the committed programs and projects

based on the FY 2022 GAA. The **Citizen/Client Satisfaction Results** refer to the achievements in satisfying the quality expectations of the transacting public/client.

For FY 2022 PBB, the Agency Accountability requirements as discussed in Section 5.0 are retained and shall be used as the basis in determining the eligibility of responsible units and individuals.

#### 4.0 FY 2022 PBB TARGETS, ASSESSMENT, AND SCORING SYSTEM

The agency accomplishments for each of the criteria shall be rated using a scale of 1 to 5 (where 5 is the highest). Each criterion has an assigned weight, as shown in Table 1. The maximum score that may be obtained by the agency is 100 points. To be eligible for the FY 2022 PBB, the agency must attain a total score of at least 70 points, and achieve at least a rating of 4 for at least three (3) criteria.

TABLE 1: FY 2022 PBB SCORING SYSTEM						
CRITERIA AND CONDITIONS	WEIGHT	PERFORMANCE RATING				
		1	2	3	4	5
Performance Results	5	5 points	10 points	15 points	20 points	25 points
Process Results	5	5 points	10 points	15 points	20 points	25 points
Financial Results	5	5 points	10 points	15 points	20 points	25 points
Citizen/Client Satisfaction Results	5	5 points	10 points	15 points	20 points	25 points

As can be gleaned in Table 1, a performance rating of 4 in all criteria will yield a total score of 80 points for the agency. In case the agency fails to meet a rating of 4 in at least three (3) criteria, the unit most responsible (including its head) for the criteria with a performance rating of below 4 will be isolated from the grant of the FY 2022 PBB.

**4.1 Performance Results.** The targets under Performance Results enable agencies to concentrate their efforts and available resources on their mandates and core functions, as well as ensure delivery of high quality and high impact activities.

- a. For NGAs, GOCCs covered by the DBM, and SUCs, achieve each one of the Congress-approved performance targets under the PIB of the FY 2022 GAA;
- b. For GOCCs covered by RA No. 10149, achieve the physical targets reflected in their approved FY 2022 Performance Scorecard and eligibility requirements specified in a separate guideline to be issued by the GCG;
- c. For LWDs, achieve each one of the physical targets as identified by LWUA through separate guidelines; and,
- d. For LGUs, achieve the performance targets based on the Guidelines on the Grant of the PBB for LGUs to be issued by the DILG and DBM.

The agency performance in the achievement of targets shall be closely monitored through the use of the Unified Reporting System (URS) - generated Budget and Financial Accountability Reports (BFARs), which should be submitted in a timely

manner, *i.e.*, within thirty (30) days after the end of each quarter, as provided under Item 3.19.2 of DBM National Budget Circular No. 587, pursuant to Section 99, General Provisions of Republic Act No. 11639 (FY 2022 GAA), to indicate the progress towards the accomplishment of broader sectoral and societal outcomes targeted by the agency for improving the lives of Filipinos.

BFARs will be used to monitor and validate agency accomplishments. For deficiencies or non-attainment of FY 2022 targets, justifications must be submitted together with the prescribed BFAR forms to the Commission on Audit (COA), the DBM, and the Bureau of Treasury (BTr), as applicable through the DBM URS, thirty (30) days after the end of the 4<sup>th</sup> quarter of FY 2022.

The requirements under Performance Results shall be assessed and scored as follows:

TABLE 2: RATING SCALE FOR PERFORMANCE RESULTS				
1	2	3	4	5
Met less than 80% of performance indicators of the Congress-approved performance targets for FY 2022; deficiencies due to controllable factors	Met less than 80% of performance indicators of the Congress-approved performance targets for FY 2022; deficiencies due to uncontrollable factors	Met at least 80% of performance indicators of the Congress-approved performance targets for FY 2022; deficiencies due to controllable factors	Met at least 80% of performance indicators of the Congress-approved performance targets for FY 2022; deficiencies due to uncontrollable factors	Met each one of the Congress-approved performance targets for FY 2022 (all performance indicators)

- 4.2 **Process Results.** The target under Process Results is the greater ease of transaction of core services based on mandated functions (external) covering government-to-citizens (G2C), government-to-businesses (G2B), and government-to-government (G2G) transactions, and the administrative and supporting services (internal) within the agency.

The ease of transaction of critical external and internal services may be achieved through streamlining; standardization of core processes including those implemented at the Regional, Satellite, and Extension Offices; digitization *e.g.*, *by developing electronic or online paperless systems, new service delivery channels, contactless transactions*; and systems and procedures reengineering for faster, easily accessible, seamless, and more efficient public service delivery.

- 4.2.1 **For FY 2022, the target will be substantive improvements in ease of doing business/ease of transaction with respect to two (2) critical services consisting of one (1) core service (external) based on the mandated function of the agency and one (1) support/administrative service (internal) as declared in the agency's/SUC's updated Citizen's Charter and in line with the Anti-Red Tape Authority (ARTA)'s Whole-of-Government (WOG) Reengineering Manual.**

In the process of improving the services of agencies and in promoting the WOG approach in the bureaucracy, the ARTA enjoins all government agencies to adopt the WOG Reengineering Manual as a tool in the reengineering of government services which focuses on the reengineering of systems and procedures. It aims to support government agencies towards a new way of service delivery, giving better services for citizens

through improvements in government agencies working in a more integrated, WOG approach.

As defined in ARTA MC 2019-002-A<sup>1</sup>, the services may be categorized based on the following:

- a. **External services** - refer to government services applied for or requested by external citizens or clients or those who do not form part or belong to the government agency or office.
- b. **Internal services** - refer to government services applied for or requested by internal clients or individuals who are within the respective government agency or office, such as, but not limited to, its personnel or employees, whether regular or contractual. Internal services include services such as, but are not limited to, back-end/support services to regulatory functions related to permitting, licensing, and issuance of a privilege, right, reward, clearance, authorizing, or concession.

4.2.2 In selecting the critical services to be prioritized by the agency (and which will be validated later by the ARTA for purposes of determining eligibility for the PBB), the following factors shall be considered. **The selected critical service is:**

- a. A **core service** which is a process needed to achieve the overall mission and objectives of the public sector organization. These services may refer to those that are aligned with the agency's mandate and main functions.
- b. The **most complained service** with the greatest number of complaints received by the agency and other complaints-handling agencies.
- c. The **service/s with the greatest number of pending transactions or backlogs** that went beyond its prescribed processing time as declared in the agency's Citizen's Charter.
- d. A **service that generates income/revenue** for the government.
- e. A service **attributable to the Major Final Outputs (MFOs)/Programs** of agencies.
- f. A **service that involves inter-agency action** to complete the transaction.

4.2.3 The agencies and SUCs may use the concepts and tools indicated in the WOG Reengineering Manual in their reengineering efforts and may refer to the submitted *initial Reengineering Plan* to ARTA as the basis in prioritizing areas for improvement. The results of the implemented reengineering plan shall be reported through *Annex 2: Modified Form A* which also contains a guide in accomplishing said form. Agencies and

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<sup>1</sup> Supplemental Guidelines on ARTA Memorandum Circular No. 2019-002 s., 2019 Guidelines on the Implementation of the Citizen's Charter in Compliance with RA No. 11032

SUCs must report objectively verifiable evidence of achievements in ease of doing business/ease of transaction using Annex 2.

The report should highlight the tangible improvements **from the viewpoint of the transacting public/client** in terms of access, turnaround time, transaction costs, documentary and other requirements. Proof or evidence may be any of the following:

- a. ISO-QMS certification or equivalent certification, which covers the selected critical external and internal services. The ISO-QMS certification or equivalent certification of critical external and internal services of the agency must be valid as of 31 December 2022. The certificate must indicate the scope of certification. It is reminded that agencies must pursue continued certification, i.e., ensure that there is no gap or minimal gap in terms of the expiration of its previous certification and the effectivity date of its existing certification, except with justifiable reasons, *e.g., change of certification body which may cause a gap in the certification*. For specific details on the validation of ISO QMS certification submitted as evidence or requirement, and the list of the acceptable ISO QMS and equivalent certifications, please refer to *Annex 3 Guidelines on the validation of ISO Quality Management System (QMS) Certification/Recertification*.
- b. Most current and updated Citizen's Charter, reflecting the agency's improved and streamlined/re-engineered system and procedure for all its government services to citizens, businesses, and government agencies as prescribed by ARTA.
- c. Report on the digitization initiatives or digital transformation of external and internal services through the development of electronic or online and/or paperless application systems, payment systems, new service delivery channels, contactless transactions, and other process improvements using information technology. The report should highlight the tangible results of digitization in terms of ease of doing business or ease of transaction from the point of view of the transacting public/client.
- d. Standard operating procedures, manual or documentation of service delivery standards for frontline and non-frontline services of the agency, including those implemented at the Regional, Satellite, and Extension Offices. The report should highlight the tangible results of standardization of the frontline and non-frontline services in assuring ease of transaction and doing business with the agency.



The requirements under Process Results shall be assessed and scored as follows:

TABLE 3: RATING SCALE FOR PROCESS RESULTS (Agencies and SUCs)				
1	2	3	4	5
No substantial improvement in ease of transaction in both external core and internal services	Achieved substantial improvements to ease transaction in internal service	Achieved substantial improvements to ease transaction in external service only	Achieved substantial improvements to ease transaction in external but non-priority core service and internal service	Achieved substantial improvements to ease transaction in priority core service (external) and internal service

- 4.3 **Financial Results.** For agencies and GOCCs covered by the DBM, attainment of the FY 2022 Disbursement BURs; and for SUCs likewise achieve the FY 2022 Disbursements BUR and the FY 2022 Earmarked Income targets.

