## I.   Overview of the Project

Integrity Development Review (IDR) is a process of building and sustaining an agency's ability to prevent corruption from happening. It is about integrating corruption resistance strategies into the various organizational facets of an agency so that factors that contribute to corrupt behavior can be checked and those that discourage corrupt acts or malfeasance are reinforced. As the old adage goes, "an ounce of prevention is better than a pound of cure."

There are various approaches to prevent corruption. One tested formula is that of Klitgaard's minimizing corruption by demonopolizing power, *circumscribing discretion and raising accountability. Another is a four-point approach, namely limiting opportunities for corrupt transactions, decreasing the gains, increasing the probability of being caught and raising the magnitude and severity of penalties. In any case, a thorough diagnosis is a logical first step in order to establish activities that are vulnerable to corruption, check availability of control mechanisms that can detect and deter wrongdoings and evaluate the effectiveness of penalty and reward systems.

External parties can do diagnosis objectively. But self-assessment would be ideal especially for reform-oriented agencies. This is the idea behind the Integrity Development Review Project. This aims to support the leadership and management of the Office of the Ombudsman in improving governance in the public sector by providing tools for objective assessment of corruption vulnerability and resistance of agencies. The project is implemented with the technical assistance of the Development Academy of the Philippines.

The integrity development framework builds on the Corruption Resistance Review (CRR) approach developed by the Independent Commission Against Corruption of New South Wales and the Corruption Vulnerability Assessment (CVA) tool adapted by DAP from the Office of Management and Budget of the United Sates. The CRR helps agencies assess their level of corruption resistance and progressively develop and implement corruption prevention measures to meet certain standards of organizational integrity. CVA determines the susceptibility of agency systems to corruption and examines the adequacy of safeguards to forestall wrongdoings.

The IDR process that evolved in this project consists of two stages: Stage 1 involves corruption resistance review via guided self-assessment, indicators research and a survey of employees. Stage 2 demands a detailed corruption vulnerability analysis. The IDR methodology was pilot-tested in three agencies, namely, the Office of the Ombudsman, Department of Education and Civil Service Commission.  Under the EC-OMB Corruption Prevention Project, 16 public sector agencies are scheduled to undergo the IDR, five of which already underwent the IDR last August 2006. These are the Department of Public Works and Highways (DPWH), Bureau of Internal Revenue (BIR), Bureau of Customs (BOC), Philippine National Police (PNP) and the Land Transportation Office (LTO). The IDR Project is the Office of the Ombudsman's response to its constitutional and statutory mandate[1] to determine causes of inefficiency, red, mismanagement, fraud and corruption in the Government and make recommendation for their elimination and the observance of high standards of ethics and efficiency.

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[1] Section 13 (7), Article XI, 1987 Constitution and Section 15 (7), Republic Act No. 6770 (Ombudsman Act of 1989)

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## II.   Overview of the Participating Agency:  Department of Environment and Natural Resources

The DENR traces its origin to the old Department of Agriculture and National Resources (DANR)[2]. Eventually, Presidential Decree 461 of May 17, 1974 split DANR into two: the Department of Agriculture and the Department of Natural Resources [3] since 1974, the Department have been under 15 heads with an average of 2.2 years stay in office, with 7 years (martial law years-Secretary/Minister Jose J. Leido Jr. [1974-1981]) and 5 years (post Edsa [1986] Revolution-Secretary Fulgencio S. Factoran [1987-1992]) as the longest.

DENR has a Herculean but very noble role – as steward of providential creation. It has the mandate to be the primary government agency responsible for the conservation, management, development and proper use of the country's environment and natural resources. Its noble mission is to be the driving force in the pursuit of sustainable development, enabling stakeholders' participation in the protection, conservation, and management of the environment and natural resources for the present and future generation. All of these are geared towards making the Philippines enjoy and sustain its natural resources and a clean and healthy environment. The DENR is the primary arm of government that should ensure the protection and advancement of the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature.[4]

The Secretary heads the Department. He is currently assisted by eight (8) undersecretaries holding the following offices, namely: the senior undersecretary, policy and planning, legal affairs, staff bureaus, attached agencies, management and technical services, and the office of the undersecretary for special projects and concerns. The Secretary is likewise assisted by a focal person with the rank of undersecretary in the National Anti-Environment Crime Task Force (NAECTAF), DENR's top gun law enforcement unit.

The Department discharges its noble mandate through its six (6) sectors, namely: the forestry sector; lands sector; protected areas, wildlife and coastal zone management sector; research and development sector; environment sector; and the mines sector. Given its gargantuan tasks, DENR is manned by 22, 689 personnel, 16 Regional Environment and Natural Resources Offices (RENROs), 80 Provincial Environment and Natural Resources Offices (PENROs) and 170 Community Environment and Natural Resources Offices (CENROs). These are in addition to the regional offices of the line bureaus, namely: Environmental Management Bureau (EMB) and the Mines and Geosciences Bureau (MGB), both having 16 regional offices each.

For 2007, DENR has a total budget of PhP7,110,820,000[5], seventeen (17) percent of which goes to general administration and support services, eight (8) percent to support to operations, sixty four (64) percent to operations/enforcement of environmental laws and eleven (11) percent to local and foreign funded projects. Some of the locally-funded projects are the pilot implementation of the integrated watershed management and sustainable development, the upland area management in Southern Palawan and the water quality monitoring and community-based waste management project for the Pasig River Rehabilitation Plan. On the other hand, some of the foreign-assisted projects are the Metro Manila air quality improvement sector development program, Southern Mindanao integrated coastal zone management project and the land administration management project.

There were forty one (41) administrative/corruption-related cases filed against DENR personnel from 2003 to 2006. While an administrative-corruption related case may involve several administrative offenses, here is the frequency distribution: grave misconduct, 23 (56%); gross neglect of duty, 16 (39%); dishonesty, 14 (34%); conduct prejudicial to the best interest of the service, 11 (27%); falsification of official documents, 8 (18%); others[6], 7 (17%). In 2003 there were only 6 administrative cases filed (with formal charge), and in 2004 and 2005 there were 5 cases filed each year. However, in 2006 this reached 25 cases or a 500% increase. These cases

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[2] The Revised DENR Employee Handbook (2006), p.1-2
[3] Ibid. p. 1-2
[4] Section 16, Article II of the 1987 Constitution
[5] General Appropriations Act, Fiscal Year 2007
[6] Include grave abuse of authority (1); disgraceful/immoral conduct (2); oppression (2); and simple neglect of duty (2)

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involve 160 employees, and these are the offenses that involved most of the employees: gross neglect of duty (55); grave misconduct (38); dishonesty (21); falsification of official documents, (13); conduct prejudicial to the best interest of the service (12); simple neglect of duty (9); grave abuse of authority (8); disgraceful/immoral conduct and oppression, (2) each.

It is interesting to note that in the survey of employees, they were asked if they agree that the agency is successful in fighting corruption, and this is how they answered:

| Statement | Net Satisfaction Ratings | | | | |
|---|---|---|---|---|---|
| | Central Office | Region IVA | Region VII | Region XIII | Agency Rating |
| Our agency is successful in fighting corruption | 2.65 | 2.49 | 2.49 | 2.28 | 2.46 |

Except for the Central Office which posted slightly negative net agreement, the rest of the employees surveyed in the other areas posted slightly positive net agreement. On the average, the response tends to lean on split opinion.

DENR Secretary Angelo T. Reyes, in his speech[7] during the 2007 Earth Day Celebration, candidly provided the poignant backdrop in which the Department is operating – the Philippines having the dubious distinction of being the second most polluted air in terms of suspended particulates, among eight ASEAN countries, and the health cost is US$400 Million. Water pollution is even worst. Sixteen of our major rivers are biologically dead and economic losses estimated by World Bank reach US$1.3 Billion per year. While the law on ecological solid waste management mandates the closure of dumpsites and the shift to sanitary landfill, there are still 1,095 open dumpsites – a major contributor to land, air and water pollution. The Philippines has the second lowest forest cover (only 6% of our original forests remain), better only than in Singapore (which do not have any natural forest to begin with), resulting to erosion of fertile topsoil, siltation, inability to reduce air pollution and retain water, increased flooding and reduced replenishment of the water table. While the Philippines is one of the most bio diverse countries in the world, we rank 5th among the world's 19 biodiversity hotspots. Likewise, we have lost half of our mangroves and only 5% of our coral reefs remain in excellent condition. And of course, who can escape from the biggest and most threatening environmental issue facing mankind - climate change and global warming. And it is said that even if we are to magically stop all emissions today, temperature will continue to rise for another 25 years.[8]

The Department's leadership however provided a decisive response with the newly created National Anti-Environment Crime Task Force (NAECTAF), which has already made successful apprehensions in illegal logging, wildlife poaching and toxic waste polluting activities. The DENR's day-to-day operations is guided by the Secretary's 12-point agenda, which is divided into 4 major headings with sub-activities, namely: a) protection of the environment and conservation of natural resources; b) sustainable exploration and development of the country's natural wealth; c) promotion of social equity and protection of communities; and d) good and green governance.

To reduce greenhouse gas emissions, and by virtue of the enactment of R.A. No. 9637, also known as the Bio-Fuels Act, the Department is progressively implementing bio-fuels program where extracts from agricultural sources are mixed with motor fuel to produce cleaner vehicular emissions. It is enforcing emission standards for vehicles and industries. In 2005, DENR tested 28,517 vehicles along EDSA alone, of which only 21% passed the emission standard. It also conducted 6,690 inspections and issued 532 notices of violations to industries.

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[7] Delivered during the opening ceremony of Earth Day Celebration at the Quezon Memorial Circle on April 22, 2007
[8] This is according to Sir David King, Chief Adviser to the British Government, also mentioned in the Earth Day Speech of Secretary Reyes.

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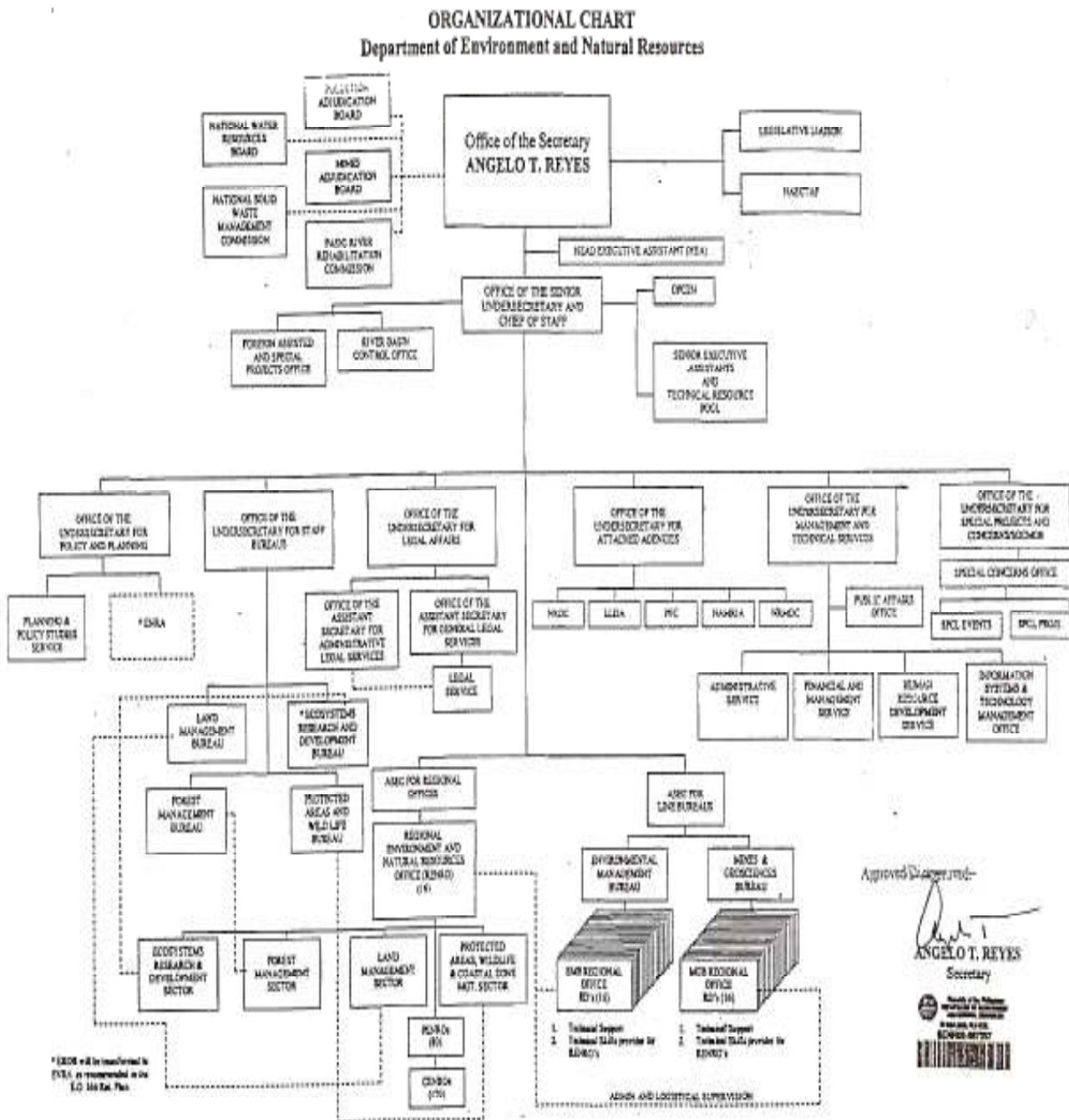For discussion purposes only, not for quotation

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DENR also assists local government units in managing wastes through segregation and identified 366 potential sanitary landfills to reduce methane emissions of garbage dumps. It is targeting a reduction on the reliance on fossil fuels from the current 58.4% to 49.2% by 2014 by shifting to renewable sources of energy like wind, water, natural gas and geothermal. The Philippines has eight (8) projects registered with the United Nations CDM Executive Board, ranking it the 8th country in the world with the most number of projects registered and accepted by the UN.

DENR also reforested 85,235 hectares in 2005 and planted several thousand seedlings along major highways throughout the country. It has completed geo-hazard mapping of 27 provinces so that communities can be forewarned of potential danger areas, especially during strong typhoons. More importantly, DENR is leveraging its enforcement functions by making itself accessible through popular text messaging in its Text 5777 Program, where information on pollution and other acts of environmental degradation may be reported through short messaging system (SMS).

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**Department of Environment and
Natural Resources (DENR)
Organizational Chart**



ORGANIZATIONAL CHART
Department of Environment and Natural Resources

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### III.    Assessment Methodology

The PRIDE Assessment Team used a two-stage methodology in implementing the project at the DENR in four (4) sites – the Central Office; Regional Office No. IV-A or the CALABARZON Area; Regional Office No. VII; and Regional Office No. XIII, also known as the CARAGA Region.  The first stage is the Corruption Resistance Review (CRR), which employs three (3) key tools, namely: a) Integrity Development Assessment (IDA) conducted through a focused group discussion, b) Indicators Research which is basically documents review and validation, and c) Survey of Employees. The survey was done in the Central Office and the three regional sites with a total of 370 respondents (75 in the Central Office, 105 in Region IV-A, 100 in Region VII and 90 in Region XIII).  The second stage is the Corruption Vulnerability Assessment (CVA) which uses process and risk mapping among other tools.

### Corruption Resistance Review (CRR) Stage

The CRR is Stage 1 of the Integrity Development Review.  CRR is conducted with three (3) main activities:

**Activity 1:  Integrity Development Assessment.**  This is also called the guided self-assessment undertaken in a focus group discussion (FGD) where participants are requested to rate the efforts of their agency to put in place measure that can prevent and/ or forestall corruption.  This tool does not measure or determine incidences of corruption, but rather identifies the areas where the agency has placed systems to prevent corruption.  There are 10 dimensions for review:

1. Leadership
2. Code of Conduct
3. Gifts and Benefits Policy
4. Human Resource Management:  Recruitment, Selection and Movement of Personnel
5. Performance Management
6. Procurement Management
7. Financial Management:  Budgeting, Accounting, Cash Handling
8. Whistleblowing, Internal Reporting and Investigation
9. Corruption Risk Management
10. Interface with External Environment

For each dimension, the agency can assess their levels of achievement vis-à-vis a five-point scale.  Each dimension has a five-point scale and each of the scale contains indicators of performance that the agency should satisfy. In case the agency cannot satisfy any or all of the indicators of a particular scale, then the agency could not rate itself in that level. The five-point scale is progressive; hence, the agency could not go to a higher scale if the indicators in the lower scales are not fulfilled.

The technique used in the IDA is Focused Group Discussion (FGD). A facilitator guides the FGD participants in rating the agency in each of the dimensions. The participants' final rating per dimension is either a consensus or a majority rating. The assessment yields possible steps that the agency can undertake to advance to the next level.

**Activity 2:  Survey of Employees.**  This is a means to check the deployment of integrity building measures and solicit feedback from employees on:

- Their personal experiences with integrity building measures of the agency;
- Clarity of guidelines and procedures (particularly when they serve as safeguards);
- Effectiveness of corruption prevention measures; and
- Their suggestions for improvement

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The survey uses the sealed envelope technique to encourage honest feedback and ensure the confidentially of respondents and responses. The survey at the Central Office was conducted from 13 to 14 February 2007 while the surveys at the regional sites were conducted from 22 to 23 February 2007 (Region IVA), February 27 – March 1, 2007 (Region VII), and February 26 – 28, 2007 (Region XIII).

**Timetable of Activities**

| Activity (2007) | Central Office | CALABARZON Reg IVA | CENTRAL VISAYAS Reg VII | CARAGA Reg XIII |
|---|---|---|---|---|
| **CRR**<br>- IDA<br>- Survey of Employees<br><br>- Indicators Research | Feb 15<br>Feb 13 – 14<br><br>Feb 12 - 16 | Mar 5<br>Feb 22 - 23<br><br>Feb 19 - 23; Mar 5 | Feb 26<br>Feb. 27 – Mar 1<br><br>Feb 26 – Mar 2 | Mar 2<br>Feb 26 – 28<br><br>Feb 26 - Mar 2 |

**Activity 3: Research Indicators.** This is where documents are collected and analyzed to support the ratings made during the IDA process. Indicators Research is used to substantiate / validate the self-assessment findings and to provide leads on the high-risk areas in the agency's operations.

## Corruption Vulnerability Assessment (CVA) Stage

The CVA is Stage 2 (and last stage) of the Integrity Development Review. A key step in addressing corruption is to understand the nature of the problem and then define its extent. This is where vulnerability analysis becomes useful. CVA entails detailed examination of the general control environment of the agency, the inherent risk of corruption in agency operations, and the adequacy of existing safeguards. A risk is defined as anything that could jeopardize the achievement of the agency's objectives. In the context of vulnerability assessment, a risk is taken to mean an element or factor that can induce deceit, malfeasance, or abuse of power or position for private gain.

Vulnerability means the probability that corruption occurs or will occur and not be prevented or detected in a timely manner by the internal controls in place. Vulnerability is estimated by considering both the threat's inherent risk and the condition of the internal control. Corruption vulnerability differs from extent or level of corruption in an agency. A "clean" agency may have high vulnerability to corrupt acts due to weak control systems. CVA does not measure the extent of corruption in an agency. As an analytical tool, CVA will principally help decision-makers to detect susceptibility of systems, policies and procedures to corruption. The fact-based information that can be gathered from systematic assessment can be used by agencies to institute appropriate corrective and preventive measures.

The purpose of the CVA is to examine the high-risk activities and/or functions and assess the probability that corruption occurs or will occur and not be prevented or detected in a timely manner by the internal controls in place. Based on the vulnerabilities identified by the agency or surfaced from CRR, a detailed investigation and risk assessment of selected activities, functions, processes, procedures, and/or controls is carried out. The assessment involves process mapping, identification and classification of risks, checking of existing controls, and evaluation of adequacy of safeguards. Data and information may be culled from document review, key informant interviews, and process observation to the extent possible.

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For purposes of the CVA at the DENR, the Assessment Team identified, after discussions with the Agency counterparts and internal assessors, as well as commonly complained processes with the transacting public, the top three (3) processes that are vulnerable to corruption. The selected processes are: a) issuance of the Environmental Compliance Certificate (ECC); b) Integrated Forest Management Agreements (IFMAs); and c) Foreshore Leases.  The tools used under CVA are the Site Visit Forms and the Risk Assessment Worksheets. The Site Visit Forms aim to validate the strengths and areas for improvement, identify the issues that need verification, as well as the means of verifying such issues. The use of the Risk Assessment Worksheets involves the preparation of process flows of the identified processes, identifying the activities that are vulnerable to corruption, identifying the corruption risk factors per activity and evaluating their probability of occurrence and significance of impact, identifying the control mechanisms and assessing their effectiveness, and formulating the recommendations to prevent or minimize corruption.

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## A. CORRUPTION RESISTANCE REVIEW

**INTEGRITY DEVELOPMENT ASSESSMENT**

**1. Leadership**

The role that leadership plays in promoting integrity in the organization cannot be over emphasized. In a society where institutions need to be strengthened, leadership in most cases determines the way an organization deals with the issue of integrity building. This dimension considers the equal importance of what a leader does and what he or she professes.

Senior leaders and officials are critical in setting values and directions, promoting, practicing, and rewarding good governance, using performance management in proactively addressing ethical and accountability requirements. Many times resoluteness of the leadership determines the success of corruption prevention initiatives. Given the wide scope given to them, opportunities for abuse of authority should be carefully monitored. The agency should set clear organizational policies and structure in decision-making and accountability for senior leaders and officials.

The rating scale for this dimension is as follows:

| Rating | Levels of Achievement |
|---|---|
| 1 | <ul><li>Senior leaders set organizational values, short and long-term directions and performance expectations.</li><li>Senior leaders articulate the importance for everyone in the organization to be ethical in their behavior and in dealing with all stakeholders.</li><li>Senior leaders have clearly defined authorities and accountabilities.</li></ul> |
| 2 | <ul><li>Senior leaders deploy organizational values, short and longer-term directions and performance expectations.</li><li>Senior leaders take proactive steps to discourage staff from engaging in corrupt practices.</li></ul> |
| 3 | <ul><li>Senior leaders have specific responsibilities for prevention and detection of corruption.</li><li>Senior leaders are trained on corruption prevention and detection.</li></ul> |
| 4 | <ul><li>Practices and performance of senior leaders in preventing and detecting corruption are regularly reviewed/evaluated.</li><li>Decisions/actions of senior leaders are randomly checked for possible abuse of authority/discretion, conflict of interest.</li><li>Integrity enhancement/ corruption prevention are integrated in management functions.</li></ul> |
| 5 | <ul><li>The agency reviews the effectiveness of its leadership organization in enhancing the integrity in the organization.</li><li>Results of the review are used to strengthen the agency's leadership organization and system.</li></ul> |

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Professor Leonardo R. Silos, in his book *The Power of the Leader*[9] articulated the reinforcing factors of leadership, namely: values, skills and authority. "Their power in combination is not mere summation but synergy."
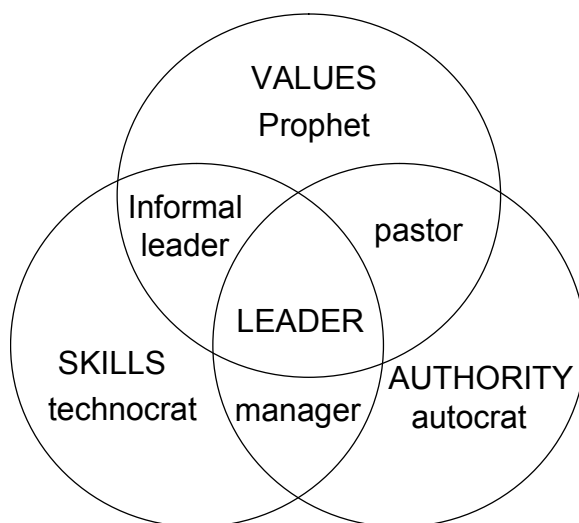


### 1.1 Description of the Agency System/Processes relevant to the Dimension

When one enters the DENR Central Office, the Department's direction is clearly articulated. One cannot escape a big tarpaulin in the ground floor of the Main Building illustrating DENR's Roadmap in one, single and understandable spread. DENR's mandate, vision, mission, sectoral goals, core functions, strategies, major final outputs and organizational outcomes are seamlessly anchored on the national vision of improved quality of life and sustainable development through economic growth, social equity and ecological integrity. The inclination toward the much-needed enforcement is also pronounced in the present leadership, taking its cue from the highly successful and high profile National Anti-Kidnapping Task Force (NAKTAF), with the creation of the NAECTAF. In the first quarter alone[10], the NAECTAF serve and implemented the cease and desist orders (CDO) against establishments violating environmental laws. It also confiscated endangered love birds, blast fishing materials and equipment including unregistered fishing boats. Elements of NAECTAF also implemented stoppage of mining operations, transport and loading of illegally extracted mineral ores. It also seized/confiscated multi-million peso worth of illegally cut logs.