Targets under Financial Results reflect final payments made from the agency's annual budget allotment to realize their committed programs and projects based on the valid appropriations for FY 2022. Hence for FY 2022, agencies shall accomplish the following Disbursements BUR:

- 4.3.1 **Disbursements BUR** – is measured by the ratio of total disbursements (cash and non-cash, excluding Personnel Services) to the total obligations for Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO) made in 2022, net of goods and services obligated by **December 31, 2021**, but paid only in 2022. The **total obligations for MOOE and CO** shall refer to those made from the current appropriations under the FY 2022 GAA and the continuing appropriations under FY 2021, respectively. The objective is to measure the disbursements for the obligations for MOOE and CO made in 2022 from all valid appropriations. Transfers to other agencies shall not be considered as disbursements until such time such transferred funds have been actually utilized for payment, inspection and acceptance of goods delivered and services rendered. Hence:

$$\text{Disbursements BUR} = \frac{\text{Total Disbursements (cash and non-cash, excluding Personnel Services), net of payments made in 2022 for past years' obligations}}{\text{Total Obligations}}$$

- 4.3.2 **BUR for GOCCs is computed as follows:**

$$\text{Disbursements BUR} = \frac{\text{Total Actual Disbursement}}{\text{Total Actual Obligations (both net of Personnel Services)}}$$

- 4.3.3 **Agencies with fund transfers** either for operating or program subsidies or both shall also achieve and report the same Disbursements BUR for NGAs for all the subsidy releases for FY 2022 from the aforementioned appropriations sources.

#### 4.3.4 BUR for SUCs is computed as follows:

- a. **Disbursements BUR** is the same as the computation under Section 4.3a.
- b. Since all earmarked income of the SUCs (*e.g., trust funds, internally generated income, and revolving funds*) should benefit and improve the SUCs operations, its Disbursements utilization rates will also be reported following the formats in *Annexes 4, 4.1, and 4.2: FY 2022 GAA Accomplishments, BUR Form for SUCs, and All Earmarked Income*.

Same as the Performance Results, the agencies must ensure the submission of the quarterly BFARs through the DBM-URS, in a timely manner within thirty (30) days after the end of each quarter. The submitted FY 2022 Financial Accountability Reports (FAR) No.1 Statement of Appropriations, Allotments, Obligations, Disbursements, and Balances (SAAODB) shall be the basis in determining the FY 2022 BUR accomplishment of agencies.

The requirements under the Financial Results shall be assessed and scored as follows:

TABLE 4: RATING SCALE FOR FINANCIAL RESULTS				
1	2	3	4	5
1-19% Disbursements BUR	20-39% Disbursements BUR	40-59% Disbursements BUR	60-79% Disbursements BUR	80-100% Disbursements BUR

- 4.4 **Citizen/Client Satisfaction Results.** For NGAs, GOCCs covered by the DBM, and SUCs, accomplish and submit reports on the Citizen/Client Satisfaction Survey (CCSS), and resolve all reported complaints from Hotline #8888 and Contact Center ng Bayan (CCB); and for LWDs and GOCCs covered by RA No. 10149, accomplish and submit reports on Client Satisfaction or feedback system as prescribed by LWUA and GCG.

- 4.4.1 For evidence on the citizen/client satisfaction results, agencies may report the results of the CCSS using *Annex 5*. Said report should follow the prescribed requirements and rating scale as stated in Annex 5. The report should include a description of the methods and rating scale used in determining the FY 2022 Overall Satisfaction Score for its services. The agencies shall report the overall agency rating in the service quality dimensions and overall agency citizen/client satisfaction score for the reported services.

LWDs and GOCCs covered by RA No. 10149 shall report the results of their CCSS or feedback mechanism based on the standard methodology and corresponding questionnaire prescribed by LWUA and GCG.

- 4.4.2 **Resolution and compliance to reported complaints from Hotline #8888 and Contact Center ng Bayan (CCB).** Agencies shall ensure the *resolution* of all complaints and grievances reported to Hotline #8888 and

CCB, and their *compliance* to the 72-hour prescribed period to take actions on complaints as provided in EO No. 6, s. 2016.

Reported complaints and grievances shall cover government service and procedures of the agencies, acts of red tape, corruption, and/or other interferences to public service delivery by any government agency, individuals, or instrumentalities.

To provide evidence on this, agencies may submit a report summarizing the Hotline #8888 and CCB complaints received in FY 2022 and their status if resolved or pending. The validation shall be complemented with reports and collected data on feedback and complaints from citizens/clients gathered by the Office of the President, Presidential Management Staff, Civil Service Commission, and Presidential Communications Operations Office from Hotline #8888 and CCB databases, as well as the Freedom of Information (FOI) portals.

To determine the resolution and compliance rates to Hotline #8888 and CCB complaints, agencies may refer to *item IV of Annex 5* or with the definitions provided in *Section 2.4.2c of MC No. 2021-2*.

The requirements under the Citizen/Client Satisfaction Results shall be assessed and scored as follows:

TABLE 5: RATING SCALE FOR CITIZEN/CLIENT SATISFACTION RESULTS				
1	2	3	4	5
No submission/ Did not conduct CCSS	Average satisfaction rate with unresolved complaints and at least 30% compliance rate to #8888 and CCB	More than average rate with unresolved complaints and at least 50% compliance rate to #8888 and CCB	High satisfaction rate with 100% complaints resolved and at least 80% compliance rate to #8888 and CCB	High satisfaction rate with 100% complaints resolved and compliance rate to #8888 and CCB

**5.0 AGENCY ACCOUNTABILITIES.** To sustain the institutionalization of compliance to existing government-mandated laws and standards, agencies and their Performance Management Team (PMT) shall continue to implement, monitor, and enforce compliance with the following requirements within their agencies. See *Annex 6: FY 2022 Agency Accountability Timelines*

TABLE 6: AGENCY ACCOUNTABILITIES	
Existing Agency Accountabilities	<ul style="list-style-type: none"> <li>a. Updating of Transparency Seal</li> <li>b. Compliance to Audit Findings and Liquidation of Cash Advances</li> <li>c. Compliance with the Freedom of Information (FOI) Program</li> <li>d. Submission and Review of Statement of Assets, Liabilities, and Net Worth (SALN)</li> <li>e. PhilGEPS posting of all invitations to bids and awarded contracts (<i>Annex 7</i>)</li> <li>f. FY 2022 Non-Common Use Supplies and Equipment (APP-non CSE)</li> <li>g. Posting of Indicative FY 2023 APP-non CSE</li> </ul>

TABLE 6: AGENCY ACCOUNTABILITIES	
	<ul style="list-style-type: none"> <li>h. FY 2023 Annual Procurement Plan-Common Use Supplies and Equipment (APP-CSE) (<i>Annex 8</i>)</li> <li>i. Results of FY 2021 Agency Procurement Compliance and Performance Indicators (APCPI) System</li> <li>j. Undertaking of Early Procurement Activities covering FY 2023 Procurement Projects</li> </ul>
New Agency Accountabilities beginning FY 2022 PBB	<ul style="list-style-type: none"> <li>k. Designation of the Agency's Committee on Anti-Red Tape (CART)</li> <li>l. Compliance with the National Competition Policy (NCP)</li> </ul>

5.1 **Compliance of agencies on the designation of a Committee on Anti-Red Tape (CART)** pursuant to Section 1, Rule III of the Implementing Rules and Regulations of RA No. 11032 and in accordance with the issued ARTA Memorandum Circular 2020-007 or "Guidelines on the Designation of a CART".

5.2 **Directing the Adoption and Implementation of the National Competition Policy (NCP).** All agencies are directed to adopt and implement, following their respective mandates, the NCP and its key elements, as contained in the National Economic and Development Authority and Philippine Competition Commission (PhCC) Joint Memorandum Circular No. 01-2020, s. 2020. Covered agencies as identified in *Annex 9* shall:

- a. review at least one (1) policy, issuance, rules, and/or regulations relevant to market competition based on the application of the Competition Impact Assessment (CIA) by **30 November 2022**;
- b. designate a focal person/unit for NCP implementation;
- c. record attendance of a focal person and his/her team to trainings on the CIA tool and other competition law-related seminars; and
- d. provide a list of agency's policy issuances, rules and/or regulations relevant to market competition. *See Annex 9.1*

If there are no such relevant policy issuances, rules, and/or regulations, a certification signed by the head of agency stating that there is none, shall be submitted. *See Annex 9.2*

While the above-mentioned conditions are no longer required in determining the overall PBB eligibility of agencies, compliance with these conditions shall be used as the basis in determining the eligibility of responsible units and individuals. Agencies should submit these legal requirements directly to the validating agencies.

## 6.0 ELIGIBILITY OF DELIVERY UNITS AND INDIVIDUALS

6.1 For FY 2022 PBB, similar to FY 2021 PBB, the delivery units (DUs) of eligible agencies shall no longer be ranked. However, the unit/s most responsible for deficiencies shall be isolated.

6.1.1 Based on Table 1, to be eligible for the FY 2022 PBB, the agency must attain a total score of at least 70 points and achieve at least a rating of 4 for at least three (3) criteria. To be able to attain at least 70 points, the agency should achieve a performance rating of 4 in at least three (3)

criteria. In case the agency fails to meet a rating of 4 in at least three (3) criteria, the unit/s most responsible (including its head) for the criteria stated in Section 3.0 with a performance rating of below 4 will be isolated from the grant of the FY 2022 PBB.