### 1.2 Assessment

| LEADERSHIP | Central Office | CALABARZON Reg IVA | Central Visayas Reg VII | CARAGA Reg XIII | Team Rating |
|---|---|---|---|---|---|
| Agency Rating | 2 | 2 | 2 | 2 | **2** |
| Deployment Score | 30-40% | 50-60% | 100% | 70-80% | |
| Validated Rating | 2 | 2 | 2 | 2 | |

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[9] Leonardo R. Silos, *The Power of the Leader* (Quezon City, Goodwill Trading, 2003)
[10] 2007 1st Quarter Accomplishments, National Anti-Environment Crime Task Force, Presidential Anti-Organized Crime Commission, Office of the President

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## Central Office, Region IV-A, Region VII and Region XIII

Rating DENR at level 2 was a sweeping consensus among senior officials and key process owners at the Central Office and the regional sites (offices) of IV-A, Cebu and CARAGA, and arrived at with relative ease, uncolored by acrimonious discussions usually attendant in emotional and personality-based dimensions like leadership.

At the central office, process owners and senior officials were unanimous in recognizing that senior leaders set and deploy organizational values, short and long term directions, and performance expectations. It was a consensus among process owners and senior leaders that they articulate, especially during office meetings and flag-raising ceremonies, ethical behavior in office and in dealing with stakeholders, as well as take proactive steps in discouraging staff from engaging in corrupt practices. They were likewise unanimous in recognizing that they have clearly defined authorities and accountabilities as can be gleaned from their job descriptions. However, they admitted that these job descriptions do not specifically provide responsibilities for preventing and detecting corruption. They were likewise unanimous on the need for formal training on corruption prevention and detection. Found above are the assessments given by senior managers and process owners across sites, as well as those given by the IDR Assessors.

The Assessment Team agrees that DENR is at level 2 in Leadership. Senior Leaders set and deploy organizational values, short and long-term directions and performance expectations. These can be seen in the 2007 DENR Budget Briefing Folio where the corporate vision and mission are clearly defined by the DENR Roadmap and a menu programs, activities and projects. These are further reinforced by the incumbent leadership's [11] 12-point agenda essentially subdivided into four (4) headings with sub-activities, thus:

I. Protection of the Environment and Conservation of Natural Resources
1. restore air quality within standards, especially in Metro Manila
2. manage the major river basins to generate water resources that are free from contamination, provide more economic opportunities, and control flooding
3. improve the management of solid waste
4. pursue vigorously sustainable development in watersheds, protected areas, upland ad coastal areas

II. Sustainable Exploration and Development of the Country's Natural Wealth
5. promote industrial tree plantations in degraded and idle areas and pursue agro-forestry
6. revitalize responsible mining
7. complete the development and publication of topographic maps nationwide

III. Promotion of Social Equity and Protection of Communications
8. Distribute the remaining 960,000 hectares of alienable and disposable lands to the poor households over the next five years
9. restore the integrity of land titles through the computerization of land records
10. undertake social mobilization to ensure that communities are involved in the protection of the environment
11. prevent or minimize loss of lives and properties during disasters through the completion of the geo-hazard maps

IV. Good and Green Governance
12. promote transparency, efficiency, accountability and consistency in the conduct of work

The 12-point agenda is likewise anchored on President Arroyo's 10-point agenda, The Medium-Term Philippine Development Plan (MTPDP) and the Medium Term Public Investment Plan (MTPIP). Moreover, Department Administrative Order (DAO) No. 17 series of 2006 spells out DENR's Major Final Outputs in compliance with the requirements of NEDA and DBM.

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[11] Secretary Angelo T. Reyes, a former Chief of Staff of the Armed Forces of the Philippines and Secretary of the Defense Department, had his Masters in Business Administration at the Asian Institute of Management and is a Triple A Awardee

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Deployment of organizational values, corporate directions and performance expectations are concretely manifested with the distribution of the 2006 Revised DENR Employee Handbook where the DENR history, mandate, vision-mission, power roles, functions as well as employee work ethics, salient provisions of R.A. No. 6713 (Code of Conduct and Ethical Standards) of civil servants are an integral part thereof. It is interesting to note that the employee handbook promotes a healthy employee attitude toward natural resources conservation and environmental protection, advancing good environmental advocacy in view of DENR's role. The Team notes its experience in the Cebu Regional Office where a substantial part of the flag-raising ceremony was devoted to informing employees on current initiatives, especially in saving/protecting endangered species as shared by the RTD for PAWCZMS.

The Public Affairs Office and the Planning and Policy Studies Office deserve to be credited in publishing in 2006, through an attractive journal, the DENR mission, mandate, vision, thrusts and program. DENR management likewise deserves to be credited in proudly displaying at the central office ground floor, in neat and clean tarpaulin, the DENR Roadmap for employees and visitors to see. The Bulletin Board is a ready source of updates on DENR's areas of concern.

Senior Leaders have clearly defined authorities and accountabilities. Executive Order No. 192, providing for the reorganization of the Department of Environment, Energy and Natural Resources, renaming it as the Department of Environment and Natural Resources, and for other purposes, (as amended by Republic Act No. 7942[12] and Republic Act No. 8749[13]) clearly establishes the structural and functional responsibilities.

Senior leaders take proactive steps to discourage staff from engaging in corrupt practices. Special Orders[14] were recently issued for the conduct of values formation (Ehem Aha) seminars, especially for those involved in the bidding process, as well as for the drafting of a code of conduct for DENR employees. In fact, there is already a draft customized code of conduct for DENR prepared by a technical working group[15] and commented on by the Review Committee and a 2nd draft shall have been prepared for comment of the Review Committee.[16] DENR also conducted ethics training / moral recovery program by way of seminars/trainings on public sector ethics accountability (PSEA).[17]

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[12] Also known as the Mining Act of 1995, where the Mines and Geosciences Bureau was made a line bureau with regional offices nationwide

[13] Also known as the Clean Air Act of 1999, where the Environmental Management Bureau was made a line bureau with regional offices nationwide

[14] DENR Special Order No. 2007-224 and DENR Special Order No. 2006-174, respectively

[15] DENR Special Order No. 2005-779

[16] DENR Special Order No. 2006-174

[17] Lifted from IDAP Progress Report of the DENR dated 4 April 2006

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### 1.3. Survey Results Related to Leadership

| Statement/s | Net Agreement Ratings | | | | |
|---|---|---|---|---|---|
| | Central Office | Region IVA | Region VII | Region XIII | Agency Rating |
| **LEADERSHIP** | | | | | |
| Managers in our agency do not abuse their authority. | 2.58 | 2.15 | 2.11 | 1.87 | 2.15 |
| Managers in our agency inspire employees to be "professional". | 2.32 | 2.00 | 1.87 | 1.75 | 1.96 |
| **ORGANIZATIONAL STRUCTURE** | | | | | |
| Employees are consulted on policies that concern them. | 2.21 | 2.08 | 1.95 | 1.81 | 2.01 |
| Employees are consulted in making decisions. | 2.51 | 2.19 | 2.21 | 1.95 | 2.20 |
| Lines of communication are open. | 2.16 | 1.90 | 2.00 | 1.70 | 1.93 |

When asked about whether their respective managers abuse their authority, the employees, except those coming from the Central Office had generally between moderately positive to slightly positive net agreement. Employees from the Central Office had a slightly negative net agreement. When asked if their managers inspire them to be "professionals," employees from the CARAGA Regional Office posted a highly positive net agreement. Overall, DENR employees have moderately positive net agreement. The employees had a moderately positive net agreement when asked whether they are consulted on policies that concern them. Except for the central office employees that had a slightly negative net agreement, overall DENR employees had a slightly positive net agreement when asked whether they are consulted in making decisions. Except for the CARAGA Regional Office employees that had a highly positive net agreement on the question of whether lines of communications are open, overall, there is a moderately positive net agreement.

**Open- ended Question Results**

Here are some of the top-most responses for the following open-ended questions:

➢ What can you suggest to improve the leadership's contribution in preventing corruption in your agency?

| Suggestions | Percent of Responses (%) |
|---|---|
| Advise employees to stop corruption, support for employees, constantly remind employees, be more approachable, be transparent, leadership by example, explain processes to employees, management by example, no politics should be involved, impart to employees code of conduct, involve employees in decision making, dedication to work, maging mahigpit na pinuno, treat employees fairly | 34.92% |
| Higher wages and good benefits, salary increase, additional benefits, salary standardization | 18.09% |
| Conduct and participate in seminars or regular communications between management and rank-in-file, conduct briefings, lifestyle check, study PEL, attend seminars on anti-corruption, check and balance transactions | 14.57% |
| Follow rules and regulations, review and polish existing policies, create intelligence unit to control corruption, avoid unnecessary travels, implement strictly all rules and regulations, create multi-sectoral team to conduct inspections, constant familiarization with rules and regulations, remove corrupt officials, no politics in designation of leaders | 10.55% |

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➢ What can you suggest to improve the responsibility of your employees?

| Suggestions | Percent of Responses (%) |
|---|---|
| Give benefits and compensations to employees, additional benefits and compensation, additional salary, reward system, citations and appreciations even non-monetary | 37.75% |
| Bosses should be more approachable and attentive, agency should be more sensitive to the needs of the employees, leadership by example, strong leadership, strict management, open communication between rank and file, strict monitoring of employees by chiefs, fair treatment sa lahat, respect employees, trust employees, be transparent with co-workers, set employees mind why they should do their jobs, recognize contribution of employees, do work properly, no favoritism, transparency | 31.62% |
| Values training, more trainings, regular staff meetings, continuous consultation, educate employees, renewal of spirit | 11.52% |
| Strict adherence to merit system as prescribed by CSC, more clearly stated job objectives for employees, code of conduct, punish offenders | 6.13% |

**1.4 Recommendations:**

To raise the performance of the agency in this dimension, the agency should consider the following:

▪ Senior leaders should be empowered by means of formal training in corruption prevention and detection;

▪ Job description of senior leaders should specifically contain responsibilities for preventing and detecting corruption;

▪ Ethical, values-based governance should likewise be promoted and carried in wider scale for DENR's personnel, especially those occupying high-risk positions

▪ Observe best practice from the CARAGA Regional Office in establishing proactive line of communications, as shown by the survey results where there were highly positive net agreements in inspiring employees to be professionals and in maintaining open lines of communications.

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## 2. Code of Conduct

A code of conduct sets out the standards of behavior expected of staff. It defines desirable behavior for all types of work in the agency. The existence of a code of conduct should not be seen as an end in itself. For the code of conduct to become an effective integrity enhancement measure, its form and content must be appropriate and relevant for the agency. The end goal of a Code of Conduct is to define the behavior of officers and employees and should therefore be communicated, promoted and taught to all personnel of the agency and integrated in the various aspects of its operation.

The rating scale for this dimension is as follows:

| Rating | Levels of Achievement |
|---|---|
| 1 | <ul><li>The agency has a general code of conduct (RA 6713).</li><li>The agency monitors annual submission of Statement of Assets and Liabilities and Net Worth (SALN) and disclosures of business interests and financial connection.</li></ul> |
| 2 | <ul><li>The agency has a customized Code of Conduct, which has concrete examples of ethically acceptable/non-acceptable practices and situations of conflicts of interest that are relevant to the different types of work carried out by the agency.</li><li>There is a program for promotion (e.g. orientation) of the agency Code of Conduct.</li></ul> |
| 3 | <ul><li>The agency Code of Conduct is consistently enforced, with managers having clear tasks of promoting and monitoring compliance.</li><li>Violations of the agency Code of Conduct are sanctioned. Rewards are given to employees who consistently exhibit behaviors that are consistent with the agency Code of Conduct.</li></ul> |
| 4 | <ul><li>The agency Code of Conduct has been integrated in key systems and mission critical functions (e.g. applicable provisions of the Code of Conduct are included in contracts with external parties).</li><li>Employees' record of adherence to or violation of the Code of Conduct is used as basis for promotion.</li><li>Disclosures of employees from SALN are analyzed and appropriate actions are taken.</li></ul> |
| 5 | <ul><li>The agency Code of Conduct is regularly reviewed for effectiveness in preventing corruption and in specifying and promoting the desired behavior of employees.</li><li>Results of the review are used to strengthen the agency's Code of Conduct.</li></ul> |

### 2.1 DESCRIPTION OF THE AGENCY SYSTEM/PROCESS RELEVANT TO THE DIMENSION

In line with the principle that public office is a public trust, the 1987 Constitution (Sec.1, Article XI) declares that public officers and employees must at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty and efficiency, act with patriotism and justice and lead modest lives. The same principles are reiterated in Section 2 of Republic Act 6770 (Ombudsman Act of 1989) and Section 4 of Republic Act 6713 (Code of Conduct and Ethical Standards for Public Officials and Employees) which further adds that public officials and employees shall discharge their duties with competence and they should uphold public interest over personal interest.

The Department of Environment and Natural Resources (DENR) fully recognizes the importance of remaining firmly anchored on the philosophy and ideals behind its creation, made tangible by its vision and mission statements. To this end, DENR chartered its course by way of adopting the general Code of Conduct known as the Code of Conduct and Ethical Standards for Public Officials and Employees (R.A. 6713). In obedience to Section 8 of RA 6713, DENR personnel file their Statement of Assets, Liabilities and Networth and disclose

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business interests and financial connections including those of their spouses, and unmarried children under eighteen (18) years of age living in their households in the prescribed form.

Moreover, DENR promotes through its employee handbook, good and green governance by developing a healthy attitude towards natural resources conservation and environmental protection. The handbook likewise promotes transparency, efficiency, accountability and consistency in the conduct of office work. DENR's Manual of Approvals likewise provides clear parameters of official actions. Although the agency had drafted already their customized code of conduct, it is yet to be approved by top management and eventually disseminated to all employees.

## 2.2    ASSESSMENT

| CODE OF CONDUCT | Central Office | CALABARZON Reg IVA | Central Visayas Reg VII | CARAGA Reg XIII | Team Rating |
|---|---|---|---|---|---|
| Agency Rating | 1 | 1 | 1 | 1 | **1** |
| Deployment Score | 100% | 70-80% | 100% | 90-100% | |
| Validated Rating | 1 | 1 | 1 | 1 | |

## Central Office, Region IV-A, Region VII and Region XIII

Rating one (1) was the sweeping consensus across sites. DENR adheres to the code of conduct prescribed by Republic Act No. 6713, also known as Code of Conduct and Ethical Standards for Public Officials and Employees as shown by literature dissemination and orientation seminars for new entrants. The agency likewise promotes good and green governance as embodied in the employee handbook. The Manual of Approval provides clear parameters for official actions

In the Central Office, an IDA participant said that the agency had drafted a customized code of conduct; however, the participants admitted that it is yet to be approved and eventually shared to all personnel.

The Agency adheres to RA No. 6713 as a general code of conduct. DENR officials and employees are fully aware of RA 6713. Across sites, the assessors were provided with a copy of the Code. At the Central Office, a look at the seminar modules reveals that public accountability topics are included. Hence, a generous discussion on RA 6713 is assured. Materials/copies of RA 6713 are distributed; however, not all employees had undergone orientation on the Code of Conduct.

Submission of SALN was strictly monitored thru memoranda reminding all officials and employees to submit the same on or before April 30. Summaries and photocopies of SALN of 2004 and 2005 were shared as proof of monitoring and compliance with the directive of filing the SALN. There is employee's compliance with the annual submission of their SALN. Memo reminders were issued to employees for them to file their SALNs on or before April 30. In Region IV-A however, despite these reminders, there are still employees, about 5 or 7 of them who still failed to submit their SALN on time.

By way of fulfilling its Integrity Development Action Plan (IDAP) commitment on anticorruption education, DENR created a technical working group that drafted its customized code of conduct. There were series of focus group discussions and workshops among key personnel, but the customized code of conduct is yet to be approved by top management for eventual dissemination to all DENR personnel. It is interesting to note however that commitment to good environmental (green) governance is being promoted by DENR among its employees. To

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manifest their resolve to observe green governance in all their official acts, officials and employees affixed their signatures in an agreement that would serve as their covenant and contractual obligation to the people, to the Department and to the Republic of the Philippines. This was accepted and affirmed by the DENR Secretary.

## 2.3 Survey Results related to Code of Conduct

| Statement/s | Net Satisfaction Ratings | | | | |
|---|---|---|---|---|---|
| | Central Office | Region IVA | Region VII | Region XIII | Agency Rating |
| A written code of ethical conduct is being followed in our agency. | 2.08 | 1.83 | 2.04 | 1.73 | 1.90 |
| Adequate orientation on the code of conduct and other corruption prevention measures are provided in our agency. | 2.46 | 2.03 | 2.15 | 2.04 | 2.15 |
| Those who violate the code of conduct are punished. | 2.47 | 2.27 | 2.20 | 1.96 | 2.21 |

A highly positive net agreement rating was given on the statement that the agency follows a code of ethical conduct.  On the statement that adequate orientation on the said code of conduct and other corruption prevention measures are provided in the agency resulted to a moderately positive net agreement. However when asked whether those who violate the code of conduct are punished, there was generally a slightly positive net agreement among respondents.

**Open- ended Question Results**

Here are the responses for the following questions on Code of Conduct by site:

| Statements | Response | Central Office | Region IVA | Region VII | Region XIII |
|---|---|---|---|---|---|
| Does your agency have a written Code of Conduct? | YES | 63 | 81 | 70 | 86 |
| | NO | 12 | 24 | 30 | 4 |

Majority of the total respondents (81.08%) cited that the agency has a written code of conduct.  Between 4.44% - 30% of the respondents replied No.

| Statements | Response | Central Office | Region IVA | Region VII | Region XIII |
|---|---|---|---|---|---|
| Did you submit your Statement of Assets and Liabilities and Net Worth (SALN) for 2005? | YES | 72 | 98 | 92 | 88 |
| | NO | 3 | 7 | 8 | 2 |

Majority of the respondents submitted their SALN for 2005.  However, 4% from Central Office, 6.67% from Region IVA, 8.08% from Region VII and 2.2% from Region XIII failed to submit their SALN for 2005.

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**2.4    Recommendations:**

- DENR has to finalize and approve its customized code of conduct that should include concrete examples of ethically acceptable/non-acceptable practices. It should also include conflict of interest situations relevant to the different types of work carried out by the agency.  The Code of Conduct should reflect the goals, objectives and targets of the entire organization; hence, its vision-mission must be incorporated.  It would be ideal to orient all employees on the customized code and initiate ceremonies that would strengthen their commitment to abide by the code.

- All employees must undergo orientation and re-orientation on RA 6713 to appraise them with a discussion and listing of norms as provided for in the Constitution, and keep them informed of new laws, civil service rules and regulations and other issuances with the end view of further promoting a higher standard of ethics within the organization. Case studies may be given for them to properly contextualize broad principles and norms in their respective work environment.

- The agency should strictly monitor compliance on SALN submission by issuing memoranda for those employees who failed to submit the same and enforce sanctions, if necessary.

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## 3. GIFTS AND BENEFITS POLICY

Gifts are offered innocently or solicited as bribes. Similarly, the recipient's work may place them in a situation where they could give or receive personal benefits, which might include preferential treatment, promotion or access to information. The acceptance of a gift or benefit can in some circumstances create a sense of obligation that may compromise the official/employee's honesty and impartiality. Agencies need to have policies and procedures in place to deal with gifts and benefits and also need to promote their policies and procedures to their staff/officials and clients.

Gifts refer to a thing and or a right disposed of gratuitously, or any act of liberality, in favor of another who accepts it, and shall include a simulated sale or onerous disposition thereof.

A step in ensuring that agencies deal effectively with offers of gifts is to establish a registry of gifts (as is practiced in other countries) and ensure that all staff (and where necessary the community and clients as well) is fully aware of it. The registry should record information on the date, name of the person and/or organization offering the gift, name and position of the intended recipient, type and value of a gift, decision taken regarding what should happen to the gift. A gift registry can help enhance transparency and reduce tolerance to abuse.

| Rating | Levels of Achievement |
|--------|----------------------|
| 1 | ▪ The agency has a written policy on solicitation and acceptance of gifts with relevant examples that is consistent with RA 6713 and RA 3019.<br>▪ The agency has written guidelines for donations.<br>▪ The agency has a written policy on offers of bribe. |
| 2 | ▪ The agency has a program on the promotion of the policy on solicitation and acceptance of gifts, for both internal and external stakeholders.<br>▪ The agency has a registry for gifts, donations and institutional tokens. |
| 3 | ▪ The policy on solicitation and acceptance of gifts is consistently enforced, with managers having clear tasks of promotion and monitoring compliance.<br>▪ The gifts and benefits received and documented are disposed of according to procedures defined in the agency policy.<br>▪ Rewards are given to those who report offers of bribes.<br>▪ Sanctions are applied to officials and staffs who fail to comply with the policy. |
| 4 | ▪ The registry of gifts is available for examination by internal and external stakeholders.<br>▪ The gifts in register and reported bribes are regularly reviewed and examined vis-à-vis decisions and treatment of agency's stakeholders. |
| 5 | ▪ The agency's policy on solicitation and acceptance of gifts is regularly reviewed for effectiveness.<br>▪ Results of the review are used to tighten agency's policy on solicitation and acceptance of gifts and benefits. |

### 3.1 DESCRIPTION OF THE AGENCY SYSTEM/PROCESSES RELEVANT TO THE DIMENSION

The agency has already identified the sectors and areas prone to corruption.  This effort led to the formulation of the 1st DENR anti-corruption plan submitted to the Presidential Anti-Graft Commission (PAGC). In connection with this plan, a memorandum was issued in July 17, 2002 informing all Bureau Directors, Regional Directors, Regional Executive Directors, PENROs and CENROs of the agency's comprehensive anticorruption measures. The memorandum also instructed the PENROs/CENROs to submit measures related to solicitation and receiving of gifts.  In the interest of enjoining everyone to contribute, the plan was routed for comments for its improvement.  As a consequence, a series of consultations with PAGC have been conducted, and in October 2003 the improved DENR anti-corruption plan was finally submitted to PAGC.

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The plan covers the entire DENR bureaucracy from the Central Office down to the CENRO level including the different sectors and offices under the DENR. More areas vulnerable to corruption had been identified and the corresponding reform measures have been determined. In September 2004, the DENR Corruption Prevention Reform Program was updated which featured the reform measures that the agency should implement.

In addition to the plan, the agency distributed the Revised DENR Employee Handbook in CY 2006, in addition to the Administrative Order No. 2006-06 dated 01 August 2006 lifting the Suspension of the Memorabilia Gallery regarding souvenir items/tokens brought home by DENR foreign grantees/ scholars.

## 3.2. ASSESSMENT

*The result of the consensus rating for the dimension under review is zero (0) across IDA sites*

| GIFTS AND BENEFITS POLICY | Central Office | CALABARZON Reg IVA | Central Visayas Reg VII | CARAGA Reg XIII | Team Rating |
|---|---|---|---|---|---|
| Agency Rating | 0 | 0 | 0 | 0 | 0 |
| Deployment Score | - | - | - | - | |
| Validated Rating | 0 | 0 | 0 | 0 | |

The Assessment Team agrees that DENR is at level 0 in Gifts Policy. There are no written guidelines or policies specifically on solicitation and acceptance of gifts, donations, and offers of bribe as required by the dimension under review. These findings support the consensus rating of the participants across IDA sites.

There are however some bright spots. Validating documents collected were reviewed and examined. The documents on hand includes Revised DENR Employee Handbook 2006, and Administrative Order No. 2006-06 dated 01 August 2006 Lifting the Suspension of the Memorabilia Gallery regarding souvenir items/tokens brought home by DENR foreign grantees/scholars. The 1st document mentioned is present in all the IDA sites while the latter is present only in the Central Office.

It is also worthy to note the agency's effort to establish a system against graft and corruption. This is evident in the memorandum dated July 17, 2002 re: DENR Anti-Corruption Program informing the Bureau Directors, Regional Directors, Regional Executive Directors, PENROs and CENROs of the agency's comprehensive measures on anti-graft and corruption submitted to the Presidential Management Staff, Presidential Anti-Graft Commission (PAGC), Presidential Committee on Effective Governance (PCEG), and Transparency and Accountability Network (TAN). In the same memorandum the concerned directors/officers were instructed to submit their respective action plans and ongoing activities relevant to anti-graft and corruption measures.

Of the three (3) regional IDA sites, Region XIII (CARAGA) responded as evidenced by the memorandum from the PENRO and CENRO re: Submission of Anti-Graft and Anti-Corruption Measures addressed to the Regional Executive Director. Their measures constitute a general instruction restraining personnel from receiving gifts and solicit contribution from subordinate employees and/or clients. However, it lacks implementing rules, regulations or guidelines and sanctions.

Aside from the materials and documents, there are parallel efforts to preclude the commission of graft practices, like reminders given during flag raising ceremonies and the issuance of a memorandum on the receipt of donations especially during Christmas. In addition, some provisions of RA 6713 Conduct and Ethical Standards for Public Officials and Employees have been practiced in the day to day office activities as claimed by the employees although some are unaware since they have not read the law yet.

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In light of this predicament, the CARAGA participants led by the process owner (Administrative Officer) have signified interest to prepare and issue guidelines on donations and gifts. However, they suggested that the DENR Central Office should first issue a memorandum relevant to the dimension under review for the regional office to anchor its corresponding internal policy.

### 3.3    Survey Results related to Gifts Policy

| Statement/s | Net Satisfaction Ratings | | | | |
|---|---|---|---|---|---|
| | Central Office | Region IVA | Region VII | Region XIII | Agency Rating |
| The employees in our agency are made aware of the policy on solicitation and receiving of gifts. | 2.05 | 2.00 | 1.72 | 1.88 | 1.89 |
| The transacting public and suppliers know the policy of our agency on solicitation and receiving of gifts. | 2.23 | 2.00 | 2.00 | 1.92 | 2.04 |

Survey result disclosed that majority of the employees in the four (4) survey sites claimed that the agency has no written policy on solicitation and receiving of gifts. Of the four sites, negative answer is highest in Region IVA - 85.71%, followed by Region VII - 75%, Region XIII – 71.11% and Central Office 67%.

On the contrary, majority of the employees in all sites agreed that they are made aware of the agency's policy on solicitation and receiving of gifts. However, there is slight variation on the level of agreement and net satisfaction rating. This could be a manifestation of the differences in the magnitude of deployment in the sites. The net satisfaction rating is distributed in descending order as follows:

        Region VII -    1.72  (Highly positive net agreement)
            Region XIII -   1.88 (Moderately positive net agreement)
                Central Office   -   2.05 (Moderately positive net agreement)
                    Region IVA  -        2.00 (Moderately positive net agreement)

The contrasting result of the survey disclosed that in the absence of a written policy on solicitation and receiving of gifts, verbal reminders are given to prevent employees to engage in nefarious activities related to graft and corruption. This finding is corroborated by the claims of IDA participants and the output in indicator research that the agency has no written guidelines or policies specifically on solicitation and acceptance of gifts. That in the absence of documents, the effort to preclude graft and corruption activities in the agency was done by giving reminders to the employees during the flag raising ceremony conducted every Monday.

In this connection, the agency obtained a rating of 1.89 or moderately positive net agreement.

Likewise, it is the opinion of the majority of respondents that the transacting public and suppliers know the policy of our agency on solicitation and receiving of gifts. The survey revealed a moderately positive net agreement among the respondents in Region XIII (1.92), Region IVA (2) and Region VII (2). Central Office obtained a rating of 2.3 or slightly positive net agreement. As a consequence, the agency obtained a rating of 2.04 which fall under the moderately positive net agreement category.

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**Open- ended Question Results**

Here are the responses for the question on "How much do you think is an acceptable personal gift to you from the transacting public or suppliers?"

| Amount | Frequency | Percent of Total |
|---|---|---|
| None or Zero | 317 | 85.67% |
| <= P20 | 2 | 14.32% |
| <= P50 | 8 | |
| <= P100 | 17 | |
| <= P200 | 10 | |
| P300 | 1 | |
| P500 | 8 | |
| P1,000 | 4 | |
| P1,500 | 1 | |
| P2,000 | 1 | |
| P5,000 | 1 | |
| Total | 370 | |

Values for Monetary Personal Gifts

When asked, about eighty-five percent (85.67%) responded that no cash gift is necessary for them to render their duties as government servants. However, those who did offer an amount varied from small values of less than P20-P200, mid-values of P300-P1,000 and high values from P1,500-P5000.

**3.4 Recommendations**

The Integrity Development Review provided some insights on the achievement level attained by the agency. Therefore, in order to advance to the achievement level ladder, the agency should consider the following:

- The DENR Central Office should formulate and issue an agency-wide gifts policy (which should also touch on donations and offers of bribe).

- Implement a Gift Registry (for donations including institutional tokens) in all the Offices under the DENR with the corresponding guidelines on receipt of gifts and donations to supplement the Agency Code of Conduct; defining therein responsible units, setting ceilings, etc. Might consider benchmarking with OMB's gifts policy.

- Conduct monitoring and evaluation on the implementation of the policies and plans related to the dimension under review.

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## 4. Human Resource Management

The recruitment process is the first line of defense as it provides the agency an opportunity to screen incoming employees for likelihood of corrupt behavior and conflicts of interest. The agency should be wary of nepotism or favoritism and ensure merit-based procedures in recruitment and promotion of personnel. It is highly desirable that upon entry, relevant interventions for new recruits include orientation on the Code of Conduct and work standards and training on corruption prevention and risk management. The promotion system can provide opportunity for sanctioning corrupt behavior and rewarding people who comply with the agency's integrity measures.

| Rating | Levels of Achievement |
|---|---|
| 1 | ▪ The agency has a written guideline for recruitment and promotion of personnel (e.g. Merit Selection/Promotion Plan) following CSC guidelines.<br>▪ The agency has a Selection Board and Promotions Board with rank and file representative/s.<br>▪ The agency has a complete set of job descriptions and qualification standards for all positions. |
| 2 | ▪ The agency guidelines for recruitment and promotion are proactively disseminated.<br>▪ Members of the Boards and relevant personnel undergo orientation on the agency's recruitment and promotion policies and processes. |
| 3 | ▪ The policies/guidelines on recruitment and promotion are consistently enforced (e.g. Personnel appointments are issued based on the provisions of the agency Merit Selection and Promotions Plan; policy on outside employment; blacklisting of erring personnel).<br>▪ The agency employs measures to prevent entry of corrupt employees (e.g. potential conflicts of interest are considered, background investigation conducted).<br>▪ The agency keeps records of meetings and decisions of the Boards.<br>▪ The agency has a mechanism to shield recruitment, placement and promotion of personnel from political intervention. |
| 4 | ▪ Results of performance evaluations and complaints involving moral turpitude are considered in the placement and promotion of employees.<br>▪ Bases of decisions on promotions and movements of personnel that deviate from the recommendations of the Boards are documented.<br>▪ The agency has a post employment policy for resigning/retiring personnel.<br>▪ The agency conducts random checks of the decisions of the Boards. |
| 5 | ▪ The outcomes of personnel recruitment, selection and promotion are regularly reviewed.<br>▪ The agency's Merit Selection/Promotion Plan is regularly reviewed for effectiveness in enhancing integrity and preventing corruption.<br>▪ Results of the review are used to enhance the integrity of the personnel recruitment, selection and promotion processes. |

### 4.1 Description of the Agency System/Processes relevant to the Dimension

The DENR's recruitment, selection and promotion is governed by the CSC approved Merit Selection Plan (MSP) and issuances of the Civil Service Commission, copies of which are disseminated to the regions and bureaus. The DENR Merit Selection Plan provides the policies and procedures to be followed in selecting the best qualified employees for appointment in the DENR. It is a system that is characterized by strict observance of the principles of merit, fitness and equality. It provides equal opportunities for advancement to all qualified and competent employees in the DENR, and serves as a standard guide and reference for the speedy and fair adjudication of protest/grievance on personnel movement involving the issuance of, and for any matters relating to, appointment and promotion.

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All positions in DENR are covered in the Qualification Standards per CSC MC #01, Series of 1997. Qualification standards refer to the minimum requirements for entry or promotion to a class of positions. The agency develops and maintains an updated qualification database of employees to include education, training, experience, skills, competencies, and other similar information. Each office of the agency maintains a copy of the QS.

Vacant positions for filling are published in accordance with Republic Act 7041 (Publication Law). In case of chain promotion, anticipated vacancies are published simultaneously with the existing vacant position/s. Transparency is observed in all actions relating to appointment or promotion. To promote efficiency and provide equal opportunities in the selection of personnel to fill vacancies, the Central Office, regions and bureaus have established their respective Personnel Selection Board (PSB). The PSB screens and evaluates all candidates for appointment or promotion and submits its recommendation to the appointing authority, including the justifications on the recommendations, as well as the names of the top five qualified candidates. The appointing authority, in the exercise of discretion in the final selection, selects from the top five as ranked by the PSB. A rank and file employee is represented in all the PSBs in the Central Office, regions and bureaus.

## 4.2 ASSESSMENT

| HUMAN RESOURCE MANAGEMENT | Central Office | CALABARZON Reg IVA | Central Visayas Reg VII | CARAGA Reg XIII | Team Rating |
|---|---|---|---|---|---|
| Agency Rating | 2 | 1 | 2 | 1 | **1** |
| Deployment Score | 70-80% | 90-100% | 70-80% | 90-100% | |
| Validated Rating | 1 | 1 | 1 | 1 | |

The offices (assessment areas) have satisfied all the levels of achievement in Level 1 based on the following: the availability of the Merit Selection Plan; Regional Special Order establishing the Regional Selection Board; and Position Description Form (PDF) for every plantilla position. When screening entrants to the DENR or candidates for promotion, the offices use Qualification Standards (QS) whereby applicants meet the minimum QS of the positions applied for. Each office has its own Selection Board (SB) where a rank and file employee representative sits as member. The Selection Board reviews and evaluates the recommendations for hiring and promotions in terms of adherence to Civil Service Law, rules and regulations and the DENR internal policies and guidelines embodied in the DENR Merit Selection/Promotion Plan. After the evaluation process, the Selection Board submits to the appointing authority, through the officials concerned, a shortlist of the most qualified candidates for each vacant position.

It has been reported, however, that no orientation programs, as required by a provision in the Merit Selection Plan, were conducted for the Selection Board members. The members acquired their knowledge about the plan and the recruitment process only through their attendance in Board meetings. Therefore, based on this report, the assessment areas did not merit a rating of 2.

It must be affirmed that all the offices concerned demonstrate proper documentation and recording of proceedings of the Personnel Selection Boards (PSB), such as the minutes of the meeting, recommendations of the PSB and actions of the appointing authority on the PSB recommendation. Filling of vacant positions undergoes scrutiny by the PSB and no applicant is considered for appointment unless he/she meets the minimum qualifications standards, thus effectively curbing political interference in appointments. It may be noted,

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however, that background investigation on the qualified applicants, particularly to those entering the government for the first time, is lacking.

Based on the documents submitted and further verification of the same, the offices concerned is given a rating of 1 for failure to prove that an orientation program had been conducted to the PSB members on the DENR Merit Selection Plan. Given the strengths, there are still areas that need to be harnessed and developed by revisiting the existing policies/guidelines. Areas of weaknesses in the recruitment and promotion processes, particularly in the assessment of applicants must be addressed by a review and revision of the Merit Selection Plan.

**4.3 Survey Results related to Human Resource Management**

| Statement/s | Net Satisfaction Ratings | | | | |
|---|---|---|---|---|---|
| | Central Office | Region IVA | Region VII | Region XIII | Agency Rating |
| The process for recruitment and promotions in our agency follows a set of criteria. | 2.34 | 2.12 | 2.15 | 1.92 | 2.13 |
| The process of recruitment and promotions in our agency is free from external influences. | 2.88 | 2.51 | 2.60 | 2.35 | 2.57 |

It is evident from the results that the agency follows a set of criteria for the process of recruitment and promotions as a moderately positive net rating was rendered on all sites with a slightly positive net rating under the Central Office. In contrast, respondents indicated slightly negative agreements that the process was free from external influences. In CO, those who were more likely to disagree that recruitment and promotions were free from external influences were from among those with post-graduate degrees.

**Open- ended Question Results**

Here are some of the top-most responses for the following open-ended question:

➢ What can you suggest to improve the process of recruitment and promotion in your agency?

| Suggestions | Percent of Responses (%) |
|---|---|
| Examine thoroughly the qualifications of the applicants, walang palakasan system or bata-bata system or backer system or padrino system or political intervention, decision must be based on qualifications and not on prerogative of secretary, equal opportunities to all, transparency on the processes, refrain from soliciting recommendation from officials, avoid nepotism, dedication to service must be present in all aspirants, conduct a survey if okay tao ipromote | 41.51% |
| Strict implementation of policies and regulations, CSC, strictly follow what the law states, law should supersede power of appointing officer | 16.45% |
| Min. qualifications must be educational attainment and experience, core competency-based recruitment system, promote highly qualified individuals only | 11.75% |
| Recruitment thru educational attainment/ qualification/ background check/age/potential/skills | 4.96% |
| Reorganization dapat, assign more competent interviewers or selection board, magkaroon ng verification committee to check recommendation of selection board, creation of unbiased board | 4.70% |

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## 4. 4 Recommendations

In sum, the Department has institutionalized its recruitment, selection and promotion process in accordance with the CSC Approved Merit Selection Board, Qualification Standards and CSC issuances.   However, the insulation of said processes from external factors/influences is still a matter that needs to be addressed. The Merit Selection Plan is a document which guides the agency in its recruitment process.  It cannot, however, parry external influences.  The final selection, which is vested upon the appointing authority, is at times abused. Records show that in some instances, the appointing authority selects outside the "short list" or top five which is contrary to the plan's objective of providing an objective and credible selection and promotion of personnel in the agency.

Moreover, the Department also relies heavily on the truthfulness of the Personal Data Sheet (PDS) and does not practice actual verification and background check on the applicants.    Background checks should be institutionalized and form part of the recruitment process.   It may also be incorporated in the Merit Selection Plan.

In view of the above, the following are hereby recommended:

- A revision of the DENR Merit Selection Plan to further redefine the processes of selection for the filling of vacant positions in the field offices, e.g. CENROs, PENROs.

- An updating of the Qualification Standards for some plantilla positions to prevent the distortion of the existing QS.   The updated qualification database of employees should include education, training, experience, skills, competencies, and other similar information.

- The agency guidelines for recruitment and promotion should be proactively disseminated.

- Members of the Boards and relevant personnel should undergo orientation on the agency's recruitment and promotion policies and processes.

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## 5. Performance Management

A key aspect governing the relationship of the managers and employees of an agency is the divergence of individual interests with that of the organization. An effective way to align individual and organizational interests is to clarify the agency's vision, mission and goals set individual targets based on the agency's goals.

Performance management ensures that agency goals are met since regular monitoring can increase the likelihood of spotting unproductive activities of employees. Efficient and effective units or agencies do not only save time and resources, but they are more resistant to corruption. Performance management can also address possible negligence at duty. A performance management system that sets incentives for honest behavior and disincentives for unethical behavior contributes to building resistance to corruption.

The rating scale for this dimension is as follows:

| Rating | Levels of Achievement |
|--------|----------------------|
| 1 | <ul><li>The agency has set organizational goals, annual targets and performance indicators.</li><li>Performance targets and work plans at the unit and individual levels are based on the agency's goals.</li></ul> |
| 2 | <ul><li>The agency has a performance evaluation and management system in place.</li><li>Managers and supervisors are trained on performance evaluation and management.</li><li>The basis of performance evaluation is made known to all employees.</li></ul> |
| 3 | <ul><li>The agency regularly prepares reports (e.g. annual report) to assess accomplishment of its goals and targets.</li><li>The agency regularly evaluates individual performance. Individuals are made to report on their accomplishments vis-à-vis goals and targets.</li><li>The agency consistently rewards good performance and sanctions poor performance and negligence of duty.</li><li>Agency annual reports made available to the public to account for what the agency has accomplished vis-à-vis its targets.</li></ul> |
| 4 | <ul><li>The agency links staff performance ratings with the attainment of unit's targets and level of performance.</li><li>Levels of agency and individual performances are analyzed in relation to corruption incidence in the agency.</li></ul> |
| 5 | <ul><li>The agency regularly reviews the effectiveness of its performance management system in preventing corruption and enhancing integrity.</li><li>Results of the review are used to improve the agency's performance evaluation and management system.</li></ul> |

### 5.1 Description of the Agency's System / Processes Relevant to the Dimension

Definition of Goal
Under the Medium Term Philippine Development Plan (MTPDP) for 2004 – 2010, the President, consistent with the 10-point agenda, has enumerated five major thrusts by which DENR is mandated to pursue, to wit:

1. Sustainable and more productive utilization of natural resources to promote investments and entrepreneurship;

2. Promote responsible mining that adheres to the principles of sustainable development: economic growth, environmental protection and social equity. Responsible mining reduces poverty and benefits local and indigenous communities;

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3. Focus and strengthen the protection of vulnerable and ecologically fragile areas, especially watersheds and areas where biodiversity is highly threatened;

4. Create healthier environment for the population; and

5. Mitigate the occurrence of natural disasters to prevent the loss of lives and properties.

Formulation of Specific Plans or Targets

It is clear then for the DENR, through the stewardship of its Secretary, to formulate the General Plan of Action (GPOA) which defines the thrusts and specific activities to be performed of the different services of the department across all regions, such as the Forest Management Services, Land Management Services, Protected Area Wildlife and Coastal Zone Management Services, Ecosystems Research and Development Services, Environmental Management Bureau, Mines and Geosciences Bureau, and the General Administration and Support Services & Support to Operations. Recently, then Sec. Angelo T. Reyes issued Administrative Order No. 17 Series of 2006 revising the DENR's Major Final Outputs (MFOs), the methodology which replaces the GPOA, in order to achieve a more outcome / results-based planning and budgeting system. Such issuance in effect streamlined the outputs into three:

- Plans and policies developed, promoted, implemented, monitored and evaluated – refers to services provided by DENR to its clientele, particularly legislators, other government agencies, the private sector, civil society and the general public. These services support legislators, policy measures, plans and programs and advocacy campaigns aimed at instilling understanding and appreciation of the environment by the general public as effective partners of government in environmental protection and conservation;

- Ecosystems and natural resources developed, protected, conserved, enhances and degraded ones rehabilitated – refers to services related to ecosystems inventories, identified, mapped, surveyed, and protected. They include services resulting in the rehabilitation of degraded ecosystems; and

- Appropriate and comprehensive regulations and standards implemented, monitored and enforced – Refers to services derived from the exercise of DENR's regulatory agencies. It also takes into account the services provided as a result of environment-friendly researches and technologies.

Under the same order, each MFOs shall have their respective Objectively Verifiable Indicators (OVIs). These OVIs shall be the bases for monitoring and evaluation where the same will be used to measure the extent to which the MFOs have been achieved. It was likewise the directive of the management to refocus the implementation, monitoring and evaluation of all programs and projects to ensure that each services or units within the department's organizational structure, given their respective expertise or primary functions, contribute to the attainment of the MFOs.

Thereafter, every regional office, bureau and attached agency has to formulate its Work and Financial Plan which contains its commitment and target settings in support of the MFO or GPOA. These commitments or targets shall be vigorously performed by the office or unit concerned.

Individual Performance Appraisal

It is to be emphasized that the above activity is just one side or component of the entire planning exercise that DENR has been doing. Part of such exercise is the giving of importance to the participation of the workforce in attaining the objective of the organization. In this regard, DAO No. 1998-16 was issued, thereby adopting a Performance Appraisal and Individual Development System (PAIDS) which aims to:

- Improve individual performance in relation to individual needs and organizational goals;

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- Provide an objective performance assessment system as the basis for implementation of employee's incentives and rewards programs and other personnel actions and administrative sanctions;

- Promote an effective supervisor-subordinate relationship; and

- Introduce measures to manage performance below the standard expectation.

Under this particular system, the employee and the supervisor jointly prepare a Performance Plan every 15th of January and 15th of July which shall be based on the updated job description, work program, strategies, key result areas of the office / division, as well as the overall plans / goals of the DENR. In order to ensure that the employee will be able to achieve the target set, an assessment of the core competencies of the employee shall be made to determine whether further development is required. It is likewise required, if necessary, to conduct mid-cycle review to get feedback on performance which is usually informal and ongoing throughout the performance cycle. And at the end of the appraisal period, a formal one-on-one meeting between employee and his / her immediate supervisor shall be held to discuss and make final assessment of the work performance. There are two factors to be rated: the Performance, which is 70% for rank-in-file and 60% for supervisory positions; and the Behavior, which is 30% for rank-in-file and 40%, for supervisory positions. In the conduct of appraisal, appropriate sanctions will be given against appraisers who will use the performance appraisal to give undue advantage or disadvantage to the employees and manipulate the rating.

It is important to note that in previous order adopted by the agency governing the Performance Evaluation System, the HRDS is directed to conduct training courses for raters and ratees to ensure the effective implementation of the system.

Evaluation of Performance Considering the Outputs or Results of Implemented Programs, Projects or Activities

DAO 1989-63 was issued to prescribe a standard monitoring system for all DENR programs, projects and activities. As the first performance evaluation implemented by the agency, it required the conduct of field validation, inspection and / or verification of reported accomplishments or outputs by designated officers. This methodology was further enhanced by DAO 1992-33 where it prescribed the Manual for Performance Monitoring of DENR Programs and Projects. Such manual defines the standard operating procedures (SOPs) in the following areas of performance monitoring: Physical, Financial, Project / Contract Status, Work-in-Process Tracking, and Field Validation. The Planning and Policy Service Office is tasked to oversee the installation and operationalization of the system in various organizational levels of the department and likewise authorized to conduct workshops and seminars, as well as the computerization of the said system. In the same manner that the previous performance evaluation system was implemented, the SOP also involved field validation to verify reported accomplishments through the conduct of physical count and review of source documents. An improvement was introduced through the issuance of DAO 1997-20 prescribing the Annual General Inspection (AGI) of Key Regional Officers. Under this approach, the annual performance evaluation of DENR Offices was expanded and entailed a general assessment of the organization's performance as well as the overall performance of its officials. For a period of two (2) years, the AGI was implemented which featured a feedback mechanism where employees were given sets of questions covering the areas of Morale, Welfare and Discipline (MWD). The MWD concept tried to capture the status of how the agency and its officials perform and relate with the rank-in-file.

DAO 2004-20 and DAO 1999-38 further introduced amendments with respect to the manner of reporting, such as the submission of monthly Unit Physical Accomplishment Report, the semi-annual and annual Sectoral Physical Accomplishment Report, and the Year-End Narrative Report. In this aspect, a Steering Committee is usually created for the conduct of Annual Performance of DENR's field offices and officers. The outputs of the assessment / evaluation shall be used as inputs to next year's programming.

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**5.2 Assessment**

Performance management involves the undertaking of activities in an efficient and effective manner designed to achieve the objectives as predetermined by the key officials of an organization. Considering the entire process of this dimension as practiced by all established organizations or entities, it is actually a cycle where the same may involve the following phases, at the least, to wit: (1) Definition of goal or the vision – mission statement, (2) Formulation of specific plans or targets that are doable to be performed by every unit or individual based on established goals, (3) Implementation of programs, projects or activities which are aligned to given plans, (4) Evaluation of performance considering the outputs or results of implemented programs, projects or activities, (5) Provision for rewards to those who achieve their targets, and sanctions to those who failed, 6) Identification of gaps or problems, and (7) Determination of improvements on existing plans, which will then be the bases or inputs for the next performance cycle.

One important aspect of this dimension as regards the promotion of integrity development is the identification of gaps or problems. It usually brings us to the question of "Does the organization meet its target?" If not, what are the problems or gaps encountered during the implementation of defined projects, programs or activities. Besides the existence of any event beyond the control of the organization, gaps or problems are commonly attributable to inadequate resources, inefficient and incompetent personnel, and even corruption in any form.

It is to be emphasized that the absence of an established mechanism to determine the performance gaps, the likelihood of corruption to flourish within the organization's operations is quite apparent. Therefore, a well-defined performance management system, which is integrated with other functionalities of the organization such as the Operations, Human Resource, Financial, Procurement, among others, will certainly contribute in building a stable shield or resistance to corruption.

Shown below are the scores of the four (4) sites in this dimension including the assessment made by the assessors:

| PERFORMANCE MANAGEMENT | Central Office | CALABARZON Reg IVA | Central Visayas Reg VII | CARAGA Reg XIII | Team Rating |
|---|---|---|---|---|---|
| Agency Rating | 1 | 1 | 3 | 1 | **1** |
| Deployment Score | 90-100% | 90-100% | 50-60% | 90-100% | |
| Validated Rating | 1 | 1 | 1 | 1 | |

Except for Region VII (Central Visayas), the rest of the sites reached a consensus rating of 1. This was attributed mainly on the failure of the subject sites to comply with the second bullet of rating # 2, i.e., "*Managers and supervisors are trained on performance evaluation and management.*" It is to be emphasized that under this specific item, the designated assessor made it clear before the participants that the contemplation of such formal training is intended for all managers and supervisors for purposes of conducting individual performance appraisal. Also, there has been no observed consistent sanctioning of poor performance and rewarding of good performance. Had these requirements been complied with by the subject sites, a rating of 3 is possible to achieve.

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The Agency merits a rating of 1.