- 6.1.2 The unit/s most responsible (including its head) for the non-compliance with the Agency Accountabilities provided in Section 5.0 shall also be isolated from the grant of the FY 2022 PBB.
- 6.2 Eligible DUs shall be granted FY 2022 PBB at uniform rates across the agency, including its officials and employees. The corresponding rates of the PBB shall be based on the agency's achieved total score as shown in Section 7.0.
- 6.3 To be eligible for FY 2022 PBB, employees belonging to the First, Second, and Third Levels should receive a rating of at least "Very Satisfactory" based on the agency's CSC-approved Strategic Performance Management System (SPMS) or the requirement prescribed by the CESB.
- 6.4 Department Secretaries, Heads of OEOs, Chairpersons, and Commissioners of Constitutional Offices, Heads of Attached Agencies, Presidents of SUCs, and non-ex officio Heads of GOCCs covered by the DBM are eligible only if their respective agencies are eligible. If eligible, their PBB rate for FY 2022 shall be equivalent to the rates as stated in Section 7.0 and shall be based on their monthly basic salary (MBS) as of December 31, 2022.
- 6.5 Non-ex officio Board Members of GOCCs covered by the DBM may be eligible to the PBB with the equivalent rates following Section 7.0 and these conditions:
- a. The GOCC has qualified for the grant of the FY 2022 PBB;
  - b. The Board Member has 90% attendance to duly called board meetings and committee meetings as certified by the Board Secretary;
  - c. The Board Member has nine (9) months aggregated service in the position; and
  - d. The GOCC has submitted the appropriate annual Board-approved Corporate Operating Budget to DBM following the Corporate Budget Circular No. 22 dated December 1, 2016.
- 6.6 For SUCs, in case there is a change in leadership within the year, the SUC President who served the longest shall be entitled to the PBB with the equivalent rates following the provisions stated in Section 7.0.
- The PBB rate of the SUC President who served for a shorter period shall be based on the eligibility of the SUC where he/she served the longest.
- 6.7 To be eligible for FY 2022 PBB, employees belonging to the First, Second, and Third Levels should receive a rating of at least "Very Satisfactory" based on the agency's CSC-approved Strategic Performance Management System (SPMS) or the requirement prescribed by the Career Executive Service Board (CESB).
- 6.8 Personnel in detail to another government agency for six (6) months or more shall be included in the recipient agency that rated his/her performance. The payment of the PBB shall come from the mother agency.

- 6.9 Personnel who transferred from one government agency to another agency shall be included by the agency where he/she served the longest. If equal months were served for each agency, he/she will be included in the recipient agency.
- 6.10 Officials and employees who transferred from government agencies that are non-participating in the implementation of the PBB shall be rated by the agency where he/she served the longest; the official/employee shall be eligible for the grant of the PBB on a pro-rata basis corresponding to the actual length of service to the participating implementing agency, as stated in Section 6.12.
- 6.11 An official or employee who has rendered a minimum of nine (9) months of service during the fiscal year and with at least a Very Satisfactory rating may be eligible for the full grant of the PBB.
- 6.12 An official or employee who rendered less than nine (9) months but a minimum of three (3) months of service and with at least a Very Satisfactory rating shall be eligible for the grant of the PBB on a pro-rata basis corresponding to the actual length of service rendered, as follows:

<b>TABLE 7: LENGTH OF SERVICE AND PERCENTAGE OF PBB</b>	
<b>LENGTH OF SERVICE</b>	<b>% OF PBB</b>
8 months but less than 9 months	90%
7 months but less than 8 months	80%
6 months but less than 7 months	70%
5 months but less than 6 months	60%
4 months but less than 5 months	50%
3 months but less than 4 months	40%

The following are the valid reasons for an employee who may not meet the nine-month actual service requirement to be considered for PBB on a pro-rata basis:

- a. Being a newly hired employee;
  - b. Retirement;
  - c. Resignation;
  - d. Rehabilitation Leave;
  - e. Maternity Leave and/or Paternity Leave;
  - f. Vacation or Sick Leave with or without pay;
  - g. Scholarship/Study Leave; and/or
  - h. Sabbatical Leave.
- 6.13 An employee who is on vacation or sick leave, with or without pay, for the entire year is not eligible for the grant of the PBB.
- 6.14 Personnel found guilty of administrative and/or criminal cases by final and executory judgment in FY 2022 shall not be entitled to the PBB. If the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB.

- 6.15 Officials and employees who failed to submit the 2021 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 s. 2015; or those who are responsible for the non-compliance with the establishment and conduct of the review and compliance procedure of SALN, shall not be entitled to the FY 2022 PBB.
- 6.16 Officials and employees who failed to liquidate all cash advances received in FY 2022 within the reglementary period, as prescribed in COA Circular 97-002 dated February 10, 1997, and reiterated in COA Circular 2009-002 dated May 18, 2009, shall not be entitled to the FY 2022 PBB.

## 7.0 RATES OF THE PBB

The total score as stated in Section 4.0 shall be the basis in determining the amount of the PBB an agency is eligible for. The maximum rate of the PBB for agencies that will achieve 100 points shall be 100% of the 65% MBS of an individual as of December 31, 2022. For illustration, see Table 6 below:

<b>TABLE 8: RATES OF THE PBB</b>	
<b>TOTAL SCORE</b>	<b>PBB RATES</b>
100 points	<b>65%</b> 100% of the 65% monthly basic salary
95 points	<b>61.75%</b> 95% of the 65% monthly basic salary
90 points	<b>58.5%</b> 90% of the 65% monthly basic salary
85 points	<b>55.25%</b> 85% of the 65% monthly basic salary
80 points	<b>52%</b> 80% of the 65% monthly basic salary
75 points	<b>48.75%</b> 75% of the 65% monthly basic salary
70 points	<b>45.5%</b> 70% of the 65% monthly basic salary

## 8.0 TIMELINES AND SUBMISSION/POSTING OF REPORTS AND REQUIREMENTS

- 8.1 The quarterly BFARs of the agencies which will be used to assess and validate Performance Results shall be submitted through the DBM URS in a timely manner, *i.e.*, within thirty (30) days after the end of each quarter, as provided under Item 3.19.2 of National Budget Circular No. 587 pursuant to Section 99 90, General Provisions of Republic Act No. 11639 (FY 2022 GAA). BFARs will be used to assess and validate Performance Results. Non-compliance thereto must be supported with relevant justification.
- 8.2 All agencies should submit evidence of accomplishments of Performance Results, Process Results, Financial Results, and Citizen/Client Satisfaction Results (as provided in Section 4.0) on or before **February 28, 2023**, thru an electronic submission (scanned or digital copy of the official submission and editable MS Word or Excel files for use of the AO25 Secretariat).

- 8.3 Agencies shall ensure that all explanations and justifications for deficiencies are already attached in their submission.
- 8.4 The AO25 IATF shall conduct spot checks to validate claims and certifications made by the agencies on their submitted/posted reports and/or requirements.
- 8.5 Agencies are encouraged to provide information to the AO25 Secretariat on compliance with the Agency Accountabilities provided in Section 5.0.
- 8.6 Agencies shall be responsible for the review and updating of their respective Personnel Services Itemization and Plantilla of Personnel (PSIPOP) under the DBM's Government Manpower Information System (GMIS). Under National Budget Circular (NBC) No. 549<sup>2</sup>, agencies shall review the PSIPOP and update the Plantilla of Personnel (POP) portion thereof, and upload the same to the GMIS database every last week of the month. The PSIPOP shall serve as the primary source of data in determining the total FY 2022 PBB requirement of the agency, to be complemented by a simplified *Annex 10: Report on Ranking of Offices/Delivery Units*.

For agencies with non-permanent positions or excluded from the coverage of the GMIS, a modified Form 1.0 shall be submitted to the DBM for review and evaluation.

## **9.0 EFFECTS OF NON-COMPLIANCE**

A Department/Agency/SUC/GOCC/LWD/LGU, which, after due process by the oversight agency has been determined to have committed a prohibited act, shall be disqualified from the PBB in the succeeding year of its implementation.

Moreover, the CSC or Ombudsman shall file the appropriate administrative case for misrepresentation in the submitted/posted reports and requirements for the PBB, a commission of fraud in the payment of the PBB, and violation of the provisions of this Circular.

## **10.0 COMMUNICATION AND CHANGE MANAGEMENT**

- 10.1 Head of Agencies with the support of their PMTs should enhance the implementation of their internal communications strategy on the PBB and fulfill the following:
  - a. Engage their respective employees in understanding the PBB, the performance targets of their respective agencies, as well as the services and outputs that they will need to deliver to meet these targets.
  - b. Disseminate the performance targets and accomplishments of their agencies to their employees through the intranet and other means, as well as publish these on their respective websites for the public's information.

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<sup>2</sup> Monthly Updating of the Personal Services Itemization and Plantilla of Personnel (PSIPOP) Under the Web-based Application System dated October 21, 2013



- c. Set up a Help Desk to respond to queries and comments on the targets and accomplishments of their agencies. The Help Desk may be a facility that is embedded in the respective websites of agencies.
  - d. Set up a Complaints Mechanism to respond to the PBB-related issues and concerns raised by officials and employees of their respective agencies. Such may be incorporated in the functions of their Grievance Committee.
- 10.2 The Head of Agency shall designate a senior official who shall serve as a PBB focal person. The offices responsible for the performance management may be tasked to provide secretariat support to the PMT and to recommend strategies to instill a culture of performance within the agency. The name, position, and contact details (e-mail, landline, facsimile, cellular phone) of PBB focal persons should be submitted to the AO25 Secretariat.
- 10.3 Agencies should strengthen their communications strategy and ensure transparency and accountability in the implementation of the PBB.
- 10.4 The AO25 IATF shall maintain the following communication channels:
- a. AO25 Secretariat at [ao25secretariat@dap.edu.ph](mailto:ao25secretariat@dap.edu.ph)
  - b. RBPMS website [www.rbpms.dap.edu.ph](http://www.rbpms.dap.edu.ph)
  - c. Telephone: (02) 8400-1469, (02) 8400-1490, (02) 8400-1582
  - d. Facebook: [www.facebook.com/PBBsecretariat](https://www.facebook.com/PBBsecretariat)

## **11.0 APPLICABILITY TO THE CONSTITUTIONAL BODIES, LEGISLATIVE AND JUDICIAL BRANCHES**

The Congress, the Judiciary, and Constitutional Commissions are encouraged to follow these guidelines to be eligible for the FY 2022 PBB.

## **12.0 EFFECTIVITY CLAUSE**

This Memorandum Circular shall take effect immediately upon publication.

Certified true copies shall be posted on the RBPMS website (<https://rbpms.dap.edu.ph/>), DBM website (<https://www.dbm.gov.ph/>), and the Official Gazette (<https://www.officialgazette.gov.ph/>), and shall be filed at the University of the Philippines Law Center.

  
**TINA ROSE MARIE L. CANDA**  
 Officer-in-Charge, Department of Budget and Management





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MAY 13 2022

DENR Memorandum Circular  
NO. 2022- 11

**SUBJECT: Guidelines on the Grant of FY 2022 Performance-Based Bonus (PBB)**

### **1.0 PURPOSE**

This Memorandum Circular is being issued to prescribe the criteria and conditions on the grant of Performance-Based Bonus (PBB) for FY 2022 performance. The overarching goal of the PBB is to strengthen the effectiveness of the incentives system to help agencies achieve the mission-critical objectives and expected outcomes of the government.

The FY 2022 cycle shall continue to observe the simplified PBB scheme. The FY 2022 PBB will sustain focus on results especially on the delivery of agency performance commitments and optimum utilization of agency budget, and make stronger the roles of agencies in ensuring accountability for results of their delivery units. Further, the FY 2022 PBB shall measure and evaluate agency performance highlighting the public's satisfaction with the quality of public service delivery, utilization of resources, and strengthened agency stewardship. The FY 2022 PBB shall facilitate a more transparent and objective assessment of performance and timely release of the PBB to eligible agencies.

### **2.0 COVERAGE**

- 2.1 All Delivery Units/Offices of the DENR at the Central, Regional, and Staff Bureaus, including Line Bureaus and Attached Agencies if deemed feasible.
- 2.2 All officials and employees holding regular, contractual and casual positions are covered by this Circular. Excluded from the coverage are individuals engaged without employer-employee relationship with the DENR and funded from non-Personnel Services (PS) budget.

### **3.0 ELIGIBILITY CRITERIA**

To be eligible for the grant of the FY 2022 PBB, the criteria and conditions under the four (4) dimensions of accountability, namely: **Performance**

**Results, Process Results, Financial Results, and Citizen/Client Satisfaction Results** must be satisfied. A **total score of at least 70 points** based on the PBB Scoring System must be attained. This will be discussed in detail in Section 4.0.

Similar to FY 2021 PBB, the Performance Results refer to the accomplishment of the Congress-approved performance targets under the Performance-Informed Budgeting (PIB) of the FY 2022 General Appropriations Act (GAA). The Process Results refer to the achievements in ease of doing business/ease of transaction with the agency as a result of streamlining, standardization e.g., through the ISO-certified QMS or its equivalent, digitization, systems and procedures reengineering, and other related improvements. The Financial Results refer to the actual spending of the agency's budget allotment vis-a-vis the realization of the committed programs and projects based on the FY 2022 GAA. The Citizen/Client Satisfaction Results refer to the achievements in satisfying the quality expectations of the transacting public/client.

For FY 2022 PBB, the Agency Accountability requirements as discussed in Section 5.0 are retained and shall be used as the basis in determining the eligibility of responsible units and individuals.

#### **4.0 FY 2022 PBB TARGETS, ASSESSMENT AND SCORING SYSTEM**

The accomplishments for each criterion shall be rated using a scale of 1 to 5 (where 5 is the highest). Each criterion has an assigned weight, as shown in Table 1. The maximum score that may be obtained by the agency is 100 points. To be eligible for the FY 2022 PBB, the agency must attain **a total score of at least 70 points, and achieve at least a rating of 4 for at least three (3) criteria.**

TABLE 1: FY 2022 PBB SCORING SYSTEM						
CRITERIA AND CONDITIONS	WT	PERFORMANCE RATING				
		1	2	3	4	5
Performance Results	5	5 pts	10 pts	15 pts	20 pts	25 pts
Process Results	5	5 pts	10 pts	15 pts	20 pts	25 pts
Financial Results	5	5 pts	10 pts	15 pts	20 pts	25 pts
Citizen/Client Satisfaction Results	5	5 pts	10 pts	15 pts	20 pts	25 pts
<b>TOTAL SCORE</b>		<b>MAXIMUM=100 POINTS</b>				

As can be gleaned in Table 1, a performance rating of 4 in all criteria will yield a total score of 80 points. In case the agency fails to meet a rating of 4 in at least three (3) criteria, **the unit most responsible (including its head) for the criteria with a performance rating of below 4 will be isolated from the grant of the PBB.**

##### **4.1 Performance Results**

The performance in the Congress-approved performance targets under

the Performance-Informed Budgeting (PIB) of the FY 2022 General Appropriations Act (GAA) shall be closely monitored through the use of the Unified Reporting System (URS) - generated Budget and Financial Accountability Reports (BFARs).

The quarterly BFARs, as uploaded in the URS, shall be submitted within thirty (30) days after the end of each quarter. BFARs will be used to monitor and validate accomplishments.

For deficiencies or non-attainment of FY 2022 targets, justifications must be submitted together with the prescribed BFAR forms to the Commission on Audit (COA), the DBM, and the Bureau of Treasury (BTr), as applicable through the DBM URS, thirty (30) days after the end of the 4<sup>th</sup> quarter of FY 2022.

The Performance Results shall be assessed and scored as follows:

TABLE 2: RATING SCALE FOR PERFORMANCE RESULTS				
1	2	3	4	5
Met less than 80% of performance indicators of the 2022 Congress-approved performance targets; deficiencies due to controllable factors	Met less than 80% of performance indicators of the 2022 Congress-approved performance targets; deficiencies due to uncontrollable factors	Met at least 80% of performance indicators of the 2022 Congress-approved performance targets; deficiencies due to controllable factors	Met at least 80% of performance indicators of the 2022 Congress-approved performance targets; deficiencies due to uncontrollable factors	Met each one of the 2022 Congress-approved performance targets (all performance indicators)

The **Responsible Offices** for delivering the DENR Performance Results for the PBB 2022 are the following;

- a. Regional Offices – shall ensure accomplishment of targets under the Performance-Informed Budgeting (PIB) of the FY 2022 General Appropriations Act (GAA), especially output indicators (*Annex 1*). For physical accomplishments, there shall be no separate form to be used. The accomplishments shall be derived from the submitted Monthly Accomplishment Reports (MAR), which shall be used by the National Focal for monitoring.
- b. Bureaus – shall ensure submission of necessary reports to be included in the Budget and Financial Accountability Reports (BFARs), specifically for outcome indicators.
- c. Policy and Planning Service – shall serve as the **National Focal Office** that will monitor the accomplishments submitted by the

Regions and Bureaus. Consolidate and submit the BFARs through the Unified Reporting System (URS) and ascertain the agency's compliance with the FY 2022 PBB requirements under this dimension.

## 4.2 Process Results

The target under Process Results is the greater ease of transaction of core services based on mandated functions (external) covering government-to-citizens (G2C), government-to-businesses (G2B), and government-to-government (G2G) transactions, and the administrative and supporting services (internal) within the agency.

The ease of transaction of critical external and internal services may be achieved through streamlining; standardization of core processes including those implemented at the Regional, Satellite, and Extension Offices; digitization [e.g., by developing electronic or online paperless systems, new service delivery channels, contactless transactions]; and systems and procedures reengineering for faster, easily accessible, seamless, and more efficient public service delivery.

### 4.2.1 For FY 2022, the target will be substantive improvements in ease of doing business/ease of transaction with respect to two (2) critical services consisting of one (1) core service (external) based on the mandated function of the agency and one (1) support/administrative service (internal) as declared in the agency's updated Citizen's Charter and in line with the Anti-Red Tape Authority (ARTA)'s Whole-of- Government (WOG) Reengineering Manual.

In the process of improving the services of agencies and in promoting the WOG approach in the bureaucracy, the ARTA enjoins all government agencies to adopt the WOG Reengineering Manual as a tool in the reengineering of government services which focuses on the reengineering of systems and procedures. It aims to support government agencies towards a new way of service delivery, giving better services for citizens through improvements in government agencies working in a more integrated, WOG approach.

As defined in ARTA MC 2019-002-A the services may be categorized based on the following:

- a. **External services** - refer to government services applied for or requested by external citizens or clients or those who do not form part or belong to the government agency or office.
- b. **Internal services** - refer to government services applied for or requested by internal clients or individuals who are within the respective government agency or office, such as, but not limited to, its personnel or employees, whether regular or contractual. Internal services include services such as, but are not limited to, back-

end/support services to regulatory functions related to permitting, licensing, and issuance of a privilege, right, reward, clearance, authorization, or concession.

4.2.2 In selecting the critical services to be prioritized by the agency (and which will be validated later by the ARTA for purposes of determining eligibility for the PBB), the following factors shall be considered. The selected critical service is:

- a. A **core service** which is a process needed to achieve the overall mission and objectives of the public sector organization. These services may refer to those that are aligned with the agency's mandate and main functions.
- b. The **most complained service** with the greatest number of complaints received by the agency and other complaints-handling agencies.
- c. The **service/s with the greatest number of pending transactions or backlogs** that went beyond its prescribed processing time as declared in the agency's Citizen's Charter.
- d. A **service that generates income/revenue** for the government.
- e. A **service attributable to the Major Final Outputs (MFOs)/Programs** of agencies.
- f. A **service that involves inter-agency action** to complete the transaction.

4.2.3 The agency may use the concepts and tools indicated in the WOG Reengineering Manual in their reengineering efforts and may refer to the submitted initial Reengineering Plan to ARTA as the basis in prioritizing areas for improvement. The results of the implemented reengineering plan shall be reported through *Annex 2: Modified Form A* which also contains a guide in accomplishing said form. The agency must report objectively verifiable evidence of achievements in ease of doing business/ease of transaction using *Annex 2*.