1st Level of Achievement

The MTPDP for 2004-2010 defines basically the goals of the department. Such plan is complemented by the specific directives from the head of the department through the formulation of MFO / GPOA. On the other hand, the Performance Appraisal and Individual Development Systems (PAIDS), complemented with the Performance Evaluation System prescribed by the Civil Service Commission (CSC) define the commitments or targets of every employee with respect to the organizational goals. In this respect, it is quite clear that DENR has satisfied all the criteria defined under level 1.

2nd Level of Achievement

There is no doubt that an established performance evaluation and management system has long been existing in the department. The department has adopted the MFO concept, PAIDS, Manual for Performance Monitoring of DENR Programs, as well as other circulars or orders emphasizing the efforts of the department in conducting performance assessment, such as:

- DAO 2003-14 – Creating the Philippine Environment Partnership Program to support Industry Self-Regulation Towards Improved Environmental Performance;

- DAO 1996-17 –Creating the NIPAS Evaluation Committee (NEC) to assess the performance of the Protected Areas Superintendents;

- DAO 1995-11 – Performance Evaluation Guide for Industrial Forest Management Agreement (IFMA) Holders;

- DAO 1990-61 – Revised Performance Evaluation Guidelines for Timber License Agreement (TLA) Holders;

- DAO 1989-125 – Amending the Penalties Imposable for Poor Performance in Reforestation Under Section 9 of AO No. 32 series of 1988, among others.

The conduct of performance monitoring, evaluation and individual appraisal, for it to be implemented effectively, must be substantiated further with appropriate training, as required by the second (2nd) level of achievement. Considering the nature and manner of implementing this system, such training component must involve a two-fold approach. The first approach is to capacitate or build the capabilities of the personnel in the Planning and Policy Service Office (PSPO) in the Central and Regional offices to conduct an in-depth performance monitoring and evaluation of programs, projects and activities (PPAs). This particular component is quite imperative in order to achieve the objective in coming up with comprehensive findings and recommendations on the implemented PPAs. On the other hand, there is likewise a necessity to provide adequate trainings for raters and ratees with respect to individual performance appraisal. This method addresses principally the concern of making this kind of exercise to be non-confrontational on occasions where the superior-subordinate relationship is an issue. As specifically stated under DAO 1998-16, the individual performance appraisal system should not be used as a way to give undue advantage or disadvantage to the employees.

It is submitted that the first approach, that is enabling or re-tooling the personnel of the PSPO in the Central Office, as well as related offices or units in the Regional offices and attached bureaus and agencies, in the areas of field validation or assessment, document examination and evaluation, and crafting of appropriate and

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attainable recommendations, must be given weight or priority with respect to its implementation considering the limited resources of the agency particularly on the matter of appropriation. Substantial compliance, therefore, in this level will definitely be a great strength in bringing about impact in the overall performance of the agency.

Taking into account the indicated ratings under this dimension and as presented in the immediately preceding section, the three subject sites, except Region VII (Central Visayas), gave a rating of 1 mainly because on the contemplation as defined by the designated assessor that "*in the conduct of individual performance appraisal, all managers and supervisors must undergo formal trainings on the same subject*".

Worthy to consider was the issuance of DAO 1997-21 which institutionalized the Community Environment and Natural Resources (CENR) Management Course or the CENR Academy in order to develop further the managerial capabilities and skills of its human resources, especially the potential CENRO personnel. Its objectives are as follows:

- To provide participants with a clear understanding of the Department's mission and vision in meeting the needs and aspirations of the people for a better quality of life;

- To promote cross-sectoral awareness in attaining the mandates of the sustainable management of natural resources and protection of the environment;

- To enhance the capabilities of the potential CENROs in the technical, managerial and administrative aspects of their tasks; and

- To have a distinct statement of management philosophy.

This involves the conduct of a 30-day management course covering eleven (11) modules including management topics on Leadership, Personal Development Skills, Management Ethics, Project Development and Management.

However it has been observed that there has been no training of managers and supervisors on performance management in the Central Office – the source of policy setting.  Hence, it is the assessment of the Team that once this has been satisfied, the Agency can readily achieve rating 2.

3rd Level of Achievement

With regard to the requirements of the 3rd level of achievement, the following are considered as the realizations of the agency:

- Submission of Monthly, Quarterly, and Semi-Annual Accomplishment Reports, as well as Year-End (Annual) Report as prescribed under DAO 1989-33, 1992-33, 1997-20, 1999-38, and 2004-20;

- Adoption of a Performance Appraisal and Individual Development System (PAIDS) pursuant to DAO 1998-16 and / or the Performance Evaluation System (PES) prescribed by the Civil Service Commission;

- Provision for Performance Incentive Bonus (PIB) and other form of incentives, such as Productivity Enhancement Pay (PEP) which is a reward based on institutional performance. Memorandum Circular 2003-16 was issued prescribing the Guidelines on the Recognition of Outstanding DENR Employees / Offices for CY 2003 covering the following awards: Best Employee, Gantimpala Agad,

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Exemplary Behavior, Cost Economy Measure, and Most Outstanding Office. The same program was implemented the following year where the awarding covered six categories, to wit: Best Employee Awards for those holding Salary Grades 23-25, 11-22, 4-10, and 1-3; Cost Economy Measure, and Most Outstanding Office. As a result, it conferred "Outstanding Employee" awards to four (4) personnel representing SG 4-10; seven (7) personnel representing SG 11-22; and two (2) personnel representing SG 23-25. In 2005, the agency conferred the "Bida Ka!" awards, under the DENR-PRAISE program, to five (5) personnel;

- Dissemination of agency's performance and annual reports to the public through the DENR website, radio and television programs.

While we affirm the foregoing initiatives, it is the assessment of the Team that there has been no observed consistent sanctioning for poor performance. Once this is addressed, the Agency can readily reach rating 3. Notwithstanding this fact, it is still incumbent upon the management of DENR to ensure that these achievements are strengthened further and, most importantly, deployed in a consistent and effective manner across all units, regional offices, bureaus, and attached agencies from the point of inception and dissemination of policies, its implementation and evaluation, as well as integration of reforms based on the results of feedback mechanisms.

4th and 5th Levels of Achievement

The present system of the agency, in relation to performance monitoring and evaluation, does not contain a mechanism by which the incidences of corrupt practices committed or perceived to have existed are correlated with the respective performance of concerned personnel, as well as, with the attainment of the unit's targets. It is likewise important to note that these determinations must be considered in enhancing existing policies in order to prevent corruption, thus improving the level of integrity in the entire agency.

What is interesting to note, however, is the effort of the agency to advance its existing performance monitoring and evaluation system. The proposed Annual Performance Evaluation was presented by Usec. Demetrio Ignacio which contained the following objectives, to wit:

- To assess the implementation of the various activities in forest management, biodiversity conservation, lands disposition, environmental compliance, mineral development and ecosystems research.

- To validate the delivery of services enforcement and compliance of environment and natural resources law; budgetary allocations; timeliness of service delivery as well as the promotion of the well-being of employees; and

- To determine the performers and bestow rewards on high performance.

A major enhancement introduced in this proposal is the setting of parameters in the assessment of the performance of officers, and these are: Managerial Capability, Leadership, and Integrity. The factor of Integrity relates to the capacity of an officer to exhibit transparency, incorruptibility and to undertake initiatives to purge his office of graft and corruption. Furthermore, said officer should serve as a role model of a good public servant.

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**5.3 Survey of Employees related to Performance Management**

| Statement/s | Net Satisfaction Ratings | | | | |
|---|---|---|---|---|---|
| | Central Office | Region IVA | Region VII | Region XIII | Agency Rating |
| My performance targets are clear to me. | 1.67 | 1.60 | 1.53 | 1.52 | 1.57 |
| Outstanding performance is rewarded in our agency. | 1.90 | 2.09 | 2.17 | 1.95 | 2.04 |
| The employees in our agency are regularly provided feedback regarding their performance. | 2.26 | 2.12 | 2.09 | 2.00 | 2.11 |
| The employees of our agency are given the yearly performance bonus regardless of how they performed. | 1.88 | 2.05 | 1.91 | 1.91 | 1.94 |
| I am satisfied with my job. Regarding their performance. | 1.80 | 1.60 | 1.65 | 1.58 | 1.65 |

In general, a moderately positive net rating may be observed with regard to performance management covering clarity of individual performance targets, rewards, performance feedback, yearly performance bonuses, and job satisfaction. Highly positive ratings were recorded relative to clarity of individual performance targets and job satisfaction. On the other hand, moderately positive net ratings were recorded with regard to rewards, performance feedback and yearly performance bonuses.

**Open- ended Question Results**

Here are the responses for the question on "Do you have a personal performance target set by your superior for 2006?"

| Response | Central Office | Region IVA | Region VII | Region XIII |
|---|---|---|---|---|
| YES | 50 | 67 | 85 | 68 |
| NO | 25 | 38 | 15 | 22 |

Setting of personal performance targets was practiced in more than seventy percent of the respondents of the survey. Between 63.81% to 85.00% have had their superiors set their performance targets for 2006.

**5.4 Recommendations**

Given the achievements or efforts made, it is quite likely for the agency to dramatically improve its overall rating at the end of year 2008.

- **Conduct of Planning Session**. It is encouraged to hold planning session at the unit or division level where the chief may give briefings to the concerned staff as regards the commitment or contribution of the unit or division vis-à-vis the agency's / bureau's / regional office's objectives. In this manner, clear realizations on the targets or functions of each personnel may be established. Such session may also be the appropriate time and venue for the chief or unit head to present / discuss the individual targets, bases for performance evaluation, and rewards / sanctions pursuant to existing agency's orders or circulars;

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- **Orientation on Individual Performance Appraisal.** There is a need to make the appraisal system known to every personnel of the agency. Besides the venue as aforementioned where the bases and mechanics for performance evaluation may be discussed, the same may be part of the Orientation Program for new personnel. If the agency's budget permits, such orientation may be conducted on regular bases;

- **Training on Performance Monitoring, Evaluation and Individual Performance Appraisal**. The institutionalization of the CENR Academy, where potential CENRO personnel may apply, serves as a major initiative of the agency to give importance on the value of performance evaluation and management. This aspect is incorporated in its course module. Over and above the contribution of this program in enhancing the performance evaluation and management system of the agency, there is a greater need to propagate this kind of training to the rest of the managers and supervisors. It is to be emphasized that for purposes of comprehensiveness, such training must include project monitoring and evaluation of DENRs programs, projects and activities, as well as the procedure on individual performance appraisal. Given the limited budget of the agency and the usual preference of holding related capability-building programs on the aspect of agency's major operations, those managers or supervisors appointed and / or performing as such for not more than three (3) years must be given priority;

- **Implementation of Improved / Enhanced Performance Evaluation and Management System.** The efforts of the agency's management must be recognized for giving due importance on improving its existing system on performance evaluation and management. As early as 2004, the management has already proposed the adoption of a new Annual Performance Evaluation where the aspect of officials' levels of integrity is determined and assessed. Such initial move is viewed to represent the agency's effort to move towards good, or even better, governance. However, in order to complete the process other factors must be considered, such as: 1) inclusion in the guidelines on how to evaluate whether the levels of integrity of the officials have affected their own and respective unit's performance; 2) address the effect of integrity issue through presentation of recommended actions, particularly by enhancing the systems and procedures; 3) similarly, improve the guidelines on individual performance appraisal by integrating a mechanism to determine the level of integrity of each personnel, for instance based on the satisfaction rating of clients and peers, and the same will be evaluated in relation to his / her performance. It is admitted however that a customized Code of Conduct is material in coming up with specific improvements into the performance management system;

- **Sustenance of Rewards and Awards System.** It is recommended to have a continuing program on this particular system based on existing and established guidelines;

- **Enhancement of DENR Website.** It is recognized that internet technology through the implementation of websites is one of the most practical and economical approach in disseminating or sharing of information. Relevant policies on performance management and critical accomplishment reports of the agency are readily available once posted into this site.

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## 6. Procurement Management

The procurement system covers the process of purchasing goods and services. A poorly managed procurement system opens risks of corruption and wastage of resources due to poor quality of goods and overpricing. Risk factors include conflicts of interest, bribery, extortion by public officials, non-compliance with procedures, and lack of information on standard prices. For this reason, the Code requires procurements officers and members of the Bids and Awards Committee (BAC) to disclose conflicts of interest and prevents them from receiving gifts and benefits from suppliers.

| Rating | Levels of Achievement |
|---|---|
| 1 | ▪ The agency has adopted the new procurement management system (RA 9184). <br> ▪ The agency has an Annual Procurement Plan (APP). <br> ▪ Third party observers are invited to witness procurement process (e.g. eligibility screening, pre-bid conference, opening of bids and bidding evaluation). |
| 2 | ▪ The agency has written procedures on the different modes of procurement, specifying checkpoints for receiving and inspection of goods and services procured. <br> ▪ Members of BAC and other relevant personnel are trained on the new procurement law, and the different modes and processes of procurement. <br> ▪ BAC members are made to disclose potential conflict of interest in all transactions. <br> ▪ The agency has a centralized database of prices and suppliers of frequently procured items. |
| 3 | ▪ The agency keeps records of BAC decisions and minutes of meetings. <br> ▪ The agency strictly monitors performance of suppliers and contractors against obligations (e.g. adherence to budget, price, time factors and quality standards). <br> ▪ The agency consistently applies sanctions and penalties to non-performing suppliers. |
| 4 | ▪ Blacklisting of suppliers and contractors is practiced and shared to other government agencies <br> ▪ Agency estimates are reviewed to reflect current/best market prices from Government e-Procurement Service. Controls are instituted to ensure that specifications are not skewed or tailor-fitted to favor specific bidders. <br> ▪ The agency Code of Conduct is integrated in the bidding document. <br> ▪ BAC decisions and other procurement decisions are audited. |
| 5 | ▪ The agency plans its procurement based on its pattern of purchasing and consumption. <br> ▪ The agency regularly evaluates the effectiveness of its procurement management system in preventing corruption and enhancing integrity. <br> ▪ Results are used to strengthen the agency's procurement management system. |

### 6.1 Description of the Agency System/Processes relevant to the Dimension

The Department essentially complies with the provisions of the Government Procurement Reform Act (RA 9184) and its implementing rules and regulations. It prepares an Annual Procurement Plan and has formulated a Manual of Approvals which, among others, guide in the procurement of goods and services. A Bids and Awards Committee is likewise in place and flowcharts, showing the bidding and procurement process, are displayed for guidance.

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**6.2 Assessment**

| PROCUREMENT MANAGEMENT | Central Office | CALABARZON Reg IVA | Central Visayas Reg VII | CARAGA Reg XIII | Team Rating |
|---|---|---|---|---|---|
| Agency Rating | 2 | 0 | 1 | 1 | **1** |
| Deployment Score | 100% | - | 50-60% | 90-100% | |
| Validated Rating | 1 | 0 | 1 | 1 | |

At the Central Office, IDA participants gave a rating of **2** with 100 percent deployment for this dimension. In the Calabarzon Region, there was a consensus rating of **0**. The IDA panel intimated that the BAC was just newly created and there was no full implementation of RA 9184 although they do prepare an Annual Procurement Plan. In Region VII, a rating of **1** with a deployment of 50 to 60 percent was agreed upon by the IDA participants but they cited their strengths, viz: their use of the DENR Manual of Approvals as guide in the procurement of goods and services and the use of Stock Cards and Price List of supplies and other goods. They were in agreement, however, that there is a need for the conduct of training for BAC members and other relevant personnel on RA 9184 as well as the installation of a mechanism for the disclosure of potential conflict of interest in all transactions by all the BAC members. The IDA in Caraga Region had a consensus of **1** with a deployment of 90 to 100 percent for this dimension.

To further improve the procurement management of the Department, some employees suggested the following measures:

1. Training for BAC members and other relevant personnel;
2. Transparency in the procurement process; and
3. Strictly follow or adhere to the laws, rules and regulations on procurement

The agency's rating in this dimension may be generally set at level 1. At the Central Office, there is already a draft customized Procurement Manual for implementation. They claimed that agency estimates are reviewed to reflect current / best market prices from Government e-Procurement Service and that controls are instituted to ensure that specifications are not skewed or tailor-fitted to favor specific bidders. Moreover, the Department keeps reports of BAC decisions and minutes of meetings. SO No. 2006-992, dated 22 November 2006, was issued to reconstitute the BAC for Funds 101 and 102 while a separate BAC was created for foreign-assisted projects under SO No. 2007-88 dated 16 January 2007.

At the CALABARZON Regional Office, the Team validated the assertions of the IDA participants. The Team also verified that they have a flowchart for the procurement of non-procurement service items.

In Region VII, the Team validated the IDA assertions to be accurate. In CARAGA, the Team validated they adopt the new procurement management system as prescribed under Republic Act No. 9184, otherwise known as the Government Procurement Reform Act. They even have a process flowchart for the bidding process for: (a) Procurement of Goods/Services; (b) Infrastructure/Civil Works Project; and, (c) Consulting Services.

The Bids and Awards Committee for DENR Reg XIII is composed of four (4) regular members and 2 BAC Members representative in case the regular members are absent or on-field. It is chaired by a Regional Technical Director (RTD) for Research. Their BAC is also composed of two (2) representatives as Provisional Members for Goods, Infra Projects and Consulting Services (Regional Special Order No. 205 dated Aug 31, 2006).

For their strengths, they do keep a Minutes of Meetings of the BAC and that the region has written procedures on different modes of procurement and checkpoints for receiving and inspection of goods and services procured.

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Furthermore, BAC members and other relevant personnel had undergone formal training on the new procurement law as well as the different modes and processes of procurement. Furthermore, the region has even a memorandum on the Code of Conduct and Ethical Standard for the Procurement and Property Officers and staff of DENR CARAGA (dated October 25, 2005). The said memorandum reinforces the importance of promoting high standards of ethics in public service as mandated by RA 6713.

## 6.3 Survey Results Related to Procurement Management

| Statement/s | Net Satisfaction Ratings | | | | |
|---|---|---|---|---|---|
| | Central Office | Region IVA | Region VII | Region XIII | Agency Rating |
| Procurement in our agency follows the procedures as stipulated under the Procurement Law (RA 9184). | 2.06 | 2.00 | 1.97 | 1.58 | 1.89 |
| Bids and Awards Committee (BAC) decisions are impartial. | 2.27 | 2.18 | 2.20 | 1.76 | 2.09 |
| Non-performing suppliers are blacklisted. | 2.18 | 1.93 | 2.23 | 1.71 | 2.00 |
| Relevant personnel are well trained on the entire procurement process – from bidding to inspection/utilization. | 2.34 | 1.90 | 2.23 | 1.64 | 2.01 |

Significant differences in responses were noted only in Region VII and XIII. Highly positive net agreements were observed mostly from among Region XIII respondents with masters degrees while from among Region VII respondents with college degrees. Negative ratings with regards to blacklisting of suppliers in Region VII were observed from among those involved in regional scope of work.

| Statement/s | Response | Central Office | Region IVA | Region VII | Region XIII |
|---|---|---|---|---|---|
| Are you aware of the new Procurement Law or RA 9184? | YES | 34 | 74 | 33 | 37 |
| | NO | 41 | 31 | 67 | 53 |

Only more than a third (36.48%) of the respondents of the survey was aware of the new Procurement Law or RA 9184.

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**Open- ended Question Results**

Here are the top-most responses for the following open-ended question:

➢ What can you say to improve the procurement process?

| Suggestions | Percent of Responses (%) |
|---|---|
| Follow procurement laws and policies, all procurement should be handled by procurement system section, expedite process, dapat lahat dumaan sa bidding, no delays, bilisan ang proseso ng procurement | 17.41% |
| Procure only important necessary supplies/items, be practical, know what to procure first to have proper budget, source legitimate suppliers, have accredited suppliers, canvass lower prices, additional funding, tie-up between accountant and supply officer | 15.57% |
| Transparency, free from external influences dapat, no political intervention, maging masunurin, have proper documentation of process, gamitin yung pera sa tamang pinaglaanan | 14.78% |
| Attend symposiums and seminars, disseminate information during assemblies, conduct trainings about procurement, information dissemination, provide training to procurement personnel | 7.12% |
| Delegate personnel who are capable and knowledgeable, well trained procurement personnel | 5.28% |

**6.4 Recommendations**

To raise the performance of the agency in this dimension, the agency should consider the following:

1. Formal training of BAC members and relevant personnel on RA 9184 as well as continuing updates will greatly assist them in arriving at procurement decisions properly. In case of changes in the composition of the BAC membership, incoming new members should likewise undergo formal training in addition to whatever mentoring the BAC Chairman could extend to new members;
2. Strict monitoring of the performance of suppliers and contractors against obligations as well as the timely application of appropriate sanctions and penalties of erring or non-performing suppliers / contractors;
3. All BAC members should explicitly disclose potential conflict of interest in all transactions to remove any doubts especially on the part of losing bidders and other stakeholders;
4. Continuously remind everyone on the code of conduct and ethical standards for the Procurement and Property Officers and staff and integrate the said code of conduct in all their bidding documents; and
5. Maintain a centralized database of prices and suppliers of frequently procured items.

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## 7. Financial Management: Budgeting, Accounting and Cash Handling

Financial management is one of the critical areas or dimensions that have to be appraised in terms of systems and individual integrity because of its apparent role in agency operations, as well as the public perception and/or complaints on corruption in government financial transactions (losses in government coffers through indiscriminate use) that further weaken the country's economy. The assessment of this dimension would encompass the prescribed government rules and regulations on accounting and budgeting; existing internal control systems; financial accountabilities; required financial reports and relevant training programs on financial management.

A cursory view of cases pertaining to financial transactions reveal the commission of errors and frauds, budget misallocation, misapplication of accounting principles, irregularities in controls, manipulation of records and others. Strengthening the internal control system would enhance the agency's fundamental operational system for a more responsive public service. However, it is necessary that the evaluation of the financial management system be done by also looking into the organization's policies, philosophies, structure, mission and goal, services rendered, human resources, information technology, internal audit and commitment to stakeholders.

| Rating | Levels of Achievement |
|---|---|
| 1 | <ul><li>The agency adopts the prescribed government budgeting and accounting guidelines such as the New Government Accounting System (NGAS), and DBM Budget Guidelines.</li><li>The agency has established control systems to ensure that its financial resources are protected.</li><li>Financial accountabilities of officials and employees are defined.</li></ul> |
| 2 | <ul><li>Budgeting and accounting guidelines and processes are defined, approved and disseminated to all concerned units.</li><li>The agency takes proactive steps to make all officials and employees aware of their obligations not to use agency's financial resources (e.g. cash advances, collection) for private purposes.</li><li>Management and relevant personnel are trained on budgeting, accounting and financial management.</li></ul> |
| 3 | <ul><li>The agency strictly enforces budgeting and accounting policies and guidelines (e.g. regular conduct of reconciliation, immediate liquidation of cash advances, immediate remittance of collections).</li><li>The agency regularly prepares financial reports containing actual expenditures vs. budget and explanation for variance, statement of income vs. target collection and explanation for variance, etc.</li><li>The agency provides full audit trail for major financial transactions. Random audits are carried out, with reports and recommendations for action provided to management. Appropriate follow-up actions are taken on any findings.</li></ul> |
| 4 | <ul><li>The agency's computerized systems have been integrated and provided with security (e.g. access codes) to ensure that fraud and financial risks are minimized if not totally eliminated.</li><li>The agency's financial performance is analyzed vis-à-vis accomplishment of its physical targets to assess the organization's cost-effectiveness.</li><li>COA audit findings are immediately acted upon and resolved by management.</li><li>The agency's financial reports (including COA Annual Audit Reports) are published/made available for public inspection.</li></ul> |
| 5 | <ul><li>The agency's financial controls/systems are regularly reviewed to ensure effectiveness in preventing corruption and enhancing integrity.</li><li>Results of the review are used to strengthen the agency's financial management system.</li></ul> |

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## 7.1    Description of the Agency System/Process relevant to the Dimension

The DENR is in compliance with government accounting and budgeting laws, regulations and policies specifically the New Government and Accounting System (NGAS), applicable Generally Accepted Accounting Principles and Standards (GAAP/S), and the budget cycle requirements.  The eNGAS is being implemented only in the Central Office but with parallel testing for some funds.  The regional offices are still in the process of implementing the eNGAS due to constraints on the funding for software maintenance, hardware system, LAN connectivity and the relevant training for concerned personnel.

There are some guidelines that serve as internal policies to implement the mandatory financial rules and regulations which may be downloaded from the DENR website by the Central Office down to the field offices; however, the user interface response has to be enhanced for information dissemination purpose.  The presence of flowcharts also serves as guide on financial transactions particularly on the implementation of NGAS.

## 7.2  Assessment

The IDR Team has given the agency a rating of 1 as the level of achievement on its financial management system of integrity where the rating represents the basic standards of existing written policies and procedures on the prescribed accounting, budgeting and auditing guidelines (implementation of the NGAS), the defined financial accountabilities per the Manual of Approvals, and the established internal control system discussed in detail under 7.2.2.