The report should highlight the tangible improvements **from the viewpoint of the transacting public/client** in terms of access, turnaround time requirements. Proof or evidence may be any of the following:

- a. ISO-QMS certification or equivalent certification, which covers the selected critical external and internal services. The ISO-QMS certification or equivalent certification of critical external and internal services of the agency must be valid as of 31 December

2022. The certificate must indicate the scope of certification. The agency must pursue continued certification, i.e., ensure that there is no gap or minimal gap in terms of the expiration of its previous certification and the effectivity date of its existing certification, except with justifiable reasons, e.g., change of certification body which may cause a gap in the certification. For specific details on the validation of ISO QMS certification submitted as evidence or requirement, and the list of the acceptable ISO QMS and equivalent certifications, please refer to *Annex 3* Guidelines on the validation of ISO Quality Management System (QMS) Certification/Recertification.

- b. Most current and updated Citizen's Charter, reflecting the agency's improved and streamlined/re-engineered system and procedure for all its government services to citizens, businesses, and government agencies as prescribed by ARTA.
- c. Report on the digitization initiatives or digital transformation of external and internal services through the development of electronic or online and/or paperless application systems, payment systems, new service delivery channels, contactless transactions, and other process improvements using information technology. The report should highlight the tangible results of digitization in terms of ease of doing business or ease of transaction from the point of view of the transacting public/client.
- d. Standard operating procedures, manual or documentation of service delivery standards for frontline and non-frontline services of the agency, including those implemented at the Regional, Satellite, and Extension Offices. The report should highlight the tangible results of standardization of the frontline and non-frontline services in assuring ease of transaction and doing business with the agency.

The Process Results shall be assessed and scored as follows:

TABLE 3: RATING SCALE FOR PROCESS RESULTS				
1	2	3	4	5
No substantial improvement in ease of transaction in both external core and internal services	Achieved substantial improvements to ease transaction in internal service	Achieved substantial improvements to ease transaction in external service only	Achieved substantial improvements to ease transaction in external but non-priority core service and internal service	Achieved substantial improvements to ease transaction priority core service (external) and internal service

The Responsible Offices for delivering the DENR Process Results for the PBB 2022 are the following;

- a. Regional Offices – shall ensure implementation of streamlining processes, especially of frontline services, and accomplishment of Modified Form A
- b. Central Office – shall ensure implementation of their concerned streamlining processes, especially the frontline services, and accomplishment of Modified Form A.
- c. Staff Bureaus – shall ensure implementation of their concerned streamlining processes, and accomplishment of Modified Form A.
- d. DENR QMS Team – shall ensure QMS re-Certification to ISO 9001:2015
- e. The Sub-Committee on Anti-Red Tape (Sub-CART) on Citizen Charter (Compliance and Monitoring) – shall ensure the updating and posting of DENR Citizen’s Charter
- f. The Sub-Committee on Anti-Red Tape (Sub-CART) on Streamlining and Process Improvement of Critical Services (SPICS) – shall **serve as the Principal Body** that will ensure the implementation, monitoring and consolidation of the Modified Form A, including pertinent documents submitted by the respective offices. Said Modified Form A must be signed by the Supervising Undersecretary for CART and approved by the DENR Secretary.
- g. DENR CART – shall ensure the overall compliance of the Department on the Process Results Dimension. Said Committee must submit a signed copy of the accomplishment report to the DENR PBB Secretariat.

#### 4.3 Financial Results

Targets under Financial Result reflect final payments made from the annual budget allotment to realize committed programs and projects based on the valid appropriations for FY 2022. Hence, for FY 2022, the Disbursements BUR shall be accomplished as follows:

**Disbursements BUR** is measured by the ratio of total disbursements (cash and non-cash, excluding Personnel Services) to the total obligations for Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO) made in 2022, net of goods and services obligated by December 31, 2021, but paid only in 2022. The total obligations for MOOE and CO shall refer to those made from the current appropriations under the FY 2022 GAA and the continuing appropriations under FY 2021, respectively.

The objective is to measure the disbursements for the obligations for MOOE and CO made in 2022 from all valid appropriations. Transfers to



other agencies shall not be considered as disbursements until such time such transferred funds have been actually utilized for payment, inspection and acceptance of goods delivered and services rendered. Hence:

$$\text{Disbursements BUR} = \frac{\text{Total Disbursements (cash and non-cash, excluding PS), net of payments made in 2022 for past years' obligations}}{\text{Total Obligations}}$$

Same as the Performance Results, concerned offices shall ensure the submission of the quarterly BFARs through the DBM-URS, in a timely manner within thirty (30) days after the end of each quarter. The submitted FY 2022 Financial Accountability Reports (FAR) No.1 Statement of Appropriations, Allotments, Obligations, Disbursements, and Balances (SAAODB) shall be the basis in determining the FY 2022 BUR accomplishment of agencies.

The requirements under the Financial Results shall be scored as follows:

TABLE 4: RATING SCALE FOR FINANCIAL RESULTS				
1	2	3	4	5
<b>1-19%</b> Disbursements BUR	<b>20-39%</b> Disbursements BUR	<b>40-59%</b> Disbursements BUR	<b>60-79%</b> Disbursements BUR	<b>80-100%</b> Disbursements BUR

The **Responsible Offices** for delivering the DENR Financial Results for the PBB 2022 are the following;

- a. Regional Offices, Staff Bureaus, Central Office Delivery Units -- shall ensure disbursement of their respective total budget allotment.
- b. Financial Management Service – shall serve as the **National Focal Office** that will monitor, consolidate, submit Financial Report and ensure the agency's compliance with FY 2022 PBB requirements under this dimension.

#### 4.4 Citizen/Client Satisfaction Results

Citizen/Client Satisfaction Survey (CCSS) must be undertaken and reports must be submitted. Likewise, all reported complaints from Hotline #8888 and Contact Center ng Bayan (CCB) must be resolved.

- a. For evidence on the citizen/client satisfaction results, the results of the CCSS may be submitted using *Annex 4*. Said report should follow the prescribed requirements and rating scale as stated in the *Annex*. It should include a description of the methods and rating scale used in determining the FY 2022 Overall Satisfaction Score for its services. It should also contain the overall agency rating in the service quality dimensions and overall agency citizen/client satisfaction score for the reported services.

- b. Ensure the resolution of all complaints and grievances reported to Hotline #8888 and CCB, and their compliance with the 72-hour prescribed period to take actions on complaints as provided in EO No. 6, s. 2016.

Reported complaints and grievances shall cover the service and procedures of the agency, acts of red tape, corruption, and/or other interferences to public service delivery by any government agency, individuals, or instrumentalities.

To provide evidence on the resolution of complaints, submit a report summarizing the Hotline #8888 and CCB complaints received in FY 2022 and their status if resolved or pending.

To determine the resolution and compliance rates with Hotline #8888 and CCB complaints, refer to item IV of *Annex 4*.

The requirements under the Citizen/Client Satisfaction Survey (CCSS) shall be scored as follows:

TABLE 5: RATING SCALE FOR CCSS RESULTS				
1	2	3	4	5
No submission / Did not conduct CCSS	Average satisfaction rate with unresolved complaints and at least 30% compliance rate to #8888 and CCB	More than average rate with unresolved complaints and at least 50% compliance rate to #8888 and CCB	High satisfaction rate with 100% complaints resolved and at least 80% compliance rate to #8888 and CCB	High satisfaction rate with 100% complaints resolved and compliance rate to #8888 and CCB

The **Responsible Offices** for delivering the DENR Client Satisfaction Results for the PBB 2022 are the following;

- a. Regional Offices, Staff Bureaus and Central Office Delivery Units, – shall ensure the attainment of High Citizen/ Client Satisfaction rate and submit a report summarizing the #8888 and CCB complaints received in FY 2022. The report shall include the status of the complaints, whether resolved or pending.
- b. DENR Action Center, Strategic Communication and Initiative Service (SCIS) and Knowledge and Information Systems Service (KISS) – shall **serve as the National Focals** that will monitor, consolidate and submit the report and ensure agency's compliance with FY 2022 PBB requirements under this dimension.

The above-mentioned Responsible Offices shall submit their accomplishment reports to the identified National Focal Office/s for each dimension. The National Focal Office/s shall then be responsible for the assessment and consolidation of the submitted accomplishment reports and shall provide the DENR's scores using the rating scale.

Should there be deficiencies in the accomplishments of said criteria and conditions, justifications shall be made, as will be discussed in Section 8. **The reports and scores should be submitted to the Performance Management Group (PMG), through the DENR PBB Secretariat (Policy and Planning Service), not later than 1<sup>st</sup> week of February 2023.** It should be noted, however, that all the submissions for FY 2022 PBB qualifications shall be subjected to further validation by the AO25 IATF.

## 5.0 AGENCY ACCOUNTABILITIES

To sustain the institutionalization of compliance to existing government-mandated laws and standards, the Performance Management Team (PMT) shall continue to implement, monitor, and enforce compliance with the following requirements. *(See Annex 5: FY 2022 Agency Accountability Timelines.)*

TABLE 6. AGENCY ACCOUNTABILITIES	
Existing Agency Accountabilities	a. Updating of Transparency Seal
	b. Compliance to Audit Findings and Liquidation of Cash Advances
	c. Compliance with Freedom of Information (FOI) Program
	d. Submission and Review of Statement of Assets, Liabilities and Net Worth (SALN)
	e. PhilGEPS posting of all invitations to bids and awarded contracts <i>(Annex 6)</i>
	f. FY 2022 Non-Common Use Supplies and Equipment (APP-non CSE)
	g. Posting of Indicative FY 2023 APP-non CSE
	h. FY 2023 Annual Procurement Plan- Common Use Supplies and Equipment (APP-CSE) <i>(Annex 7)</i>
	i. Results of FY 2021 Agency Procurement Compliance and Performance (APCPI) System
	j. Undertaking of Early Procurement Activities covering FY 2023 Procurement Projects

New Agency Accountabilities beginning FY 2022 PBB	k. Designation of the Agency's Committee on Anti-Red Tape (CART)
	l. Compliance with the National Competition Policy (NCP)

Compliance with the designation of a Committee on Anti-Red Tape (CART) pursuant to Section 1, Rule III of the Implementing Rules and Regulations of RA No. 11032 and in accordance with the issued ARTA Memorandum Circular 2020-007 or "Guidelines on the Designation of a CART".

While the above-mentioned conditions are no longer required in determining the overall PBB eligibility of the agency, compliance with these conditions shall be used as the basis in determining the eligibility of responsible units and individuals. The Agency should submit these legal requirements directly to the validating agencies.

The DENR Central Office Focal for each agency accountability as shown in *Annex 5* shall be responsible for monitoring the compliance of the Regional Offices, Staff Bureaus and Central Office Delivery Units and should **submit report of compliance of the Delivery Units to DENR-PMG, through the DENR PBB Secretariat (Policy and Planning Service), not later than 1<sup>st</sup> week of February 2023.**

## 6.0 ELIGIBILITY OF DELIVERY UNITS AND INDIVIDUALS

- 6.1 The Delivery Units (DUs) shall no longer be ranked. However, the following shall be isolated from the grant of the PBB.
  - a. The unit/s most responsible (including its Head) for all the criteria stated in Section 3.0 with a performance rating of below 4 will be isolated from the grant of the FY 2022 PBB.
  - b. The unit/s most responsible (including the Head) for the non-compliance with the Agency Accountabilities provided in Section 5.0.
- 6.2 Eligible DUs shall be granted FY 2022 PBB at uniform rates across the agency, including their officials and employees. The corresponding rates of the PBB shall be based on the achieved total score as shown in Section 7.0.
- 6.3 The Secretary is eligible only if his agency is eligible. If eligible, his PBB rate shall be equivalent to the rate as stated in Section 7.0 and shall be based on his monthly basic salary as of 31 December 2022.
- 6.4 To be eligible for the PBB, employees belonging to the First, Second, and Third Levels should receive a rating of at least **"Very Satisfactory"** based on the CSC-approved Strategic Performance Management System (SPMS) or the requirement prescribed by the CESB.

- 6.5 Personnel in detail to another government agency for six (6) months or more shall be included in the recipient agency that rated his/her performance. Payment of the PBB shall come from the mother agency.
- 6.6 Personnel who transferred from one government agency to another agency shall be included by the agency where he/she served the longest. If equal months were served for each agency, he/she will be included in the recipient agency.
- 6.7 An Official or employee who transferred from government agencies that are non-participating in the implementation of the PBB shall be rated by the agency where he/she served the longest; the official/employee shall be eligible for the grant of the PBB on a pro-rata basis corresponding to the actual length of service to the participating implementing agency, as stated in Section 6.9
- 6.8 An official or employee who has rendered a minimum of nine (9) months of service during the fiscal year and with at least Very Satisfactory rating will be eligible for the full grant of the PBB.
- 6.9 An official or employee who has rendered less than nine (9) months but a minimum of three (3) months of service and with at least Very Satisfactory rating shall be eligible for the grant of PBB on a pro-rata basis corresponding to the actual length of service rendered, as follows:

Length of Service	% of PBB
8 months but less than 9 months	90%
7 months but less than 8 months	80%
6 months but less than 7 months	70%
5 months but less than 6 months	60%
4 months but less than 5 months	50%
3 months but less than 4 months	40%

The following are the valid reasons for an employee who may not meet the nine-month actual service requirement to be considered for PBB on a pro-rata basis:

- a. Being a newly hired employee
  - b. Retirement and Death
  - c. Resignation
  - d. Rehabilitation Leave
  - e. Maternity Leave and/or Paternity Leave
  - f. Vacation or Sick Leave with or without pay
  - g. Scholarship/Study Leave; and/or
  - h. Sabbatical Leave
- 6.9 Heirs of the deceased personnel who qualified for 2022 PBB shall be

required to present proof of legitimacy of claim.

- 6.10 An employee who is on vacation or sick leave, with or without pay for the entire year is not eligible for the grant of the PBB.
- 6.11 Personnel found guilty of administrative and/or criminal cases by final and executory judgment in FY 2022 shall not be entitled to the PBB. If the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB.
- 6.12 Officials and employees who failed to submit their 2021 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 s. 2015; or those who are responsible for the non-compliance with the establishment and conduct of the review and compliance procedure of SALN shall not be entitled to the PBB.
- 6.13 Officials and employees who failed to liquidate all cash advances received in FY 2022 within the reglementary period shall not be entitled to the PBB.

## **7.0 RATES OF THE PBB**

The total score as stated in Section 4.0 shall be the basis in determining the amount of the PBB the agency is eligible for. The maximum rate of the PBB that will achieve 100 points shall be 100% of the 65% monthly basic salary of an individual as of 31 December 2022. For illustration, see Table 7 below:

TABLE 7: RATES OF THE PBB	
TOTAL SCORE	PBB RATES
100 points	<b>65%</b> (100% of the 65% monthly basic salary)
95 points	<b>61.75%</b> (95% of the 65% monthly basic salary)
90 points	<b>58.5%</b> (90% of the 65% monthly basic salary)
85points	<b>55.25%</b> (85% of the 65% monthly basic salary)
80 points	<b>52%</b> (80% of the 65% monthly basic salary)
75 points	<b>48.75%</b> (75% of the 65% monthly basic salary)
70 points	<b>45.5%</b> (70% of the 65% monthly basic salary)

## **8.0 JUSTIFICATION FOR DEFICIENCY**

In the event of non-attainment of the prescribed performance rating of at least “4” for all the dimensions and non-compliance of the agency’s accountabilities, the responsible office/s shall provide a justification or underlying reasons for the deficiencies or non-attainment of a particular PBB requirement in the report to be submitted on/or before the deadline, as will be discussed in Section 10.

If the deficiency or non-compliance of each criterion is caused by controllable factors, the names of the most responsible unit and/or individuals who shall be isolated from the grant of FY 2022 PBB shall be included in the report. The justification for the controllable factor is still subject for verification of the concerned national focal.

Meanwhile, if the deficiency or non-compliance of each criterion is caused by uncontrollable factors, such as inaccessibility in the uploading of accomplishments in the Unified Reporting Systems due to system error, there shall be an issuance of justification which shall be subjected to further verification by the AO 25 Secretariat.

## **9.0 RECIPROCITY**

In case of further instructions relative to the FY 2022 PBB Guideline founded on the AO 25 IATF directives, Memorandum/Advisory from the PMG Chair shall be issued, whenever necessary.

## **10.0 TIMELINES AND SUBMISSION**

All Regional Offices, Staff Bureaus, and Central Office Delivery Units shall submit to the National Focal/s proofs of accomplishment (MOVs) with corresponding justification/s, in case of non-attainment of criteria, on Performance Results, Process Results, Financial Results, and Citizen/Client Satisfaction Results (as provided in Section 4.0) using the prescribed forms on or before 15 January 2023 for their assessment, review and consolidation.

The National Focal/s and Central Office Focal/s shall submit the consolidated reports to the PMG Chair, through its Secretariat, on or before 1<sup>st</sup> week of February 2023 at [ppso.pmed@denr.gov.ph](mailto:ppso.pmed@denr.gov.ph).

All Responsible Offices identified are encouraged to submit scanned copy of the official submission and editable MS Word or Excel Files.

The DENR-PBB Secretariat shall consolidate and package all pertinent documents for submission to AO 25 IATF on 28 February 2023.

The Personnel Division shall be responsible for the preparation of Form 1.0 (Report on Eligibility of Agency for the Grant of the FY 2022 PBB) following the format shown in Annex 8 including the Supplemental Report. It shall also take charge in the review and updating of the Personnel Services Itemization

and Plantilla of Personnel (PSIPOP) under the DBM'S Government Manpower Information System (GMIS). The PSIPOP shall serve as the primary source of data in determining the total FY 2022 PBB requirement of the agency.

TABLE 8. SUMMARY OF TIMELINES	
REQUIRED DOCUMENTS	DEADLINE OF SUBMISSION
Means of Verification and Justification for the non-attainment of targets from Central Office Units, Regions and Staff Bureaus	January 15, 2023
Consolidated Reports from National Focal(s) and Central Office Focal(s)	1st week of February 2023
Submission of packaged pertinent documents to AO25 Secretariat	February 28 2023

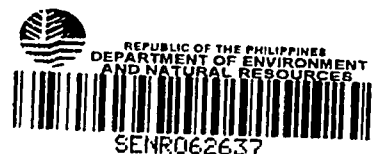
#### 11.0 SOURCE OF PBB FUND

The DENR-PBB shall be charged against Miscellaneous Personnel Benefits Fund (MPBF) in the General Appropriations Act.

#### 12.0 EFFECTIVITY

This Circular shall take effect immediately.

  
JIM G. SAMPILNA  
Secretary





immediately the physical inventory of the Land Improvements, Reforestation Projects; otherwise, look for options if physical inventory is not possible at this period;

- e. Heads of PENROs Palawan, Iloilo, Davao Occidental, Davao del Sur, ROs V, and XI to follow the process enumerated in Section 7.0 of COA Circular 2020-006 dated January 31, 2020 for non-existing PPE.

## **B. Compliance with Other Legal and Regulatory Requirements**

### *Utilization of funds and disbursements*

- 2. Of the agency's appropriation/allotment for CY 2021 of ₱20,819.193 million, the amount of ₱20,065.734 million or 96.38 percent was utilized/obligated and ₱17,994.138 million or 89.68 percent was disbursed until December 31, 2021. The total agency's appropriation/allotment is inclusive of appropriation/allotment for: (i) National Greening Program (NGP) amounting to ₱3,313.243 million which represents 15.91 percent of the total appropriation/allotment with utilization rate of 94.66 percent; (ii) Manila Bay Coastal Management Strategy (MBCMS) amounting to ₱2,418.871 or 11.62 percent of the total appropriation/allotment with utilization rate of 92.71 percent; and (iii) Pasig River Rehabilitation Program (PRRP) amounting to ₱109.869 million or 0.53 percent of the total appropriation/allotment with utilization rate of 90.40 percent. Moreover, of the total cash allocation of ₱21,404.493 million, 98.00 percent or ₱20,975.999 million was disbursed, leaving a balance of ₱428.494 million, of which ₱358.898 million was reverted back to the BTr.