The focused group discussion for the consensus building of IDA participants as well as the team's validation (based on document reviews, process observations, interviews, and checking/visit of websites) of the objective evidences claimed, will be discussed per assessment site.  The analysis and synthesis of the findings and comments are posited as the general recommendations (7.4).

The team has recognized the initial efforts of the agency in implementing the eNGAS at the Central Office with preparations for downloading in the regional offices; posting in the DENR website of memoranda, guidelines and other orders, and conduct of accounting and budgeting workshops for financial and administrative personnel but has also noted some areas for improvement.  Some good practices on the operations of Region XIII were also significantly noted by the team.

| FINANCIAL MANAGEMENT | Central Office | CALABARZON Reg IVA | Central Visayas Reg VII | CARAGA Reg XIII | Team Rating |
|---|---|---|---|---|---|
| Agency Rating | 1 | 1 | 3 | 2 | |
| Deployment Score | 100% | 70-80% | 90-100% | 90-100% | **1** |
| Validated Rating | 1 | 1 | 1 | 2 | |

The basic information on the perceived level of the agency's system integrity, where operations vis-à-vis internal control measures are examined, were documented by the IDR Team as the comments, justifications and recommendations of the participants comprised by Senior Management, process owners and stakeholders.  The number and position titles of IDA participants were varied in each assessment site especially at DENR Central Office, but all attendees fully cooperated and actively participated in the activity which were well noted and appreciated by the team as evidenced by the short time expended for IDA (half-day schedule).

The verifiable data stated and confirmed in the evaluation of the DENR Central Office's level of integrity system are also employed as bases by all regional offices in decision making and appropriate action on financial transactions.  In actual practice, all general policies implementing existing laws, rules and regulations emanate from the Central Office for guidance and compliance by bureaus, and regional and field offices, and the corollary preparation of their internal policies.

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**Central Office.** The IDA participants in Central Office had a consensus rating of 1. The participants have unanimously responded on the adoption of NGAS and other budgeting guidelines consistent with accounting and auditing requirements; mentioned that some established control measures are the guidelines on the prioritization of funds for budget allocation; attendance of concerned personnel in financial management seminar-workshop with the participation of COA and DBM counterpart personnel; and the use of the Manual of Approvals that specifies the signing authorities of officials to clarify and define the accountabilities of officials.

**Region IVA.** Region IVA participants have also agreed on the rating of 1 with similar objective evidences stated by Central Office participants. In addition to the strengths, the Region IVA participants have mentioned the Resource Management Course that was conducted in 2004 but not all senior officials have undergone the training program.

**Region VII.** A rating of 3 was agreed upon by Region VII IDA participants stating that all cash advances were liquidated, training programs were conducted pertaining to budgeting, accounting and financial matters, and that random audits were done during exit conference on the agency's financial transactions. As for the strengths, a software where systems are integrated and provided with security codes is available but not yet in place due to lack of training of concerned personnel, however, Regional EMB and MGB have no eNGAS software (training on eNGAS is scheduled next year); the evaluation or analysis of the regional office's financial performance vis-à-vis accomplishment of physical targets is conducted; immediate action is taken on COA audit findings; and financial reports of the agency are posted in COA website.

**Region XIII.** The consensus rating for Region XIII is at level 2, where the team acknowledges the best practices of the region particularly the enforcement of financial management guidelines i.e. immediate liquidation of cash advances and action on COA Audit Findings.

**Central Office.** As validated, the eNGAS is fully implemented for Funds 102, 154, 171 and 172 with ongoing parallel testing for Funds 101 and 158. The use of forms on the obligation/utilization and disbursement of funds is in consonance with COA Circular No. 2005-001 dated 28 February 2005, through a directive i.e. *Memorandum to all Officials and Employees DENR Central Office re Revised Forms for Use in the Obligation and Disbursement of Funds Under the New Government Accounting System (NGAS).* The budgeting guidelines issued by DBM are complied with in consideration that these are mandatory requirements for allocation or release of agency funds.

The examples of control systems given by the participants were validated through an interview and document search yielding the following information: 1) Application of the *Government Program of Action* (GPOA) on last year's planning and budgeting programs; 2) Use of the Major Final Outputs (MFOs) based on the *DENR Road Map* as a transition of planning thrusts from GPOA under DENR Administrative Order No. 17 Series of 2006 re *Revision of DENR Major Final Outputs (MFOs*; 3) Funding tied up with Work and Financial Plan (WFP); and 4) Planning and Budgeting Guidelines under the *Department's Comprehensive Agrarian Reform Program and SONA Commitment*. In addition to these control systems, the Central Office has issued the following Orders to ensure that resources are protected:

1. Manual of Approvals
2. Administrative Order No. 2006-15 re *Organization and Staffing for the Full Implementation of the Internal Audit Service (IAS)*
3. Various guidelines as follows:
    a. Guidelines on Reimbursement of Expenditures
    b. Guidelines on the Distribution, Use and Maintenance of Vehicles
    c. Guidelines on the Implementation of the New Rate of Allowance for Official Local Travels
    d. Renewal of Special Orders on the Designation of Special Disbursing Officers
    e. Guidelines on the Payment of Transportation Allowance

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Further to the participants' claim that the *Manual of Approvals per Administrative Order Nos. 2000-11 and 98-24* define the accountabilities of officials, the internal policies that also govern the accountabilities of employees are the following;

1.  Memorandum from the Secretary re *Liquidation of Cash Advances for Official Travels* dated 07 September 2001
2.  Memorandum Order No. 2004-11 *Prescribing Economy Measures in the DENR* dated 08 October 2004

The comments of the participants in order to satisfy the indicators for level 2 were in reference to the accomplishment of indicator nos. 1 and 3, with no proactive steps to make employees aware of obligations not to use financial resources for private purposes.  The Assessment Team's findings are as follows:

1.  Indicator no. 1: Budgeting and Accounting Guidelines and processes are defined, approved and disseminated to all concerned units - In order to fully satisfy indicator 1, all important budgeting and accounting guidelines must be posted in the DENR website and also be downloaded through the intra/internet facility for the information of all offices, with positive response from user interface.

2.  Indicator no.3 – Management and relevant personnel are trained on budgeting, accounting and financial management: The Accounting /Budgeting Seminar Workshop was held on 22-26 January 2007 with participants coming from the Financial and Management Service, Regional and Field Offices accountants, budget officers, and Administrative Officers.

    It is specified in the indicator that *Management and relevant personnel* must be formally trained on financial matters; however, the said Accounting /Budgeting Seminar Workshop had selective target participants.  Moreover, *relevant personnel* should include Division Chiefs because of the importance of knowledge on financial processes which is built in the operation of every office.  As for *Management*, there have been changes in Senior and Top Management, hence, the newly appointed officials have to undergo formal training or orientation on financial management to be updated on current financial laws and issues, and those coming from the private sector to appreciate and apprehend government accounting.

The team concurs with the rating of 1 as the level of achievement in DENR Central Office as substantiated by verifiable data that cover all Department officials and employees.

**Region IVA.**  With the findings of the team that justified the accomplishment of indicators under the first level, the region merits a rating of 1.  The strengths mentioned by the regional participants were similar to the Central Office with the following observations specific to the region:

1.  Indicator 1 under Level 2 – Flow Chart on the Recording of Obligations; Procedures on the Liquidation of Cash Advances; and Use of New Charts of Accounts under the NGAS.  Some process owners have commented that information on financial policies and other matters are not effectively cascaded to all personnel.
2.  Indicator 2 – no proactive steps were presented by the region.
3.  Indicator 3 – Conduct of a Resource Management Course in 2004, which was validated from the HRDS.

**Region VII.**  As reiterated from previous discussions, the validation of comments and justifications of regional participants were done consistent with the findings and evaluation of results in IDA at Central Office for levels 1 and 2.  Nonetheless, the additional information specific to Region VII operations are the preparation and dissemination of Process Charts on the Preparation of Obligation Slip and Disbursement Voucher, and Preparation and Consolidation of Work and Financial Plan; the proactive step taken is the updates/briefing during employees' assembly; and attendance in budgeting and accounting training by budget officers, accountants and administrative officers.

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Further, the objective evidences presented by the participants for level 3 have been verified and examined as follows:

1. Indicator 1 under level 3 – 100% compliance on liquidation of cash advances based on Consolidated Report of Compliance as of 09 March 2007 which is submitted to COA, but with *unremitted balance of funding checks* based on Consolidated Annual Audit Report of DENR for CY 2005 in compliance with Section 43 of PD No. 1445; and *unreconciled difference between book balances and inventory reports* which was partially complied and with submitted Report on Supply and Materials Inventory (RSMI) taken from Actions on the audit recommendations on the Consolidated Annual Audit Report for CY 2005.
2. Indicator 2 – satisfy indicator's requirements as indicated in the Statement of Allotments, Obligations, Balances and Liquidation; and BP 100 – Statement of Revenues; and the submission of the required Year-end Financial Reports and Trial Balances to the Government Accounting Financial Management Information System (GAFMIS) COA by 14 February of each year, and to other government agencies such as DBM, Congress and Senate.
3. Indicator 3 – participants have justified that random audits are done during exit conference concerning the region's financial transactions, but the random audits specified in this indicator are the audits supposedly done by internal auditors. At present, the regional office is not undertaking internal audit work due to past constraints with the deployment of personnel and the current directive that the IAS at Central Office will be rendering audit services nationwide.

In view of the foregoing evaluation and validation of data claimed as evidences, the region merits a rating of 1.

**Region XIII.** The IDA in Region XIII had a consensus rating of 2 and the team affirms this rating. For its strengths, the region strictly/consistently enforces budgeting and accounting policies and guidelines particularly the immediate liquidation of cash advances. This is evidenced by the 20 February 2007 memorandum of the Regional Executive Director (RED) instructing the deletion of all officials and employees with unliquidated cash advances from the payroll effective 01 March 2007. Moreover, COA Audit Findings are acted upon and resolved as evidenced by the 21 February 2007 memorandum of the RED to the Auditor detailing the actions taken to resolve the audit observations.

## 7.3 Survey Results related to Financial Management

| Statement/s | Net Satisfaction Ratings | | | | |
|---|---|---|---|---|---|
| | Central Office | Region IVA | Region VII | Region XIII | Agency Rating |
| The management scrutinizes our agency spending. | 2.12 | 1.98 | 1.80 | 1.77 | 1.90 |
| Financial statements and audit reports of our agency are accessible. | 2.23 | 2.15 | 1.75 | 1.71 | 1.92 |
| Employees know who and where to report irregularities in financial transactions. | 2.28 | 1.95 | 1.84 | 1.83 | 1.95 |

The above tables present the employees' perception on the measures employed by the agency to prevent or mitigate corruption. The survey results aim to objectively assess the effectiveness of established integrity measures that would further validate the team's assessed rating of 1 as the level of the agency's system integrity on financial management.

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As shown in the first table, the respondents have a moderately positively net agreement pertaining to directives on the allocation and disbursement of funds, accessibility of financial and audit reports, and policies on the investigation and/or action on reports of irregular financial transactions. However, almost half of the respondents have answered in the negative regarding their awareness of the financial management systems based on Table 2(with exception on the response of Region XIII personnel). This therefore confirms the observation and findings of the team on the existence of written policies and procedures on accounting and budgeting matters, but the dissemination of these directives or guidelines have yet to be enhanced particularly through the use of the DENR Website.

A thorough examination of the responses would reveal the probability that some corrupt practices related to financial matters may happen such as *the unauthorized collection of funds, forgery or fraud, falsification of documents, collusion with BAC, overpricing of bids, collusion with suppliers, theft of public resources, accepting bribes, and tolerance of fixers* (ranked from highest to lowest probability). To support responses to this query, the respondents gave a slight positive net rating on the agency's implementation of measures to identify potential fraud and corruption. Thus, these perceived responses to the probable occurrence of a particular type of corruption may help Management in strengthening its integrity building measures. Furthermore, the recommendations on the financial management system should take into consideration these potential problems and align it with the recommendations of other dimensions for a more holistic approach.

**Open- ended Question Results**

Here are the responses for the question on " Are you aware of the Financial Management System in your agency?"

| Statement/s | Responses | Central Office | Region IVA | Region VII | Region XIII |
|---|---|---|---|---|---|
| Are you aware of the Financial Management Systems in your agency? | YES | 42 | 44 | 58 | 87 |
| | NO | 33 | 61 | 42 | 33 |

About half of the respondents of the survey were aware of the Financial Management Systems in their agency. However, there were more respondents from Region IVA that were unaware of the Financial Management Systems.

**7.4    Recommendations**

The following are recommendations that functionally cut across Dimensions 2, 6, 9 and 10, for the agency to move up to level 2:

➢ Important budgeting and accounting guidelines and other financial management policies should be uploaded to the DENR Website by the Records Management and Documentation Division in coordination with the Financial and Management Service. A monitoring scheme should be devised to ensure that these policies and guidelines are downloaded from the intra/internet facility by the records management focal persons. Logistics and funding for hardware system and connectivity should be provided to assure an effective database and information service to agency personnel and stakeholders;

➢ Strict enforcement of budgeting and accounting laws, rules and regulations e.g. immediate liquidation of cash advances, reconciliation of property records and others;

➢ As a proactive step in disseminating information regarding propriety on the use of financial resources, the Agency Code of Conduct should be prescribed as guide on personnel behavior and action. This should be supplemented by specific guidelines that encompass financial, administrative and technical systems and operations;

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➢ As mandated by law, the Internal Audit Service (IAS) should be fully operational to promote effective fiscal administration and performance of agency affairs and operations.

➢ Funds should be allocated for the following training programs for the continuous training of all officials and employees as facilitated by the Human Resource Development Service (HRDS):

- Financial Management for Senior/Top Management, all Division Chiefs and other relevant personnel
- The eNGAS and other related computerized systems to ensure the reduction of fraud and financial risks (include provision for logistics)
- Internal audit training on new audit methodologies like the risk-based audit/corruption risk assessment.

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## 8. Whistleblowing, Internal Reporting and Investigation

Whistleblowing should be encouraged in every agency, as it is one of the fastest ways of detecting corruption though admittedly it is one of the most difficult things officials and staff can do. Many times reporting has led to harassment of the whistleblower, or worse, complete reversal of the case where the whistleblower becomes the offender. Incentives and protection are therefore necessary to encourage employees to report corrupt behavior or practices. Protected disclosures and easy procedures for internal reporting and a good witness protection scheme should be established within the agencies.

| Rating | Levels of Achievement |
|--------|----------------------|
| 1 | ▪ The agency has a written policy/guideline on internal reporting and investigation of information and reports of corruption or unethical behavior. The policy/guideline has provisions on protection of those who report corruption.<br>▪ The policy/guideline specifies what constitutes corrupt and unethical behaviors, the procedures and responsibilities for reporting.<br>▪ Roles and responsibilities of staff involved in investigation are clearly defined. |
| 2 | ▪ The agency proactively disseminates the policy on internal reporting and investigation to <u>all</u> employees.<br>▪ Employees are trained on how to report corruption.<br>▪ Relevant personnel receive training in the handling and investigation of reports of corruption. |
| 3 | ▪ The agency initiates investigations of reported corruption and tracks complaints/cases until final action is taken.<br>▪ The agency keeps full and complete records of all reports.<br>▪ The agency protects employees who report corrupt behavior/suspicions of corruption.<br>▪ The agency protects the rights of suspected individuals when investigating reports of corruption. |
| 4 | ▪ The agency regularly monitors progress and outcomes of every investigation.<br>▪ The agency imposes appropriate sanctions to erring employees and officials (including those who submit malicious reports).<br>▪ The agency reviews and analyzes reports and statistics on incidence of corruption to identify patterns, which could indicate weaknesses of the agency's systems. |
| 5 | ▪ The agency regularly assesses the effectiveness of internal reporting and investigation system in preventing corruption and enhancing integrity.<br>▪ Results of the review are used to strengthen the system of internal reporting and investigation. |

### 8.1 Description of the Agency System/Process relevant to the Dimension

No written policy or guideline relevant to the Whistleblowing, Internal Reporting and Investigation.

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## 8.2    ASSESSMENT

| WHISTLEBLOWING, INTERNAL REPORTING AND INVESTIGATION | Central Office | CALABARZON Reg IVA | Central Visayas Reg VII | CARAGA Reg XIII | Team Rating |
|---|---|---|---|---|---|
| Agency Rating | 0 | 0 | 0 | 0 | **0** |
| Deployment Score | - | - | - | - | |
| Validated Rating | 0 | 0 | 0 | 0 | |

Across sites, IDA participants indicated a zero-rating due to lack of specific policy which governs this particular dimension, however, the agency initiates investigation and keeps records of reports. There were allegations/reports of corrupt practices and they go through the grapevine due to fear of reprisal, while the witness remains a silent observer of things personally witnessed.

In the Central Office, the agency imposes sanctions to erring employees and officials on reported cases. In Region VII, some cases directly filed to the Office of the Ombudsman for the Visayas were indorsed to the Legal Division of the DENR for appropriate actions. The agency also has a grievance committee who acts on complaints.  In Region XIII, the agency has a Committee on Personnel Discipline. It has come up with a Resolution prescribing rules and procedures governing the conduct of Administrative Investigations and sanctions before the said Committee and adopted the DENR Grievance Machinery in line with the revised Policies on Settlement of Grievance in the Public Sector contained in CSC resolution No. 010113 dated January 10, 2001 and implemented CSC Memorandum Circular No. 02, S.2001.

Hereunder are records of the number and nature of cases filed at the following sites:

### At the Central Office as of CY 2006:

(Inventoried by ASEC Go)

| Nature of Cases | Number of Cases |
|---|---|
| Cases with prepared action documents | 20 |
| CBFM Cases | 176 reviewed<br>133 Orders drafted/signed by the Secretary |
| Total Number of Cases handled by ASEC Go | 193 |
| Total Number of Cases Unturned-over by ASEC Mendoza | 217 |

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**Nature of complaints:**

1) Alleged "Bundy Punching"

2) Dishonesty

3) Grave misconduct

4) Falsification of Public Documents

5) Neglect of Duty

6) Incompetence and Dereliction of Duty

7) Abuse of Power

8) Grave abuse of Discretion

**At Region VII as of December 2006:**

Number of Administrative cases indorsed by OMB Visayas to DENR  -  11

**Nature of Complaints:**

1) Grave misconduct and  conduct prejudicial to the best interest of the Service

2) Dishonesty, gross neglect of duty

3) Simple neglect of duty

4) Inefficiency

5) Soliciting or Accepting Directly or Indirectly Cash or anything in value

6) Incompetence in the performance of official duties

7) Falsification of Public Documents

All offices subject of this review indicated a zero-rating (0) due to lack of specific policy that governs this particular dimension, however, the agency initiates investigation and keep records of reports.  It is worthy to note, however, that an alternative mechanism has been established within DENR, including the regional offices, through the creation of a Committee on Personnel Discipline. Pursuant to DENR Memorandum Order No. 23, series of 1994, such committee shall serve as the arm of the Disciplining Authority in the evaluation, investigation, and disposition of all administrative complaints, incidents and disciplinary actions against any officer or employee, under its supervision and control. Taking into account the jurisdiction of this committee, that is to act on all matters or incidents concerning personnel discipline, not covered by laws on sexual harassment, unionism and grievances, the administrative aspect of graft and corrupt practices defined under existing laws, specifically any of the offenses or grounds for disciplinary action provided in Section 46 Chapter 7 in relation to Section 23 Rule XIV of Executive Order No. 292, may be brought before the same. Apparently, only first and second level personnel are covered by the prescribed rules and procedures governing the conduct of said committee.

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Another strong point to be considered is the existence of a Resident Ombudsman in the Central Office and designated non-organic Resident Ombudsmen in the Regional Offices of Central Visayas and Caraga. In the absence of concrete guidelines on Whistleblowing and Internal Reporting, these offices or persons may be used as alternative avenues for reporting any complaint which are well within the contemplation of this dimension.

### 8.3 Survey Results related to Whistleblowing, Internal Reporting and Investigation

| Statement/s | Net Satisfaction Ratings | | | | |
| --- | --- | --- | --- | --- | --- |
| | Central Office | Region IVA | Region VII | Region XIII | Agency Rating |
| Employees are encouraged to report corrupt and unethical behavior within the agency. | 2.24 | 2.09 | 2.15 | 2.03 | 2.12 |
| Guidelines to employees for reporting corruption and unethical behavior are clear. | 2.57 | 2.31 | 2.31 | 2.12 | 2.31 |
| Reports of employees on corrupt behavior are investigated. | 2.07 | 2.06 | 2.09 | 1.89 | 2.03 |
| Employees who report corrupt behavior are protected. | 2.59 | 2.45 | 2.42 | 2.24 | 2.41 |

On the statements that employees are encouraged to report corrupt and unethical behavior within the agency and reports of employees on corrupt behaviors are investigated, yielded moderately positive net agreement. As to the question of whether guidelines for reporting corruption and unethical behavior are clear, and employees who report corrupt behaviors are protected, yielded slightly positive net agreement.

| Statement/s | Response | CO | Region IVA | Region VII | Region XIII |
| --- | --- | --- | --- | --- | --- |
| Have you experienced reporting a corrupt or unethical behavior that you have witnessed? | YES | 8 | 5 | 9 | 5 |
| | NO | 67 | 100 | 91 | 85 |

Only a few of the respondents (27 out of 370 respondents) have experienced reporting a corrupt and unethical behavior. As to when this thing happened, it was in 2006 that the most number of cases were reported (7 cases). However, resolution time of these reported cases varied depending on the nature of the complaint. Some complaints were resolved immediately within a week's time. Others took several months. Most cases were still unresolved but the resolution is ongoing. Of the total cases tabulated, 12 cases have not yet been resolved.

| Resolution Time | No. of cases |
| --- | --- |
| It took a month | 2 |
| Not yet resolved but ongoing | 9 |
| Very long and not satisfied with resolution | 1 |
| 2-6 months | 3 |
| Immediately acted upon, 2 days, 1 week | 6 |
| Not resolved | 3 |
| No answer | 3 |
| **TOTAL** | **27** |

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**Open- ended Question Results**

Here are the responses for the following open-ended question:

➢ How satisfied or dissatisfied were you with your agency's reporting and investigation mechanism?

| Statement/s | CO | Region IVA | Region VII | Region XIII | AGENCY TOTAL |
|---|---|---|---|---|---|
| How satisfied or dissatisfied were you with your agency's reporting mechanism? | 2.43 | 1.33 | 2.38 | 2.40 | 2.26 |
| How satisfied or dissatisfied were you with your agency's investigation mechanism? | 1.57 | 2.20 | 2.50 | 2.60 | 2.20 |

In general, respondents who have had the experience of reporting a corrupt or unethical behavior cited satisfaction in the agency's reporting and investigation mechanism. A highly positive agreement could be noted on the satisfaction on the agency's investigation mechanism in Central Office while a split opinion was reported in Region VII. A slightly negative rating was reported for Region XIII.

➢ Why are these your answers (reasons cited why respondents were satisfied or dissatisfied with the reporting and investigation mechanism of their agency)?

| Reasons | Percent of Responses (%) |
|---|---|
| **VERY SATISFIED/SOMEWHAT SATISFIED** | |
| Leadership was quick to act on the matter (employee was suspended), satisfied ako | 36.00% |
| No comment, okay naman kasi | 8.00% |
| **VERY DISSATISFIED/SOMEWHAT DISSATISFIED** | |
| Complaint has strong connection with top management, ako pa ang nagkaroon ng usapin ngayon, board did not follow proper proceedings on promotions | 16.00% |
| Matagal ang action, delayed ang action, walang nangyayari hanggang ngayon e | 12.00% |
| Mabait ang leader at naniniwalang magbabago ang tao, naawa sa empleyado kaya pinalagpas na lang | 12.00% |
| Not all investigated cases have resolutions, lacking investigation mechanism | 8.00% |

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➢ What can you suggest to improve the system on internal reporting of corrupt and unethical behavior in your agency? (Top-most responses)

| Suggestions | Percent of Responses (%) |
|---|---|
| Protection for whistle blowers, security of tenure, confidentiality, give incentives | 28.33% |
| Conduct immediate investigation on all reports to know truths from suspicions only, create an independent investigating body with qualified heads, give assurance that corrupts will be apprehended, just punishment for offenders, no whitewash, reshuffle if needed | 22.50% |
| Have a clear procedure on internal auditing and whistle blowing, better if may reporting thru SMS, put suggestion box, should have feedback mechanism, provide hotline | 11.94% |
| Full cooperation of employees union, encourage employees to report unethical behavior, leadership by example, magtalaga ng isang hepe na honest, magkaroon ng lawyer | 9.72% |

## 8.4 Recommendations

➢ The agency should provide a written policy or guidelines in the conduct of internal reporting of information and reports on corruption and should be disseminated to **all employees** to make them aware that such policy guidelines are in placed. The existence of the present rules and procedures governing the conduct of administrative investigations and sanctions before the Committee on Personnel Discipline is a great step in coming up with specific guidelines on internal reporting and investigation. The proposed policy must give emphasis on the duty of the officials and employees, or even the public to some extent, to disclose any corrupt, illegal, improper or fraudulent act of their co-officials and / or co-employees, protection of the whistleblowers from any form of retaliation or reprisal, and encourage greater confidence in reporting any wrongdoing committed by its officials and employees.