To ensure the fulfilment of the mandates of the various government agencies, the National Budget for FY 2021 was approved through the Republic Act (RA) No. 11518, also known as the General Appropriations Act (GAA) for FY 2021, which provides in its General Provisions that:

*"Section 62. Cash Budgeting System. All appropriations authorized in this Act, including budgetary support to GOCCs, shall be available for release and disbursement for the purpose specified, and under the same special provisions applicable thereto, until December 31, 2021 While the amount appropriated herein as National Disaster Risk Reduction and Management Fund for calamities, epidemics as declared by the DOM, crises resulting from armed conflicts, insurgency, terrorism, and other catastrophes occurring in 2021and financial assistance to LGUs released during the fiscal year shall be available for obligation and disbursement for the purpose specified until December 31, 2022. On the other hand, appropriations for the statutory shares of LGUs shall be available for obligation and disbursement until fully expended.*

*After the end of validity period, all unreleased appropriations shall lapse, while unexpended or undisbursed funds shall revert to the unappropriated surplus of the General Fund in accordance with Section 28, Chapter 4, Book VI of E.O. No. 292 and shall not thereafter be available for expenditure except by subsequent legislative enactment. Departments, bureaus and offices of the National Government, including constitutional offices enjoying fiscal autonomy, SUCs and GOCCs, shall strictly observe the validity of appropriations and the reversion of funds.*

*For FY 2021, the appropriations for infrastructure capital outlays, including those subsidy releases to GOCCs for infrastructure projects, shall be valid for obligation until December 31, 2021, while the completion of construction, inspection, and payment shall be made not later than June 30, 2022. On the other hand, appropriations for NOOB and other capital outlays item shall likewise be valid for obligation until December 31, 2021, while the delivery, inspection and payment shall be made not later than March 31, 2022.*

*The DBM is authorized to issue the necessary guidelines for the effective implementation of the cash budgeting system."*

Also, Item 3.3 of National Budget Circular (NBC) No. 583, dated January 4, 2021 provides that:

*"Consistent with Section 62, GPs of the FY 2021 GAA and FY President's Veto Message, all appropriations authorized under the FY 2021 GA, including budgetary support to GOCCs and other SPFs, shall be available for release, obligation and disbursement for the purpose specified, and under the same General and Special Provisions of said GAA applicable thereto until **December 31, 2021.**"*

#### *Overall Fund Utilization*

The DENR has a total adjusted current appropriation of ₱18,894,303,233.00 per RA No. 11518 or the GAA of CY 2021. In addition, the agency has a continuing appropriation of ₱2,585,042,866.33 or a total appropriation of ₱21,479,346,099.33.

The Statement of Appropriations, Allotments, Obligations, Disbursements and Balances (SAAODB) of DENR for FY 2021 Current and Continuing Appropriations showed that out of the total allotment of ₱20,819,192,889.33, the amount of ₱20,065,734,480.20 or 96.38 percent was utilized/obligated, leaving a balance of ₱753,458,409.13. Moreover, total disbursements for the year amounted to ₱17,994,136,627.78 or 89.68 percent of the total obligations of ₱20,065,734,480.20. The CY 2021 allotment was not fully utilized due to: a) failure of public biddings; b) savings in the implementation or not fully accomplished programs/projects/activities

(PPAs) that were greatly affected by the COVID-19 pandemic; and c) lapses/delays in the preparation of project proposals. Breakdown of fund utilization per expense class is shown below:

Expense Class	Allotment	Obligation	Disbursements	Unobligated Allotment	Unpaid Obligations	Utilization Rate (%)	Disbursement Rate (%)
	a	b	c	d=a-b	e=b-c	f=b/a	g=c/b
<b>(In Million Pesos)</b>							
<b>Current Appropriations</b>							
Personal Services (PS)	8,466.546	8,456.563	8,186.168	9.983	270.395	99.88	96.80
Maintenance and Other Operating Expenses (MOOE)	6,286.995	5,792.058	4,988.931	494.937	803.127	92.13	86.13
Capital Outlay (CO)	4,140.762	4,022.121	3,264.542	118.641	757.579	97.13	81.16
<b>Subtotal-Current</b>	<b>18,894.303</b>	<b>18,270.742</b>	<b>16,439.641</b>	<b>623.561</b>	<b>1,831.101</b>	<b>96.70</b>	<b>89.98</b>
<b>Continuing Appropriations</b>							
PS	23.831	23.779	23.779	0.052	0.000	99.78	100.00
MOOE	1,189.742	1,062.838	901.463	126.904	161.375	89.33	84.82
CO	711.317	708.375	629.255	2.942	79.120	99.59	88.83
<b>Subtotal-Cont.</b>	<b>1,924.890</b>	<b>1,794.992</b>	<b>1,554.497</b>	<b>129.898</b>	<b>240.495</b>	<b>93.25</b>	<b>86.60</b>
<b>Grand Total</b>	<b>20,819.193</b>	<b>20,065.734</b>	<b>17,994.138</b>	<b>753.459</b>	<b>2,071.596</b>	<b>96.38</b>	<b>89.68</b>

The total allotment enumerated on the above table is inclusive of additional appropriations for Retirement and Life Insurance Premium (RLIP), Wildlife Management Fund and Integrated Natural Resources and Environmental Management Project (INREMP) Grant Proceeds amounting to ₱621,211,000.00, ₱5,500,000.00 and ₱48,431,173.00, respectively.

Also, the above allotment is inclusive of the agency's flagship program – the National Greening Program (NGP) and two special projects – the Manila Bay Coastal Management Strategy (MBCMS) and Pasig River Rehabilitation Program (PRRP) with the following allotments, obligations and disbursements during the year:

Expense Class	Allotment	Obligation	Disbursements	Balance	Utilization Rate (%)	Disbursement Rate (%)
	a	b	c	d=a-b	e=b/a	f=c/b
<b>(In Million Pesos)</b>						
<b>NGP</b>						
<b>Current Appropriations</b>						
MOOE	769.989	727.232	668.520	42.757	94.45	91.93
CO	2,388.120	2,357.415	2,038.726	30.705	98.71	86.48
<b>Subtotal-Current</b>	<b>3,158.109</b>	<b>3,084.647</b>	<b>2,707.246</b>	<b>73.462</b>	<b>97.67</b>	<b>87.77</b>
<b>Continuing Appropriations</b>						
PS	2.949	2.949	2.949	0.000	100	100
MOOE	142.197	39.577	34.966	102.620	27.83	88.35
CO	9.988	9.148	8.199	0.840	91.59	89.62
<b>Subtotal-Cont.</b>	<b>155.134</b>	<b>51.674</b>	<b>46.114</b>	<b>103.460</b>	<b>33.31</b>	<b>89.24</b>
<b>Grand Total-NGP</b>	<b>3,313.243</b>	<b>3,136.321</b>	<b>2,753.360</b>	<b>176.922</b>	<b>94.66</b>	<b>87.79</b>
<b>MBCMS</b>						
<b>Current Appropriations</b>						
MOOE	878.703	735.561	682.213	143.142	83.71	92.75

Expense Class	Allotment	Obligation	Disbursements	Balance	Utilization Rate (%)	Disbursement Rate (%)
	a	b	c	d=a-b	e=b/a	f=c/b
<b>(In Million Pesos)</b>						
CO	674.800	643.027	624.140	31.773	95.29	97.06
<b>Subtotal-Current</b>	<b>1,553.503</b>	<b>1,378.588</b>	<b>1,306.352</b>	<b>174.915</b>	<b>88.74</b>	<b>94.76</b>
<b>Continuing Appropriations</b>						
MOOE	316.686	316.686	312.596	0.000	100	98.71
CO	548.681	547.381	524.121	1.300	99.76	95.75
<b>Subtotal-Current</b>	<b>865.367</b>	<b>864.067</b>	<b>836.717</b>	<b>1.300</b>	<b>99.85</b>	<b>96.83</b>
<b>Grand Total-MBCMS</b>	<b>2,418.870</b>	<b>2,242.655</b>	<b>2,143.069</b>	<b>176.215</b>	<b>92.71</b>	<b>95.56</b>
<b>PRRP</b>						
<b>Current Appropriations</b>						
PS	9.256	9.256	8.780	0.000	100	94.86
MOOE	88.368	77.835	61.825	10.533	88.08	79.43
CO	5.000	4.990	4.543	0.010	99.81	91.03
<b>Subtotal-Current</b>	<b>102.624</b>	<b>92.081</b>	<b>75.148</b>	<b>10.543</b>	<b>89.73</b>	<b>81.61</b>
<b>Continuing Appropriations</b>						
MOOE	7.245	7.245	0.842	-	<b>100</b>	<b>11.62</b>
<b>Subtotal-Cont.</b>	<b>7.245</b>	<b>7.245</b>	<b>0.842</b>	<b>-</b>	<b>100</b>	<b>11.62</b>
<b>Grant Total-PRRP</b>	<b>109.869</b>	<b>99.326</b>	<b>75.990</b>	<b>10.543</b>	<b>90.40</b>	<b>76.51</b>

#### *Fund Utilization for NGP*

The NGP was implemented by virtue of EO No. 26 dated February 24, 2011. The program is anchored on the government's goal of reducing poverty, ensuring food security, conserving the environment and biodiversity, and enhancing climate change mitigation and adaptation. The NGP aims to plant 1.5 billion trees in 1.5 million hectares within a period of six years from 2011 to 2016.

To sustain the gains of reforestation and attain the intended long-term outcome, E.O. No. 193 was issued on November 12, 2015, expanding the coverage of the NGP (enhanced NGP) to include all the remaining unproductive, denuded and degraded forest lands and extending its implementation from 2016 to 2028.