➢ Relevant personnel must be trained to handle investigation of reports. Sanctions should be imposed to erring employees and officials on reported cases. On the other hand, incentives and protection should be given to whistleblowers.

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## 9. Corruption Risk Management

Although not widely practiced, corruption risk management is the first step required for a systematic response to corruption vulnerabilities. Risk assessment is an important management tool in detection and prevention of corruption. Risk assessment provides a systematic scrutiny of an organization's operations, systems and performance that can lead to identification of risks and opportunities for corruption. There is a tendency for an agency to be reactive in its assessment. Assessments are not enough, the agency should be proactive and device a plan for managing risks. Fraud and other forms of corruption maybe avoided if the agency regularly undertake a doable corruption risk management plan. In this plan, the agency can identify its high-risk functions, source the risk identified, and outline steps in controlling them.

| Rating | Levels of Achievement |
|--------|-----------------------|
| 1 | ▪ The agency recognizes the role of internal audit in the prevention and detection of fraud and corruption.<br>▪ The agency has identified its high-risk operations and functions. |
| 2 | ▪ The agency proactively undertakes assessment of corruption risk areas.<br>▪ Relevant agency personnel are trained on corruption risk assessment and corruption prevention planning.<br>▪ Results of corruption risk assessment are reported to management. Corruption and fraud risks identified are made known to employees. |
| 3 | ▪ The agency develops and implements a corruption risk management/corruption prevention plan to address identified risks.<br>▪ Time and resources are allocated, and managers are given clear tasks of implementing and monitoring the corruption risk management plan.<br>▪ Employees are encouraged and rewarded for identifying responses to corruption risks. |
| 4 | ▪ The agency's corruption prevention plan is supported/integrated in the corporate plan and other management plans.<br>▪ Corruption prevention focus is incorporated in management functions, policies, systems and procedures of the agency. |
| 5 | ▪ The agency's approach on corruption risk management is regularly reviewed for effectiveness in detecting and preventing corruption.<br>▪ Results of evaluation are used to enhance integrity measures and corruption prevention strategies. |

### 9.1 Corruption Risk Management at the DENR-Central Office

This area recognizes the fact that corruption risks thrive not only on financial operations but also in other operations that can create opportunities for corruption. Thus, the dimension primarily looks into whether or not management has already identified high risk areas in its operation. This is lodged in the function of the Internal Audit Service (IAS) with two (2) divisions : Financial Audit Division and Operation Audit Division duly approved by the Secretary on October 10, 2006.

As admitted by management, the Internal Audit Service has just started but higher management has already identified high risk areas that are actually being prioritized. Corruption is often deeply embedded in an agency's systems and procedures, making it difficult to fully define the dynamics contributing to corruption. A scanning therefore of all the possible sources of corruption risks is necessary. This includes the agency environment in which DENR operates. An assessment of the risks coming from the environment will include the following:

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### A. Significant Authorities

    a. Mandate of agency/goal and missions
        Project outside mission
    b. Laws and Regulations to be complied
    c. Budget dictates funds/programs and activities

### B. Internal Environment

    a. Expectation from top officials based on management philosophies, policies and practices
    b. Organizational structure and staffing of the agency lines of authority and accountability
    c. Goods and Services produced and rendered, programs, projects, nature and location of operations, sources of revenue and activities
    d. Financial Resources of revenue and activities
    e. Processes and transaction cycles.

### C. External Environment

    a. Priorities and concerns of oversight agencies
    b. Priorities of clients/customers and beneficiaries
    c. Concerns of Resource Providers
    d. All types of DENR Financial Transactions

There are inherent risks that the department/agency is facing in trying to achieve its goals.

An overall risk assessment will involve an in depth analysis of the following Sites of Risks/Management Plan.

| DENR Sites/Management Plan | Kinds of Risks |
|---|---|
| A. Manual of Approvals – All Offices Delegation of authority on Financial, Administrative and technical services | Illegal financial transactions/unauthorized transactions |
| B. Bids and Awards Committee (BAC)-All Offices Creation of committee based on R.A. 9184. Procedure under R.A. 9184 | Incomplete delivery pf goods and services Ghost deliveries Overstock/understock Goods and Services not needed |
| C. Accomplishment Reports and validation of Accomplishments Plans, targets and programs versus accomplishment reports (projects) | No monitoring/evaluation No. actual inspection of projects |
| D. Security Procedures and Disaster-Preparedness Teams – DENR-C.O. Implementation of EMS on Emergency and Preparedness Response | Damages/Problems to health and properties No prevention for sickness |

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| DENR Sites/Management Plan | Kinds of Risks |
|---|---|
| E. Information Technology Equipment/Programs (Firewall, anti-virus systems) – All Offices Employing I.T. Programmers and Technicians | Frequent repairs and maintenance of I.T. Equipment |
| F. Safeguard of Assets – All Offices Inventory of Equipment. Memorandum Report (Acknowledgement Receipt of Equipment) Insurance of Vehicles | Lost equipment Steal properties Destroyed Properties |
| G. Environment Impact Statement (EIS) System – EMB Procedures in securing ECC are displayed in noticeable area | Long time processing of ECC Lost of supporting documents No available signatories Not properly evaluated |
| H. Environment Management System Manual (EMS) – DENR C.O. Procedure of 17 elements Procedure and work instruction – SOP's | Wastage; pollution No environmental compliance |

**9.2 Assessment**

| CORRUPTION RISK MANAGEMENT | Central Office | CALABARZON Reg IVA | Central Visayas Reg VII | CARAGA Reg XIII | Team Rating |
|---|---|---|---|---|---|
| Agency Rating | 1 | 0 | 0 | 1 | **1** |
| Deployment Score | 0-10% | - | - | 70-80% | |
| Validated Rating | 1 | 0 | 0 | 1 | |

**DENR Central Office**.  The rating of this site for this dimension is at level 1 with 10 % deployment.  The department has recently set-up an Internal Audit Service recognizing its role in the prevention and detection of fraud and corruption and has identified its high-risk areas and functions.

**Region IV-A Calabarzon Area.**  The rating of this site is at level 0.  They all agreed that they do not know anything about corruption risk management.  No discussion was made on this dimension by the participants hence no strengths were identified.

**Region VII-Central Visayas.**  The rating of this site for this dimension is at level 0.  They have no internal audit system and has not identified its high risk function areas.  However, it is noteworthy to affirm that PENRO (Bohol) regularly conduct financial audit on the matter of inspection of every purchases made. Unfortunately, such practice does not include inspection of operations of management and its systems and procedures.

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**Region XIII-Caraga Region.** The rating of this site for this dimension is at level 1 with 70-80 % deployment.

Apparently, the rating for the agency as at level 1. The agency is able to set-up its Internal Audit System in the Central Office, although it has not yet utilized the system or has not made the same fully operational. It has just started to adopt the system by having the proposed organization and staffing of the Internal Audit Service in the Central Office. However, it has not been disseminated yet to the Regional/Sectoral/Field Offices of the DENR. Nonetheless, the agency deserves to be affirmed as it recognizes the value of internal audit.

Moreover, the agency identified its high-risk operations. It has also identified specific areas wherein the different kinds of corruption risks could exists especially in the following areas of management: Manual of Approvals, Bids and Awards Committee, Accomplishment Reports and Validation of Accomplishments Plans and Targets and Programs versus Accomplishment Reports of Projects, Security Procedures and Disaster Preparedness, Information Technology Safeguard of Assets, Environmental Impact Statement and Environmental Management System.

### 9.3  Survey Results related to Corruption Risk Management

| Statement/s | Net Agreement Ratings | | | | |
|---|---|---|---|---|---|
| | Central Office | Region IV-A | Region VII | Region XIII | Agency Rating |
| **Internal Controls and Safeguards** | | | | | |
| Our agency implements measures to identify potential fraud and corruption. | 2.40 | 2.40 | 2.23 | 2.12 | 2.28 |
| It is difficult to corrupt our current system of operations. | 2.77 | 2.41 | 2.45 | 2.23 | 2.45 |
| Employees in our agency are trained to prevent fraud. | 2.63 | 2.46 | 2.27 | 2.12 | 2.35 |
| Employees in our agency are trained to detect fraud. | 2.67 | 2.49 | 2.44 | 2.31 | 2.47 |
| Our agency is successful in fighting corruption. | 2.65 | 2.49 | 2.49 | 2.28 | 2.46 |

There is generally slight agreement with regards to the overall success of the agency in preventing corruption in its operations despite bordering on a split opinion regarding employee training in detecting fraud. The Central Office, however, was in slight disagreements in all statements regarding corruption risk management of the agency.

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**Open- ended Question Results**

Here are the responses for the following questions:

➢ What are the types of corruption that may occur in this agency? (Probability of occurrence)

| Statements | Net Agreement Ratings | | | | |
|---|---|---|---|---|---|
| | Central Office | Region IV-A | Region VII | Region XIII | Agency Rating |
| **Types of Corruption** | | | | | |
| Negligence of duty | 2.78 | 2.18 | 2.19 (2) | 1.96 (1) | 2.25 (2) |
| Falsification of documents | 2.52 | 2.11 | 1.68 | 1.67 (3) | 1.97 |
| Illegal use of public funds | 2.91 (2) | 2.17 | 1.81 | 1.66 | 2.13 (5) |
| Unauthorized collection of funds | 2.07 | 1.99 | 1.52 | 1.43 | 1.74 |
| Nepotism/Favoritism | 3.07 (1) | 2.58 (1) | 2.29 (1) | 1.90 (2) | 2.45 (1*) |
| Disclosure of confidential information | 2.30 | 1.95 | 1.82 | 1.73 | 1.94 |
| Collusion with Bids and Awards Committee | 2.46 | 1.88 | 1.69 | 1.59 | 1.88 |
| Overpricing of Bids | 2.82 | 2.18 | 1.83 | 1.53 | 2.07 |
| Collusion with suppliers | 2.83 (3) | 2.22 (2) | 1.76 | 1.62 | 2.11 |
| Forgery or fraud | 2.33 | 1.95 | 1.30 | 1.52 | 1.76 |
| Theft of public resources | 2.68 | 1.78 | 1.51 | 1.43 | 1.81 |
| Accepting bribes | 2.77 | 2.33 (3) | 1.99 (3) | 1.64 | 2.16 (3) |
| Abuse of discretion/power | 2.75 | 2.28 | 1.98 | 1.65 | 2.15 (4) |
| Corruption of Filipino values, e.g. pakikisama, hiya, etc. | 2.39 | 1.95 | 1.96 | 1.63 | 1.97 |
| Tolerance of fixers | 2.33 | 2.18 | 1.75 | 1.56 | 1.93 |

\* Highest

From among the different types of corruption, nepotism/favoritism (high) ranked the highest in terms of likelihood ratings, followed by negligence of duty (medium) and accepting bribes (medium).

At the Central Office, illegal use of public funds and collusion with suppliers also figure prominently as top responses.

➢ What can you suggest to prevent corruption?

| Suggestions | Percent of Responses (%) |
|---|---|
| Dedication to work, leadership by example, do not abuse authority, be vigilant, iwasan tumanggap ng suhol, avoid nepotism and favoritism, simple living, avoid bribery, avoid fixers, ipatupad ang professionalism, avoid extra-marital relationships leading to need for more money to fund other relationships | 19.55% |
| Instill proper values to employees/all personnel, effective monitoring by the head, seminar for employees on anti-graft and corruption, let employees participate in decision making process, educate employees about corruption, pre-auditing, re-orientation, values formation | 16.04% |
| Clear cut policy about corruption and corruption reporting, strict implementation of rules and regulations, dapat walang chance to do corruption, strict implementation of work and financial plan, don't allow suppliers to transact table to table, iklian ang proseso para walang chance for corruption, delegate authorities, proper bidding procedure, refresh policies and guidelines | 11.03% |

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| Suggestions | Percent of Responses (%) |
|---|---|
| Transparency and accountability in all transactions, magkaroon ng representative from NGO, include in inspection all foreign funded activities and all other activities that by-pass accounting | 6.77% |

### 9.4 Recommendations

In order for the agency to do systematic response to corruption vulnerabilities, it is strongly recommended that the agency shall make the **Internal Audit Service** fully operational in compliance to Administrative Order No. 15 dated November 2, 2006

Likewise, the agency identified corruption risks areas should be given emphasis for monitoring so as to prevent and/or minimize the incidence of fraud or corruption being committed. Appropriate training should be given to agency personnel tasked to monitor and look after each corruption risk area being identified and/or other management area which may be identified later on as corruption risk and shall report to management his assessment. Management in return shall propose measures to prevent and/or minimize the occurrence of such fraudulent act leading to corrupt incidence.

Finally, the abovementioned propose measures of the agency shall be communicated to all employees within the agency to enhance its anti-corruption programs and activities thereby minimizing the incidence of fraud and corrupt practices.

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## 10. Interface with External Environment

This dimension tackles mainly on how the agency deals with its transacting public including what measures are being taken or established in order to prevent corruption that involves external party/parties. Corruption incidences within an agency normally involve an external party. Agencies should effectively manage their external environment to contain corruption. Management of external environment includes promoting the agency-established process of doing business, clarifying condition of engagements, and responding to the needs of the clients.

| Rating | Levels of Achievement |
|--------|----------------------|
| 1 | ▪ The agency has established an information system to inform the public of its services, policies, rules and procedures.<br>▪ The agency has a policy on disclosure of information to the public. |
| 2 | ▪ The agency proactively disseminates information on its services, policies, systems and procedures to the transacting public. Procedures for frontline transactions (that includes standard processing time, fees, persons responsible, specification of the transacting area, etc) are posted in public areas.<br>▪ The agency employs systems to avoid long queues and prevent "facilitators" of transactions. |
| 3 | ▪ The agency has a mechanism to check that the published rules, procedures, and standards are being met (e.g. client complaints/feedback mechanisms, service charter)<br>▪ Relevant personnel are given training on how to handle and resolve complaints.<br>▪ Managers monitor compliance with service standards and ensure transactions are isolated from undue interference (i.e. patronage and bribery). |
| 4 | ▪ The agency has a full and complete record of complaints and feedback from clients. Complaints and feedback from clients are analyzed to identify possible incidence of corruption.<br>▪ Records of releases of information are examined. Results of analysis are correlated with incidence of corruption.<br>▪ The agency has a mechanism to provide redress for failure to comply with its service guarantees. |
| 5 | ▪ The agency regularly reviews its system of managing interface with external environment for effectiveness in preventing corruption and enhancing integrity.<br>▪ Results of the review are used to strengthen the policies/systems on disclosure of information; service delivery and in dealing with external parties. |

### 10.1 Description of the Agency System/Processes relevant to the Dimension

The agency has established an information system to inform the public of its services, policies, rules and procedures thru the existence of websites in the Central and Regional Offices, specifically for the four (4) selected sites for the integrity assessment of DENR. These are the Central Office (CO), Region IVA (CALABARZON), Region VII (Cebu) and Region XIII (CARAGA). Moreover, DENR Administrative Order (DAO) No. 1 series of 1988 was issued for the creation of the Public Affairs Office (PAO). The PAO serves as the public information arm of the Department and is responsible for disseminating information on environment and natural resources development policies, plans, programs and projects and respond to public queries on these concerns.

As for the regions, there's the issuance of MC No. 2004-03 (*dated Feb 23, 2004*) signed by then Secretary Elisea G. Gozun. The said memorandum circular states that the agency recognizes the need to strengthen the

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Regional Public Affairs Office (RPAO) to further promote efficiency and effectiveness in the delivery of information, education and communication (IEC) service to the public. Likewise, basic information relevant to the agency's services to the transacting public is posted in public areas such as the Bulletin Boards in all the sites (including the agency's mission and vision; the DENR roadmap is also posted at the Central Office). Each of the offices has its workflow charts to guide the public/clients on their operations, systems and procedures.

### 10.2 Assessment

| INTERFACE WITH EXTERNAL ENVIRONMENT | Central Office | CALABARZON Reg IVA | Central Visayas Reg VII | CARAGA Reg XIII | Team Rating |
|---|---|---|---|---|---|
| Agency Rating | 2 | 2 | 2 | 2 | **2** |
| Deployment Score | 80% | 50-60% | 90-100% | 90-100% | |
| Validated Rating | 2 | 2 | 2 | 2 | |

**DENR Central Office.** Rating for the Central Office for this dimension is 2. The agency has established an information system to inform the public of its services, policies, rules and procedures thru its Public Affairs Office (PAO) and thru the existence of its website (www.denr.gov.ph). They also said that DENR has a policy on disclosure of information to the public as written in a DENR Administrative Order (DAO) No. 97-24[18]. Even the approved contracts such as Memorandum of Agreements, purchase and job orders of the agency are directed to be posted in the DENR website in response to the directive of the Office of the President to effectively implement and promote transparency in government transactions[19].

Under the indicators in level 2, Central Office also said they proactively disseminate information on its services, policies, systems and procedures to the transacting public thru their website and flowcharts that are posted in their walls or bulletin boards. The agency's roadmap is also posted in the Central Office including their Major Final Outputs (MFOs). DENR Textcast 5777 also serves as an additional communication platform of the agency. The said platform aims to improve the agency's internal communications and help improve the delivery of public services.

The agency has also employed systems to avoid long queues and prevent "facilitators" of transactions, such as the two initiatives set by the agency tentatively called InfoServ (Information Service) and the Document Action Tracking System (DATS). The implementation of the two major initiatives[20] is to facilitate internal communications and improve the agency's response to public inquiries, complaints and other communications.

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[18] DENR Policy on the Release or Disclosure of Information dated July 30, 1997
[19] MC No. 2005-008 dated July 7, 2005, Posting of Government Contracts on DENR Website
[20] Memorandum from the Secretary, Elisea G. Gozun, dated May 9, 2003

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**DENR – Region IVA (CALABARZON).** Region IVA's rating is also 2. The agency has established an information system to inform the public of its services, policies, rules and procedures thru its RPAO, newsletters, and thru the existence of its website (www.calabarzon.denr.gov.ph). It has a policy on disclosure of information to the public through the DAO 97-24 that states the classification of information.

CALABARZON also proactively disseminates information on its services, policies, systems and procedures to the transacting public thru handbooks (like the EMB Information Kit that states about the profile and services of the bureau), newsletters, one-page flyer, and posters plus door-to-door campaign done by field personnel of LMS. Workflow charts are also posted in their bulletin boards to guide the public/client on their procedures.

It has also employed systems to avoid long queues and prevent "facilitators" of transactions such as designating Officers of the Day (OD) to assist the public in their day-to-day transactions. Also, the implementation of the Document Action Tracking System (DATS) hastens the transactions made by the public.

**DENR – Region VII (Cebu).** As for Region VII, the rating is also 2. The agency has established an information system to inform the public of its services, policies, rules and procedures thru its RPAO. It has a policy on disclosure of information to the public. Likewise, the agency also proactively disseminates information on its services, policies, systems and procedures to the transacting public. Procedures for frontline transactions (like flowcharts) that includes standard processing time, fees, persons responsible, specification of the transacting area, etc. are posted in public areas such as the Bulletin Boards of the regional and respective sectoral field offices. It has also employed systems to avoid long queues and prevent "facilitators" of transactions.

Considered as strength in Region VII is the existence of a Suggestion Box which serves as feedback mechanism to check that the published rules, procedures and standards are being met. (Complaint boxes/suggestion boxes can be found at security guard posts). Moreover, the agency adopted the CSC Pasada Project – Personnel Audit System, wherein the agency's transactions are acted upon within prescribed period. The agency also conducts monthly technical conferences to discuss how to improve operations particularly causes of delays of transactions. Likewise, relevant personnel are trained on the handling and resolution of complaints such as Mediation Seminar/Training Programs.

**DENR Reg XIII – CARAGA.** Region XIII also merits a score of 2. The agency has established an information system to inform the public of its services, policies, rules and procedures thru its Regional Public Affairs Office (RPAO)[21], bulletin boards and its website (www.caraga.denr.gov.ph). Particular strengths for the region are their radio programs, newsletter, and TV interviews (local news) to further inform the public of the agency's services. Region XIII also satisfies the specific indicator of having a policy on disclosure of information through the issuance of a Memorandum from the Secretary on classification of information.

Likewise, the agency also proactively disseminates information on its services, policies, systems and procedures to the transacting public thru their website and flowcharts that are posted in conspicuous places like the bulletin boards. The three (3) radio stations of the region (DXKS, DXSM, and DXJM) are their additional means of disseminating information to the public/clients.

The CARAGA Region has also employed systems to avoid long queues and prevent "facilitators" of transactions. One system employed by the region is the designation of Officers of the Day (OD)[22] to help facilitate a smooth

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[21] Existed as a section office of the DENR under the Administrative Division when the Caraga Region under the passage of RA 7901 on February 23, 1995 was established. Later, supervision and control of RPAO was transferred to the Office of the Regional Executive Director under a special order signed by the DENR Secretary.

[22] The creation of the Officer of the Day (OD) is an internal policy wherein each sector assigns a staff acting as "officer of the day" on duty. The said OD mans a desk set up at the entrance of the front gate and receives and logs all visitors coming in. The OD directly refers client/s with complaints and/or issues to the head of the concerned sector. Usually, these complaints and/or issues are not reflected in the logbook of the OD. The concerned clientele with an issue or complaint at hand is informed where to go and referred to the right person who could act on their problem.

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flow of transaction among the public. Suggestion boxes can also be found at security guard posts which serves as a venue for clients to log-in their comments/suggestions and even complaints. They can even send e-mails to lodge the complaints of clients. Conspicuously posted is the notice "Bawal and Fixer" to remind clients to transact business directly with DENR personnel.

Note mentioning as strengths of Region XIII to almost merit a rating of 3 are the following: (a) training of relevant personnel on the handling and resolution of complaints/conflicts such as CSC Basic Customer Service Skills (BCSS); (b) issuance of the DENR - Mines and Geosciences Bureau (MGB) Special Order (SO) designating 2 of their personnel as Bilis Aksyon Partners (BAPs) to handle all feedback/reports received from the public or from the different offices and other government and non-government offices in handling complaints, request for assistance, commendations and suggestions (in compliance with the CSC Memorandum Circular No.6 series of 2006). With the said SO, this will surely help the agency address the concerns of their clients in order to improve delivery of services and further enhance client satisfaction.

## DENR CARAGA Region

- Regulatory Functions:

| Type of Regulation | Agency Powers | No. of Violators apprehended annually | Types of sanctions/ Amounts of penalties |
|---|---|---|---|
| PD 705 (Forest Regulation) | Apprehension/seizure of illegal forest products | 10 | Cases are filed in court |
| Anti-Fake Title | | None | - |

- Client Complaints:

| Type/Nature of Complaints | Number of Complaints Annually | Agency Response |
|---|---|---|
| Conflict over land matters | Complaints are entertained directly by the sector concerned | Decision on the land conflict takes longer between Lands and the Legal Division |

As for the **team rating**, DENR merits a score of **2** for this dimension because the agency was able to satisfy all the indicators in level 1 and 2. The agency has established an information system to inform the public of its services, policies, rules and procedures thru its Public Affairs Office (PAO), the Regional Public Affairs Office (RPAO) and its website. The PAO serves as the public information arm of the Department while the RPAO is the implementing arm of the DENR Information, Education and Communication (IEC) program in the regions. RPAO also takes an active role in the regional IEC program thru coordination with DENR sectors and officials in the planning and development of a regional communication plan.

The DENR Administrative Order No. 97-24 is in response to the second bullet of level 1 that is, having an agency policy on disclosure of information. The said department AO reinforces the promotion of transparency in all official transactions of the government involving public interest. All DENR written documents, as stated in Section 3 of the said DAO, shall be classified or categorized as: (a) For general/public circulation (PC); (b) For limited circulation (LC); (c) Restricted Documents (RD); (d) Confidential Documents (CD); and (e) Top Secret/Secret Documents (TS/S).

Likewise, the directive by then Secretary Michael T. Defensor as reflected in the Memorandum Circular (MC) No. 2005-008 to post all government contracts on the DENR website further promotes transparency in agency transactions.

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Under the indicators in level 2, the agency proactively disseminates information on its services, policies, systems and procedures to the transacting public.  Aside from the website of the agency (with links with the other regional offices) to inform the public of their services and systems and procedures, workflow charts are posted in public areas.  Flowcharts are posted in the walls and bulletin boards of the office to guide the public on their operations, systems and procedures (even the agency's roadmap is posted in the Central Office including their Major Final Outputs - MFOs).  An additional communication platform of the agency is the DENR Textcast 5777.  DENR Textcast 5777 aims to improve the agency's internal communications and help improve the delivery of public services.  DENR Textcast 5777 system is a premium group text messaging service provided by Smart and Globe telecommunication networks to enhance the agency's internal communications and facilitate quick response to public information requests, inquiries, complaints, and reports.

It has also employed systems to avoid long queues and prevent "facilitators" of transactions, such as the initiatives set by the agency tentatively called InfoServ and the DATS.  The implementation of the said initiatives is to facilitate internal communications and improve the agency's response to public inquiries, complaints and other communications.  InfoServ is envisioned to be the Department's coordinating office for public information requests, inquiries and other communications, while DATS is the integrated system for tracking the progress on response and actions taken on formal correspondences both internal and external.

With all these initiatives and justifications, DENR truly merit a score of **2**.

**10.3 Survey Results related to Interface with the External Environment**

| Statement/s | Net Satisfaction Ratings | | | | |
|---|---|---|---|---|---|
| | Central Office | Region IVA | Region VII | Region XIII | Agency Rating |
| Overall, operations in our agency are clear and easily understood. | 2.24 | 2.09 | 2.15 | 2.03 | 2.12 |
| Actual practices in our agency are consistent with written procedures and policies. | 2.57 | 2.31 | 2.31 | 2.12 | 2.31 |
| Complaints and feedback of clients are acted upon in our agency. | 2.07 | 2.06 | 2.09 | 1.89 | 2.03 |
| Complaints and feedback of employees are acted upon here in our agency. | 2.59 | 2.45 | 2.42 | 2.24 | 2.41 |

Slightly positive to moderately positive net agreement ratings were reported across all sites in terms of factors affecting interface with the external environment.   Higher ratings were observed in Region XIII while lower ratings were observed in Central Office.

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**Open- ended Question Results**

Listed below are the top-most responses and their corresponding percentages for the following open-ended questions:

➢ What are the common complaints of your agency's clients?

| COMMON COMPLAINTS | Percent of Responses (%) |
|---|---|
| Slow processing of process/applications, slow delivery of service (flow of communication/process), slow processing of requests, delayed action/no action taken until requirements are completed, not computerized processes (overly manual processes and retrieval of old files, masyadong mahabang processes | 36.50% |
| Clients are not entertained well, clients are not informed well that OCC's are required for licensing in LGU, no orientation/briefing to new personnel, nangangamoy na certificates, daming requirement some of which are not relevant today, lack of manpower | 16.50% |
| Changing policies leading to confusion of clients (pabalik-balik for requirements), frequent change in management affecting processing/operations, absenteeism of top officers causing delay, frequent reshuffling | 7.75% |
| Illegal cutting of trees, granting permit to cut fast growing tree species, illegal logging and land dispute, pollution, illegal mining, illegal quarrying, illegal extraction of minerals, landslides, geo-hazard and sanitary landfills | 7.00% |

➢ What can you suggest to improve the services of your agency?

| Suggestions | Percent of Responses (%) |
|---|---|
| Dedication to work, come to work early, prompt action to grievances of clients, cooperation, be sensitive to the needs of the clients, be approachable, huwag bastos, show professional competence, maging output oriented, obey the law, have consistency, huwag maging suplada, everybody should do his work | 19.70% |
| Workshop for rank and file, information dissemination campaign for processes and requirements, consultation, seminar-workshops, IEC, more trainings, have a clear feedback mechanism, leaflets and flyers, suggestion box, encourage consultation with people, conduct public hearings | 15.27% |
| Additional manpower, put highly competent and right individual to right job, capable leaders, remove corrupt officials, leaders who could be good examples, magkaroon ng alternates, do not hire politicians if possible, put knowledgeable head in offices, policy reviews | 12.56% |
| Give allowances, increase salary, sasakyan for official use, logistics support para sa mga sites, additional fund, fund for travel expense | 11.08% |
| Strictly and consistently implement rules and regulations, compliance to CSC rules and regulations, full implementation of lamp, itama ang sistema, give well-defined roles to personnel, proper imposition of penalties to guilty employees | 9.61% |
| Shorten processing steps, remove unnecessary steps in processing, expedite processing, bawasan ang pumipirma sa mga dokumento, streamlining of all processes, organize procedures, reshuffle of key officials, equal distribution of work, assign alternate signatories for continues processing, lessen requirements, delegate authorities, synchronization of functions | 9.61% |

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**10.4 Recommendations**

For the region to merit a higher score (that is to have a rating of 3), the following steps must be considered:

- Formal training for relevant personnel such as the frontliners on how to handle and resolve complaints must be undertaken in order to have a smooth and efficient delivery of services to clients and other stakeholders and eventually improve client satisfaction

- Installation of a mechanism to check that all the published rules, procedures, and standards of the agency are met.  Processes and mechanisms both on how to go about with the complaints from clients and how to provide feedback to them must be installed

- Compliance with service standards should be monitored by Senior Officials (such as action on client feedback) to ensure improved service delivery

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## B. SURVEY RESULTS

1.0     Respondent Profile

A total of 370 respondents were interviewed from the Department of Environment and Natural Resources (DENR) coming from 4 sites: Central Office (CO), Region IVA, Region VII and Region XIII.

1.1 Education

Respondents of the survey were highly educated across all 4 sites.  Two-thirds of the respondents have at least a college degree (62.97%), with 13.78% of the employees with post-graduate degrees (MA/MS or PhD).

## Education Profile
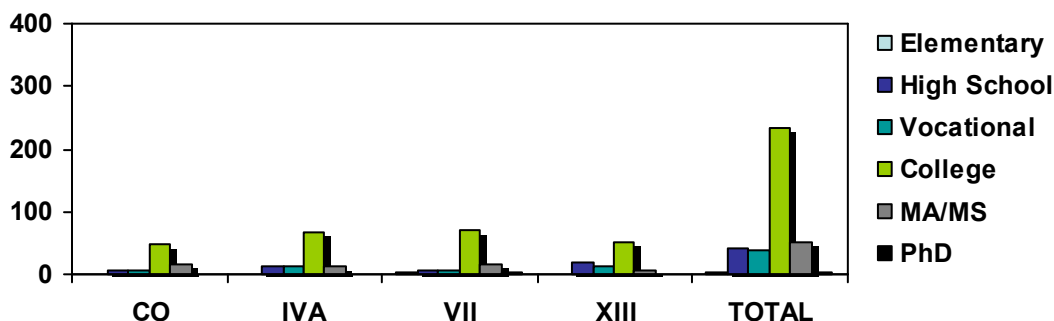


Table 1.1  Educational Attainment Distribution by Site in Frequency & Percentage

| Educational Attainment | Central | Region IVA | Region VII | Region XIII | Agency Total |
|---|---|---|---|---|---|
| Elementary | 0 | 0 | 2 | 1 | 3 |
|  | 0.00% | 0.00% | 2.00% | 1.11% | 0.81% |
| High School | 5 | 12 | 6 | 19 | 42 |
|  | 6.67% | 11.43% | 6.00% | 21.11% | 11.35% |
| Vocational | 6 | 14 | 5 | 13 | 38 |
|  | 8.00% | 13.33% | 5.00% | 14.44% | 10.27% |
| College | 47 | 66 | 69 | 51 | 233 |
|  | 62.67% | 62.86% | 69.00% | 56.67% | 62.97% |
| MA/MS | 17 | 12 | 16 | 6 | 51 |
|  | 22.67% | 11.43% | 16.00% | 6.67% | 13.78% |
| Ph.D. | 0 | 0 | 2 | 0 | 2 |
|  | 0.00% | 0.00% | 2.00% | 0.00% | 0.54% |

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1.2 Work Profile

Most of the respondents occupy non-supervisory positions (83.24% of total) with nearly one-hundred percent (93.78%) of permanent status. Three respondents were on contractual, fifteen were on a temporary status and two were on job order status.

**POSITION**



**STATUS**



**SCOPE OF WORK**



**YEARS OF WORK**



In terms of scope of work, 94.66% of respondents from DENR Central Office were involved in central activities while the remaining 5.33% were of the Regional and Provincial Scope. Between 57-72% of respondents from Region IVA, Region VII and Region XIII are involved in regional activities and between 12%-19% in national activities. Twenty percent (20%) of respondents in both Region VII and Region XIII were also involved in provincial activities.

More than eighty percent (81.35%) of the respondents have been in active service at the DENR for at least 10 years. About 10 percent (9.46%) of the respondents have served between 5-9 years and a little over 9 percent (9.19%) served in less than 5 years.

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Table 1.2   Work Profile Distribution by Description and by Site

| Description of Work | | Number of Respondents | | | | Agency Total |
| --- | --- | --- | --- | --- | --- | --- |
| | | Central | Region IVA | Region VII | Region XIII | (%) |
| POSITION | Supervisory | 17 | 14 | 23 | 7 | 16.49% |
| | Non-Supervisory | 58 | 91 | 77 | 82 | 83.24% |
| STATUS | Permanent | 66 | 98 | 96 | 87 | 93.78% |
| | Temporary | 6 | 7 | 1 | 1 | 4.05% |
| | Contractual | 0 | 0 | 3 | | 0.81% |
| | Job Order | 0 | 0 | 0 | 2 | 0.54% |
| SCOPE | Central | 71 | 2 | 2 | 1 | 20.54% |
| | Regional | 3 | 35 | 47 | 24 | 29.46% |
| | Provincial | 1 | 43 | 19 | 18 | 21.89% |
| | City | 0 | 0 | 9 | 9 | 4.86% |
| | Municipal | 0 | 25 | 23 | 38 | 23.24% |
| YEARS | 0-1 yr | 1 | 1 | 7 | 1 | 2.70% |
| | 2-4 yrs | 7 | 10 | 2 | 5 | 6.49% |
| | 5-9 yrs | 4 | 11 | 5 | 15 | 9.46% |
| | 10-20 yrs | 36 | 37 | 45 | 28 | 39.46% |
| | >20 yrs | 27 | 46 | 41 | 41 | 41.89% |
| TOTAL RESPONDENTS | | 75 | 105 | 100 | 90 | 370 |

## 2.0    Survey results

The survey instrument focuses on twelve (12) areas of inquiry, namely:
1.   Leadership and Organizational Culture
2.   Code of Conduct
3.   Gifts and Benefits
4.   Human Resource Management
5.   Performance Management
6.   Procurement Management
7.   Financial Management
8.   Whistle blowing, Internal Reporting and Investigation
9.   Corruption Risk Management
10.  Interface with External Environment:
11.  Types of Corruption
12.  Perceptions and attitudes regarding corruption reporting

A 6-point Likert scale was utilized in order to assess the level of agreement or disagreement of the respondents to specific terms relevant to corruption prevention.  Levels of agreement range from Strongly Disagree (SD) to Strongly Agree (SA) and include Don't Know and Refuse to Answer.

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Using a 4-pt weighted scale system, net ratings were computed for statements in each of the 12 areas of inquiry. Zero weight is given to "Don't Know" and "Refuse to Answer" responses. The weighted rating is computed using the following formula:

| Response Scale | Weight | Frequency | | Scale x Frequency |
|---|---|---|---|---|
| Strongly Agree | 1 | A | | 1 x A |
| Agree | 2 | B | | 2 x B |
| Disagree | 3 | C | | 3 x C |
| Strongly Disagree | 4 | D | | 4 x D |

NET RATING = [ (1 x A) + (2 x B) + (3 x C) + (4 x D) ] / Total no. of respondents

To interpret net ratings, the following guideline can be used:

- 1.00 - 1.79 = Highly positive net agreement
- 1.80 - 2.21 = Moderately positive net agreement
- 2.20 - 2.49 = Slightly positive net agreement and % undecided is substantial
- 2.50 = Split opinion
- 2.51 – 2.80 = Slightly negative net agreement and % undecided is substantial
- 2.81 – 3.20 = Moderately negative net agreement
- 3.21 – 4.00 = Highly negative net agreement.

A split opinion is obtained with a net weighted rating of 2.5. A positive net agreement occurs if the net rating is less than 2.5 and a negative net agreement is reached if the net rating is greater than 2.5. The lower the net rating, the positive net agreement to the statement increases. Conversely, the higher the net rating, the negative net agreement to the statement increases.

Comparison of means were also conducted using a One-way ANOVA statistic comparing each statement against five (5) work descriptions of Position, Status, Nature of Work, Scope of Work and Years of Service. This was performed separately for each of the four sites. Significant differences in responses were noted for significance values of 0.05 or less. The One-way ANOVA Tables are provided in the Appendix for reference. Results with significant differences are highlighted in bold numbers in these ANOVA tables.


## A. Leadership And Organizational Culture

Slightly negative net agreement was observed in DENR Central Office with regards leadership concerns. Moderately positive net agreements pertaining were observed at DENR Region IVA, Region VII and Region XIII. A highly positive net rating for professionalism was obtained from Region XIII.

Significant differences in responses from the regional sites were observed as follows:
- Although positive net agreement to Statement 1 in Region IVA tend to increase with longer years of service, negative ratings were likely to be associated with those who have been with the agency for at least 10 years.
- Positive net agreement regarding professionalism tend to increase in Region VII as years of service increase.
- Highly positive ratings for professionalism in Region XIII were attributed to employees with post-graduate degrees.

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Table 2.1  Net Ratings for Leadership by Site

| Statement/s | CO | Region IVA | Region VII | Region XIII | Agency Total |
|---|---|---|---|---|---|
| 1. Managers in our agency do not abuse their authority. (Hindi umaabuso sa kapangyarihan ang mga namumuno o manager ng aming ahensiya.) | 2.58 | 2.15 | 2.11 | 1.87 | 2.15 |
| 2. Managers in our agency inspire employees to be "professional". (Ako ay nai-inspire ng mga namumuno o manager ng aming ahensya upang maging propesyonal sa aking trabaho.) | 2.32 | 2.00 | 1.87 | 1.75 | 1.96 |

## Statement 1
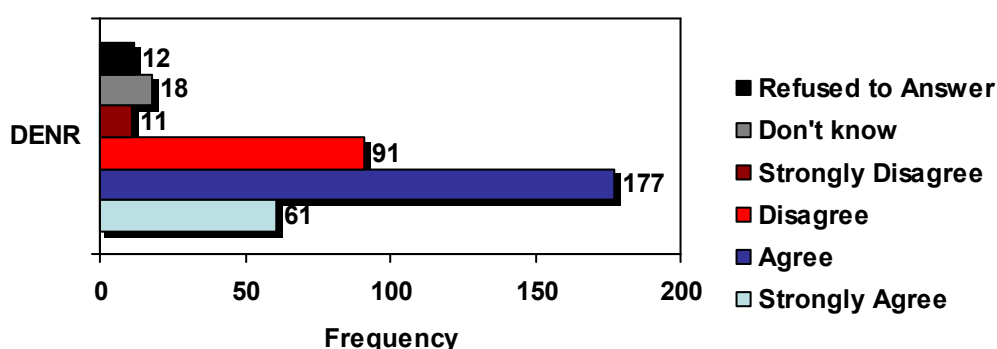


## Statement 2
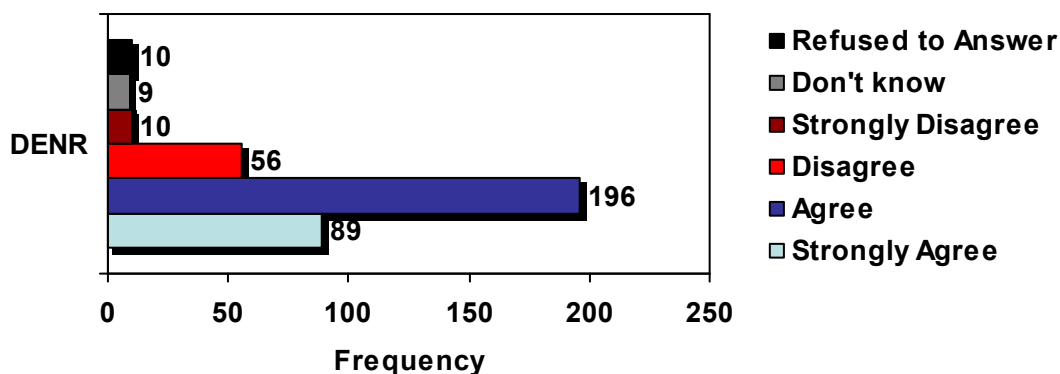


Question 3:  What can you suggest to improve the leadership's contribution in preventing corruption in your agency?

Table 2.2  Suggestions to improve the leadership's contribution in preventing corruption in your agency include:

| Suggestions | Frequency | Percent of Responses (%) |
|---|---|---|
| Advise employees to stop corruption, support for employees, constantly remind employees, be more approachable, be transparent, leadership by example, explain processes to employees, management by example, no politics should be involved, impart to employees code of conduct, involve employees in decision making, dedication to work, maging mahigpit na pinuno, treat employees fairly | 139 | 34.92% |

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| Suggestions | Frequency | Percent of Responses (%) |
|---|---|---|
| Higher wages and good benefits, salary increase, additional benefits, salary standardization | 72 | 18.09% |
| Conduct and participate in seminars or regular communications between management and rank-in-file, conduct briefings, lifestyle check, study PEL, attend seminars on anti-corruption, check and balance transactions | 58 | 14.57% |
| Follow rules and regulations, review and polish existing policies, create intelligence unit to control corruption, avoid unnecessary travels, implement strictly all rules and regulations, create multi-sectoral team to conduct inspections, constant familiarization with rules and regulations, remove corrupt officials, no politics in designation of leaders | 42 | 10.55% |
| Follow chain of command, punish offenders, report illegal activities (red tapes and lagay) | 24 | 6.03% |
| Hire leaders with integrity and clean (without vices), karapat-dapat na tao sa posisyon, highly qualified individual should be appointed | 16 | 4.02% |

Moderately positive agreement was recorded in terms of employees being consulted on policies that concern them. Differences in responses were noted in Region IVA and XIII. Positive net agreements were attributed to those involved in regional or provincial operations in Region IVA and from among those with post-graduate degrees in Region XIII.

In contrast, slightly positive net agreement was recorded with regards to the involvement of employees in the decision-making process of the agency except in CO wherein a slightly negative agreement is recorded. No significant differences in response were observed for this statement.

Moderate positive net agreement was recorded for open lines of communication in the agency. However, Region XIII recorded a highly positive net agreement. Significant differences in responses were obtained from among respondents of Region IVA wherein negative ratings are likely obtained from non-supervisory personnel.

Table 2.3 Net Ratings for Organizational Culture

| Statement/s | CO | Region IVA | Region VII | Region XIII | Agency Total |
|---|---|---|---|---|---|
| 4. Employees are consulted on policies that concern them. (Ang mga empleyado ay kinukunsulta sa mga patakarang may kinalaman sa kanila.) | 2.21 | 2.08 | 1.95 | 1.81 | 2.01 |
| 5. Employees are involved in making decisions. (Ang mga empleyado ay kasali sa mga pagdedesisyon.) | 2.51 | 2.19 | 2.21 | 1.95 | 2.20 |
| 6. Lines of communication are open. (Bukas ang mga linya ng komunikasyon.) | 2.16 | 1.90 | 2.00 | 1.70 | 1.93 |

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## Statement 4



## Statement 5



## Statement 6



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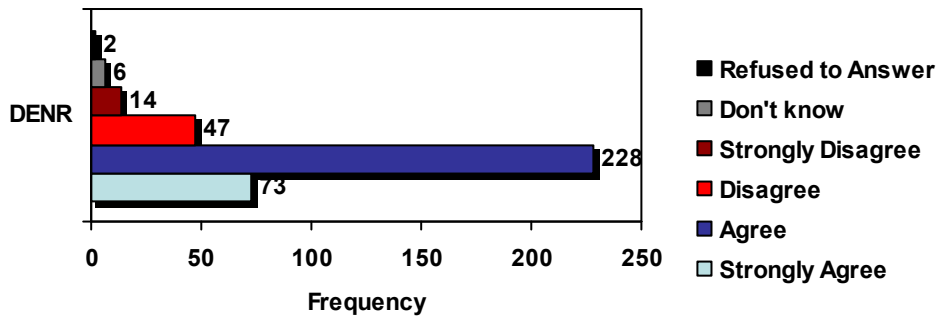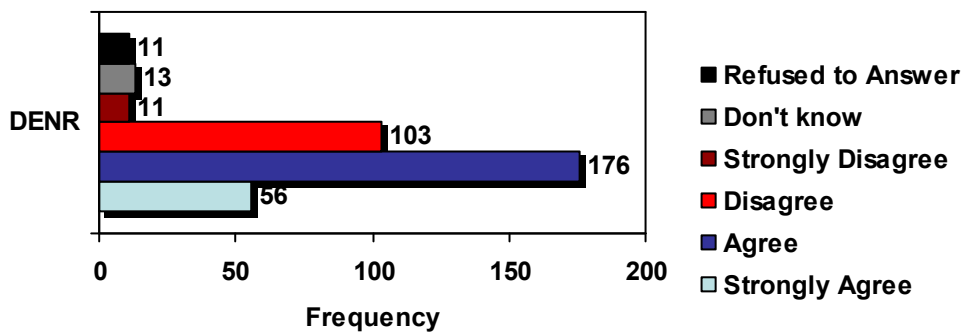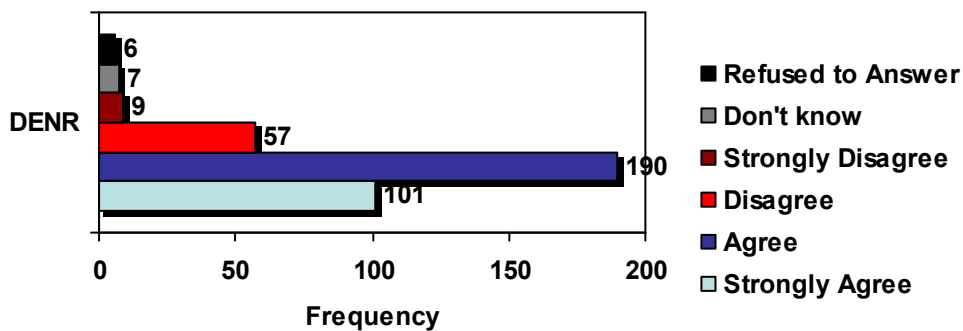
Question 7: What can you suggest to improve the responsibility of your employees?

Table 2.4 Suggestions to improve the responsibility of employees were:

| Suggestions | Frequency | Percent of Responses (%) |
|---|---|---|
| Give benefits and compensations to employees, additional benefits and compensation, additional salary, reward system, citations and appreciations even non-monetary | 154 | 37.75% |
| Bosses should be more approachable and attentive, agency should be more sensitive to the needs of the employees, leadership by example, strong leadership, strict management, open communication between rank and file, strict monitoring of employees by chiefs, fair treatment sa lahat, respect employees, trust employees, be transparent with co-workers, set employees mind why they should do their jobs, recognize contribution of employees, do work properly, no favoritism, transparency | 129 | 31.62% |
| Values training, more trainings, regular staff meetings, continuous consultation, educate employees, renewal of spirit | 47 | 11.52% |
| Strict adherence to merit system as prescribed by CSC, more clearly stated job objectives for employees, code of conduct, punish offenders | 25 | 6.13% |
| Fair chances for promotion, equal delegation of wok, adoption of merit system, eliminate office politics | 15 | 3.68% |
| More conducive work place, security of tenure | 4 | 0.98% |

**B. Code of Conduct**

Majority of the total respondents (81.08%) cited that the agency has a written code of conduct. Between 4.44% - 30% of the respondents replied No.

Table 2.5 Written Code of Conduct

| Statement | Response | CO | Region IVA | Region VII | Region XIII |
|---|---|---|---|---|---|
| 8. Does your agency have a written Code of Conduct? | YES | 63 | 81 | 70 | 86 |
| | NO | 12 | 24 | 30 | 4 |



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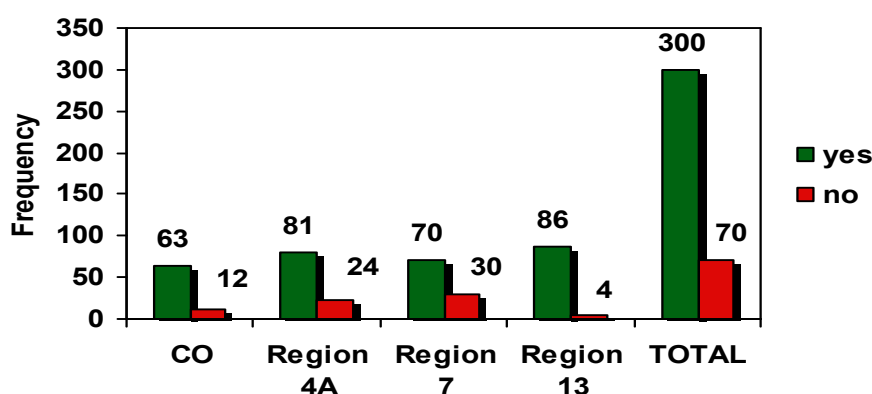
Central Office respondents cited moderate positive net agreement to a written code of conduct and slightly positive net agreement to adequate orientation and punishment of violators. Differences in responses in CO was observed with regards to punishment of offenders wherein negative ratings were most likely from respondents who have served the agency for at least 10 years.