The DENR has reported a total allotment of ₱3,313,243,077.06 for NGP, which is 15.91 percent of the overall allotment of DENR for CY 2021. Of which, ₱3,136,322,373.51 or 94.66 percent had been utilized/obligated, leaving an unobligated balance of ₱176,920,703.55.

The CO reported a zero percent utilization rate for NGP for CY 2021 because the funds will be downloaded to various regions in CY 2022 for the implementation of various program activities in the regions.

On the other hand, RO II reported a utilization rate of 85.42 percent for NGP which was attributable to the PENROs. The unutilized portion pertains to unutilized capital outlays of the Enhanced NGP due to some issues encountered by concerned offices in the implementation of the program.

#### *Fund Utilization for MBCMS*

On December 18, 2008, the Supreme Court in a landmark decision issued a mandamus ordering 13 government agencies “to clean up, rehabilitate and preserve Manila Bay, and restore and maintain its waters to SB level [Class B] sea waters per Water Classification Tables under DENR Administrative Order 34 (1990)] to make them fit for swimming, skin-diving and other forms of contact recreation (G.R. Nos. 171947-48). The issuance of Department Administrative Order (DAO) 2011-01 entitled Strengthening the Manila Bay Coordinating Office (MBCO) is one of the strategies under the operational plan. The DAO designated three DENR Regional Executive Directors who have jurisdiction over the Bay as Regional Coordinators and Heads of their own reconstituted Manila Bay Site Coordinating/Management Office.

On February 19, 2019, President Rodrigo R. Duterte issued Administrative Order No. 16, “Expediting the Rehabilitation and Restoration of the Coastal and Marine Ecosystem of the Manila Bay and Creating the Manila Bay Task Force.” The Task Force members shall perform their functions in accordance with their agency mandates and as prescribed in the Writ of Continuing Mandamus issued by the Supreme Court.

The DENR has reported a total allotment of ₱2,418,870,786.63 for MBCMS which is tantamount to 11.62 percent of its total allotment for CY 2021. Of which, ₱2,242,655,044.43 or 92.71 percent was utilized/obligated.

The CO reported an unutilized/unobligated allotment of ₱99,139,201.54 for MBCMS which were attributed to the following:

- Activities that were greatly affected due to COVID-19 restrictions:
  - Dolomite Beach Operations;
  - 16th Meeting of the ASEAN Working Group for Forest Management and CITES and Wildlife Enforcement;
  - Ground Monitoring, Assessment of Enforcement Operations against environmental violations;
  - Conduct of fieldwork to various project sites nationwide such as review and supervision missions, impact assessment/evaluation of completed FAPs, asset monitoring, assessment and evaluation of on-going and completed special projects;
  - Other activities aside from travelling, printing and publication, information and education campaign activities, hiring of contract of service, consultancy

- services, consumption of office supplies and materials, rentals, fuel, water, electricity and other utilities; and
- Due to the pandemic, the shift to online/virtual trainings, meetings, consultations and workshops instead of the usual face to face.
- Maintenance Work on the Beach Nourishment Area on the Rehabilitation of Manila Bay was not implemented due to non-responsiveness of the winning bidder declared as post-disqualified for non-submission of the required documents. Likewise, various equipment not procured due to no quotations received from suppliers, failure of biddings, lack of requirements and non-receipt of bids from prospective suppliers for the reason that the Approved Budget for the Contract (ABC) is very low.
- Project proposals were not fully utilized due to the late preparation and approval of the Work and Financial Plan (WFP), hence adjustment in the funding of activities was made. The approved projects were not able to commence in 2021 due to the delay in the preparation and approval of WFP and the proponents decided to implement the projects in 2022.

#### *Fund Utilization for PRRP*

In 2019, E.O. No. 90 was issued amending E.O. No. 54 (s. 1999) transferring the Chairmanship of the PRRC from the Office of the President to the DENR, and for other purposes.

By virtue of E.O. No. 93 dated November 8, 2019, the then PRRC was disestablished and the Pasig River Coordination and Management Office (PRCMO) was created, as one of the Offices of the DENR. However, the functions of PRRC, including all necessary and incidental powers thereof, pursuant to E.O. No. 54, as amended, were not fully transferred to the DENR but also to the following agencies and offices: The Manila Bay Task Force, DHSUD, MMDA and the DPWH.

For CY 2021, the DENR reported a total allotment of ₱109,868,500.85 for PRRP which is equivalent to 0.53 percent of the agency's total allotment. Of which, 90.40 percent or ₱99,325,535.77 was utilized/obligated.

The unutilized balance of the allotment was allocated to Build Back Better: Pasig River Bamboo Project and support to Manila Bay Anti-Pollution Task Force (MBATF): Identification/Updating of Inventory of Outfalls along Pasig River. The Bamboo Project was implemented using the bamboo seedlings which were sourced from the DENR-NCR with no additional manpower needed, hence, no allotment was expended.

Meanwhile, the budget allocated in the support of MBATF was intended for the strengthening of environmental enforcement in the Pasig River System, however, the

implementation of such was delayed due to tedious reviews and discussion of the Memorandum of Partnership with the National Bureau of Investigation (NBI)-Environmental Crime Division.

#### *Overall Disbursement*

The agency reported an overall disbursement rate of 89.68 percent or ₱17,994,136,627.78 out of the total obligations of ₱20,065,734,480.20, leaving an unpaid obligation amounting to ₱2,071,597,852.42, comprising of due and demandable obligations of ₱925,270,996.81 and not yet due and demandable obligations amounting to ₱1,146,326,855.61.

#### *Overall Cash Utilization*

The Monthly Report of Disbursements of DENR for FY 2021 (Financial Accountability Report No. 1) showed that the DENR received a total cash allocation of ₱25,714,000,955.32, of which ₱4,309,508,338.83 were transferred through issuances of Notices of Transfer Allocation (NTA) from CO to ROs and from ROs to PENROs, leaving a net cash allocation of ₱21,404,492,616.49. Out of the total cash allocation of ₱21,404,492,616.49, 98.00 percent or ₱20,975,998,148.49 was disbursed, leaving a balance of ₱428,494,468.00, of which ₱358,897,755.24 was reverted back to the BTr. Breakdown of the disbursement per fund cluster is shown below:

Fund Cluster	NCA/ NTA Received	NTA Issued	Net Disbursement Authority	Actual Disbursement	Balance		Utilization Rate
					Retained	Reverted to BTr	
					In Million Pesos		
01-RAF	22,587.964	3,025.231	19,562.733	19,225.748		336.985	98.28
02-LP	2,412.032	1,091.774	1,320.258	1,250.662	69.597		94.73
02-GOP	399.059	174.657	224.402	221.739		2.663	98.81
03-LFSA	9.957	0.191	9.766	7.754		2.012	79.40
07-TF	304.989	17.655	287.334	207.096		17.238	94.00
TOTAL	25,714.001	4,309.508	21,404.493	20,975.999	69.597	358.898	98.00

RAF= Regular Agency Fund; LP= Loan Proceeds; GOP= Government of the Philippines Counterpart; LFSA= Locally Funded Special Account; TF= Trust Fund

Of the unutilized portion amounting to ₱336,984,968.89 for the RAF, significant amount pertains to CO, LMB, FMB, Regions IV-B and VI amounting to ₱230,540,874.36, ₱18,323,832.80, ₱22,293,977.86, ₱30,309,039.30 and ₱18,234,130.80, respectively, which were attributable to failed biddings, travels that were halted due to travel restrictions, and events that were cancelled and shift to online/virtual trainings, meetings, consultations and workshops, which largely contributed to the balance and other operating expenses that were saved due to the difficult situation brought about by the COVID-19 pandemic.

In addition, the non-implementation of the Impact Assessment of the five Community Based Forest Management – Comprehensive Agrarian Reform Program (CARP) and

failure to implement the procurement of various information and communications technology supplies in view of the increased prices in the market contributed to the lapsing of cash allocations in Region IV-B.

Moreover, in Region VI, lapsed NCA amounting to ₱14,307,474.15 in PENRO Antique was intended for the construction of new office building where the contractor was not able to meet the percentage of completion required for the progress billings.

For Fund Cluster 02, there is a total unutilized amount of ₱69,596,712.76 and ₱2,662,745.37 for both Loan Proceeds (LP) and Government of the Philippines counterpart (GOP) accounts. Interview with the Chief, Project Accounts Management Division (PAMD) disclosed that the low disbursement rate was affected by the insufficiency of the revolving fund resulting to the late payment of the project activities as well as the delayed implementation of the remaining project activities.

**We recommended and Management agreed to prepare a detailed remedial action plan to reflect the specific measures to be undertaken to resolve the identified issues to ensure attainment of physical and financial targets.**

***Reversion, closure and transfer of dormant cash, unauthorized accounts and unnecessary funds***

- 3. The CO, FMB, RO I and four PENROs did not remit/revert to the General Fund its dormant cash and unauthorized accounts amounting to ₱25.899 million as of year-end, thus, the government was deprived of the available funds that could be used in its priority programs and projects. Likewise, BMB did not return to the project partner unspent fund amounting to ₱0.764 million for a completed project, thereby, exposing the fund to the risk of being misused.**

Section 10 of the General Provisions (GP) of the GAA for CY 2021 provides for the Reversion, Closure, and Transfer of Balances of Special Accounts, Fiduciary or Trust Funds, Revolving Funds, and Unauthorized Accounts. It states that “*Departments, bureaus, offices, and instrumentalities of the National Government, including Constitutional Offices enjoying fiscal autonomy and SUCs are mandated to close and revert all balances of Special Accounts, Fiduciary or Trust Funds, and Revolving Funds to the General Fund in any of the following instances: (i) when there is no legal basis for its creation; (ii) when their terms have expired; or (iii) when they are no longer necessary for the attainment of the purposes for which said funds were established.*”

Permanent Committee Joint Circular (JC) No. 4-2012, dated September 11, 2012 implementing Executive Order No. 431, dated May 30, 2005 was issued directing the reversion of all dormant accounts, unnecessary special and trust funds to the General Fund and for other purposes.