Region IVA respondents cited moderately positive net agreement to compliance with the written code of conduct and to adequate orientation on the code, and slightly positive net agreement to punishment of violators.

Table 2.6  Net Rating for Code of Conduct by Site

| Statement/s | CO | Region IVA | Region VII | Region XIII | Agency Total |
|---|---|---|---|---|---|
| 9. A written code of ethical conduct being followed in our agency. (May sariling nakasulat na panuntunan ng wastong asal o gawi na sinusunod dito sa aming ahensiya.) | 2.08 | 1.83 | 2.04 | 1.73 | 1.90 |
| 10. Adequate orientation on the code of conduct and other corruption prevention measures are provided in our agency. (May sapat na pagsasanay na ibinibigay sa amin tungkol sa code of conduct at iba pang paraan upang mapigilan ang katiwalain dito sa aming ahensiya.) | 2.46 | 2.03 | 2.15 | 2.04 | 2.15 |
| 11. Those who violate the code of conduct are punished. (Napaparusahan ang mga lumalabag sa mga panuntunan ng wastong asal o gawi.) | 2.47 | 2.27 | 2.20 | 1.96 | 2.21 |

Moderate positive net ratings bordering on the slightly positive net rating were observed from among Region VII respondents. A higher net positive rating, moderate positive bordering on highly positive net ratings for all statements was observed among Region XIII respondents.

In Region VII, negative ratings on a written code of conduct were obtained from involved in regional and provincial operations. In Region XIII, responses regarding a written code of conduct were differentiated by education and scope. Highly positive ratings were observed from respondents with post-graduate degrees and/or from those involved in municipal operations. In terms of punishment of violators, respondents with non-supervisory positions in Region XIII were more likely to disagree.

Respondents involved in DENR Central operations had the most negative agreements to adequate orientation on the code (38.16%) and punishment of violators (39.47%).

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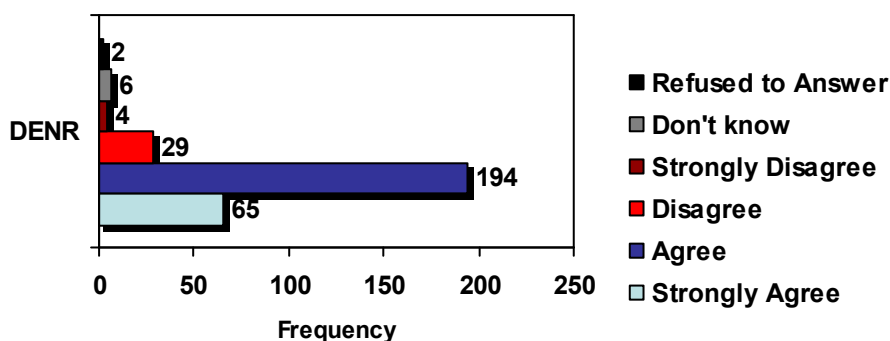
## Statement 9



## Statement 10
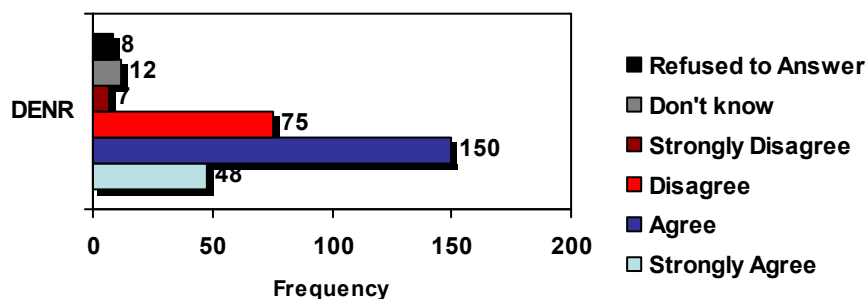


## Statement 11
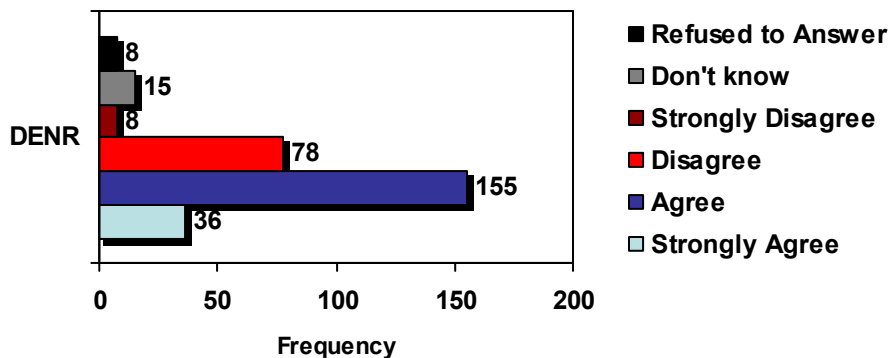


Majority of the respondents submitted their SALN for 2005.  However, 4% from Central Office, 6.67% from Region IVA, 8.08% from Region VII and 2.22% from Region XIII failed to submit their SALN for 2005.

Table 2.7  Collection of SALN

| Statement | Response | CO | Region IVA | Region VII | Region XIII |
|---|---|---|---|---|---|
| 12.  Did you submit your Statement of Assets and Liabilities and Net Worth (SALN) for 2005? | YES | 72 | 98 | 92 | 88 |
| | NO | 3 | 7 | 8 | 2 |

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**Question 12**
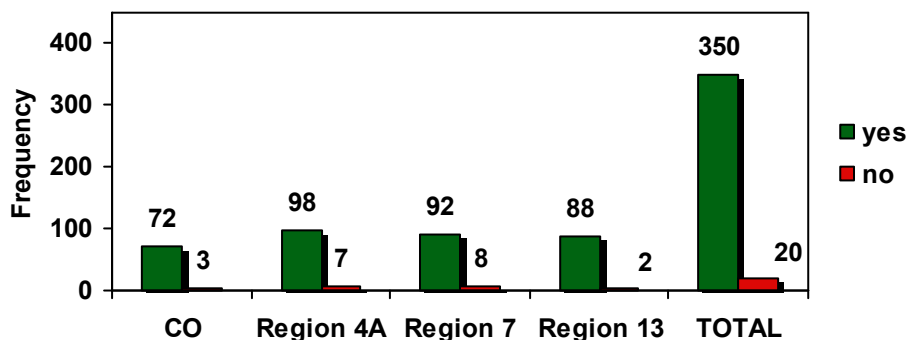


## C. GIFTS AND BENEFITS

With regards to the knowledge of the agency's written gifts and benefits policy, all sites showed negative response on having a written gifts and benefits policy.

Table 2.8  Written Gifts and Benefits Policy

| Statement/s | Response | CO | Region IVA | Region VII | Region XIII |
|---|---|---|---|---|---|
| 13.  Does your agency have a written policy on solicitation and gifts? | YES | 25 | 15 | 25 | 26 |
| | NO | 50 | 90 | 75 | 64 |

**Question 13**
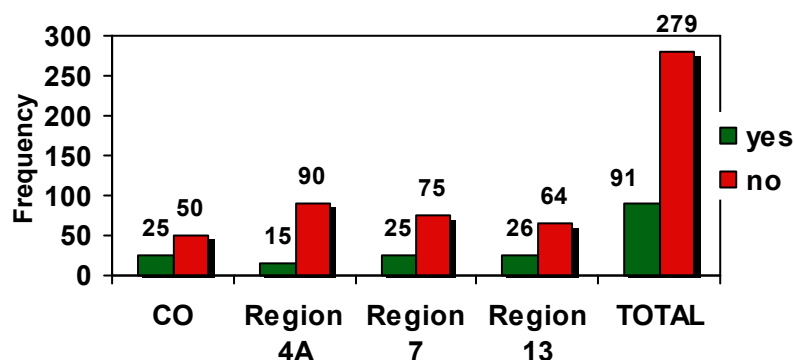


All sites showed positive net ratings for Gifts and Benefits.  Moreover there is an indication of a moderately positive agreement on the awareness of employees and of the transacting public on the agency's policy on gifts and benefits.  Only the Central office presented a slightly positive net rating on the awareness of the transacting public regarding the agency's policy on gifts and benefits.   No significant differences in responses were observed.

- When and to whom did you submit your most recent Statement of Assets and Liabilities (SAL)? (Kailan at kanino mo pinasa ang iyong pinakahuling SAL?)

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Table 2.9  Net Ratings for Gifts and Benefits by Site

| Statement/s | CO | Region IVA | Region VII | Region XIII | Agency Total |
|---|---|---|---|---|---|
| 14. The employees in our agency are made aware of the policy on solicitation and receiving of gifts.  (Ang panuntunan sa wastong asal o gawi ukol sa paghingi o pagtanggap ng mga regalo at benepisyo ay alam ng  mga empleyado sa aming ahensiyang.) | 2.05 | 2.00 | 1.72 | 1.88 | 1.89 |
| 15. The transacting public and suppliers know the policy of our agency on solicitation and receiving of gifts. (Pinapaalam ang panuntunan sa wastong asal o gawi ukol sa pagtanggap ng mga regalo at benepisyo sa mga klieyente at suppliers ng aming ahensiya.) | 2.23 | 2.00 | 2.00 | 1.92 | 2.04 |

## Statement 14
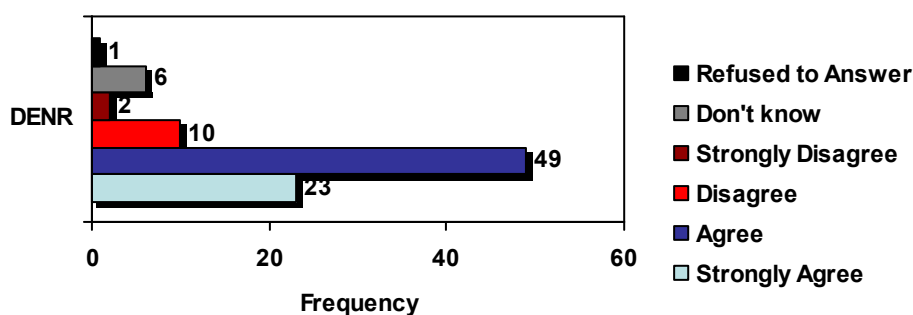


## Statement 15
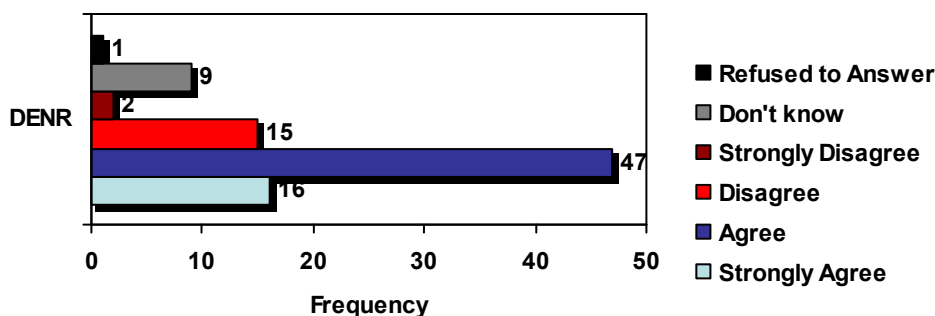


Question 16.  How much do you think is an acceptable personal gift to you from the transacting public or suppliers?

When asked, about eighty-five percent (85.67%) responded that no cash gift is necessary for them to render their duties as government servants.  However, those who did offer an amount varied from small values of less than P20-200, mid-values of P300-1,000 and high values from P1,500-P5000.

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Table 2.10  Values for Monetary Personal Gifts

| Amount | Frequency | Percent of Total |
|---|---|---|
| None or Zero | 317 | 85.67% |
| <= P20 | 2 | 14.32% |
| <= P50 | 8 | |
| <= P100 | 17 | |
| <= P200 | 10 | |
| P300 | 1 | |
| P500 | 8 | |
| P1,000 | 4 | |
| P1,500 | 1 | |
| P2,000 | 1 | |
| P5,000 | 1 | |
| Total | 370 | |

## D.  Human Resources Development

It is evident from the results that the agency follows a set of criteria for the process of recruitment and promotions as a moderately positive net rating was rendered on all sites with a slightly positive net rating under the Central Office.  In contrast, respondents indicated slightly negative agreements that the process was free from external influences.  In CO, those who were more likely to disagree that recruitment and promotions were free from external influences were from among those with post-graduate degrees.

Table 2.11  Net Ratings for Human Resource Development

| Statement/s | CO | Region IVA | Region VII | Region XIII | Agency Total |
|---|---|---|---|---|---|
| 17.  The process for recruitment in our agency follows a set of criteria. (Ang proseso sa pag-recruit at pag-promote dito sa aming ahensiya ay alinsunod sa mga tinalagang batayan.) | 2.34 | 2.12 | 2.15 | 1.92 | 2.13 |
| 18.  The process for promotions in our agency is free from external influences. (Walang nakiki-alam sa proseso ng pag-recruit at pag-promote dito sa aming ahensiya.) | 2.88 | 2.51 | 2.60 | 2.35 | 2.57 |

## Statement 17

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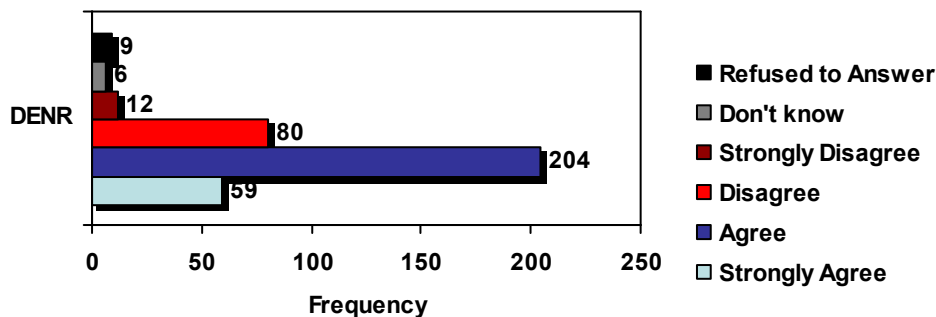
**Statement 18**
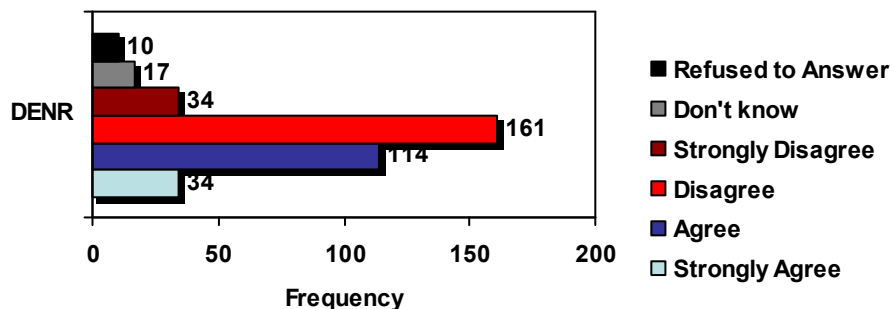


Question 19:  What can you suggest to improve the process of recruitment and promotion in your agency?

Table 2.12  Suggestions to improve the process of recruitment and promotion include the following:

| Suggestions | Frequency | Percent of Responses (%) |
|---|---|---|
| Examine thoroughly the qualifications of the applicants, walang palakasan system or bata-bata system or backer system or padrino system or political intervention, decision must be based on qualifications and not on prerogative of secretary, equal opportunities to all, transparency on the processes, refrain from soliciting recommendation from officials, avoid nepotism, dedication to service must be present in all aspirants, conduct a survey if okay tao ipromote | 159 | 41.51% |
| Strict implementation of policies and regulations, CSC, strictly follow what the law states, law should supersede power of appointing officer | 63 | 16.45% |
| Min. qualifications must be educational attainment and experience, core competency-based recruitment system, promote highly qualified individuals only | 45 | 11.75% |
| Recruitment thru educational attainment/ qualification/ background check/age/potential/skills | 19 | 4.96% |
| Reorganization dapat, assign more competent interviewers or selection board, magkaroon ng verification committee to check recommendation of selection board, creation of unbiased board | 18 | 4.70% |
| Provide trainings and seminars to equip employees, information dissemination of vacant slots/openings | 17 | 4.44% |
| Make a better evaluation system, magkaroon ng test para sa promotion bukod sa criteria | 12 | 3.13% |
| Promote next in rank personnel | 8 | 2.09% |

## E.  Performance Management

Positive net ratings were observed with regards to performance management concerns.  Highly positive ratings were recorded with regards to clarity of individual performance targets and for job satisfaction.  Moderately positive net ratings were recorded with regards to rewards, performance feedback and yearly performance bonuses.

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Significant differences in responses were observed among all sites as follows:

- In Region VII, negative ratings to clarity of performance targets came from non-supervisory personnel while.
- Highly positive ratings in Region XIII were for Statements 20, 21 and 23 came from respondents with post-graduate degrees.
- Negative ratings to regular employee feedback in Region IVA were more likely from respondents involved in regional operations and from among CO respondents with master's degrees.

Table 2.13  Net Ratings for Performance Management

| Statement/s | CO | Region IVA | Region VII | Region XIII | Agency Total |
|---|---|---|---|---|---|
| 20. My performance targets are clear to me. (Malinaw sa lahat ng empleyado bawat napagkasunduang mga dapat gawin at pamantayan.) | 1.67 | 1.60 | 1.53 | 1.52 | 1.57 |
| 21. Outstanding performance is rewarded in our agency. (Ginagantimpalaan sa aming ahensya ang mga taong masipag at ganap sa kanilang tungkulin.) bukod tanging pagganap sa kanyang tungkulin.) | 1.90 | 2.09 | 2.17 | 1.95 | 2.04 |
| 22. The employees in our agency are regularly provided feedback regarding their performance.  (Ang mga empleyado sa aming ahensiya ay regular na sinasabihan o nabibigyan ng komentaryo o puna ukol sa pagganap ng kanilang tungkulin.) | 2.26 | 2.12 | 2.09 | 2.00 | 2.11 |
| 23. The employees of our agency are given the yearly performance bonus regardless of how they performed. (Ang mga empleyado sa ahensiya naming ay binibigyan ng performance bonus paano man nila ginampanan ang kanilang tungkulin.) | 1.88 | 2.05 | 1.91 | 1.91 | 1.94 |
| 24. I am satisfied with my job. | 1.80 | 1.60 | 1.65 | 1.58 | 1.65 |

**Statement 20**

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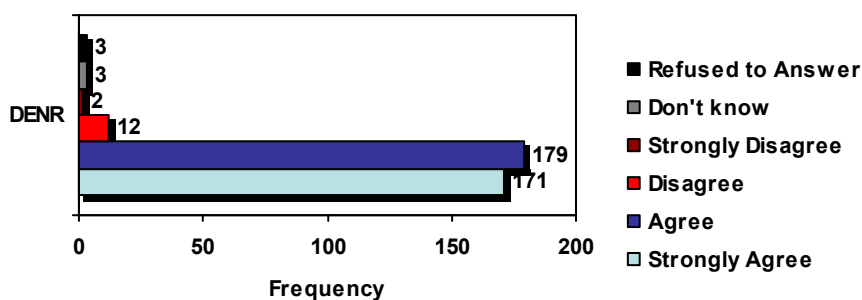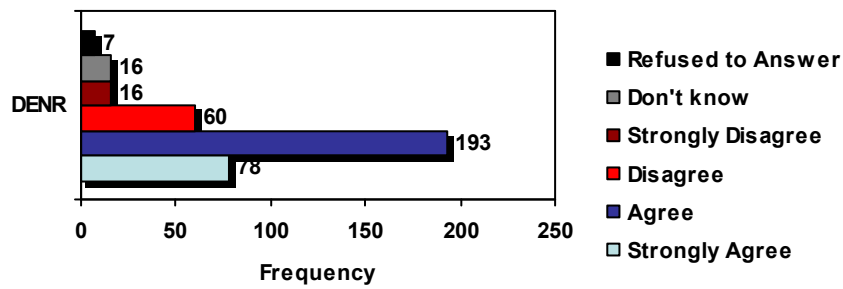
## Statement 21



## Statement 22
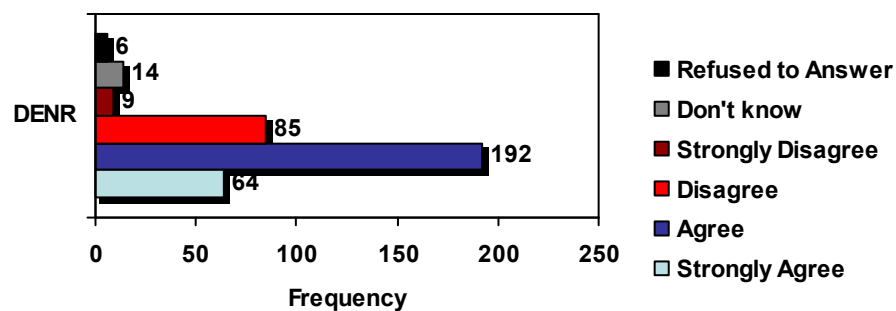


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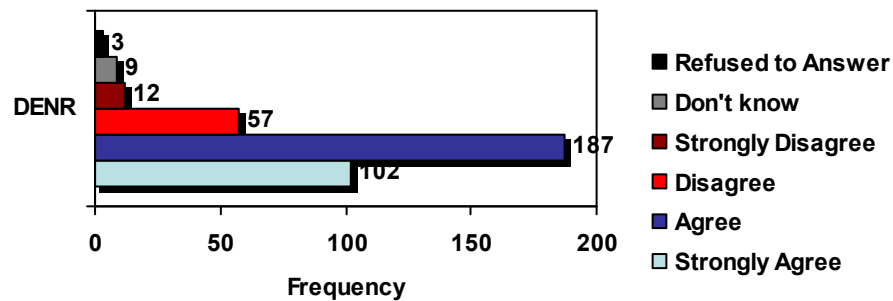


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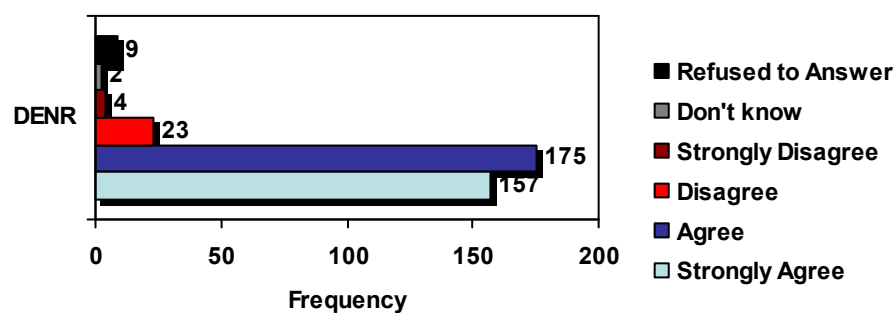
Setting of personal performance targets was practiced in more than seventy percent (72.97%) of the respondents of the survey. Between 63.81% to 85.00% have had their superiors set their performance targets for 2006.

Table 2.14 Personal Performance Target

| Statement/s | Response | CO | Region IVA | Region VII | Region XIII |
|---|---|---|---|---|---|
| 25. Do you have a personal performance target set by your superior for 2006? | YES | 50 | 67 | 85 | 68 |
| | NO | 25 | 38 | 15 | 22 |

## Question 25
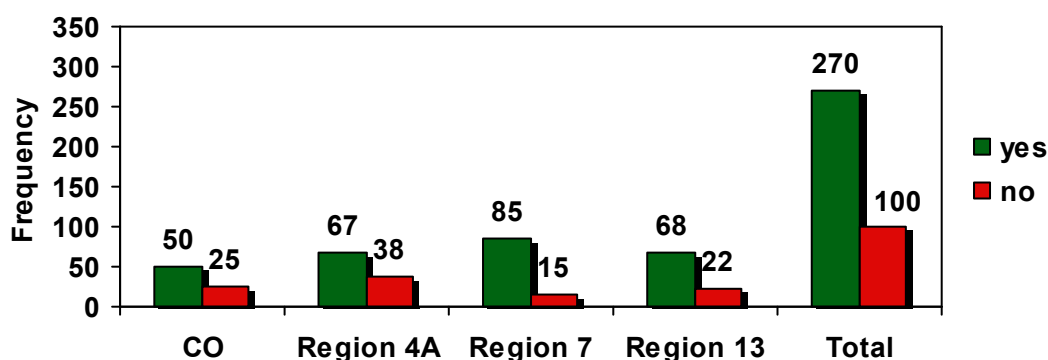


### F. Procurement Management

Only more than a third (36.48%) of the respondents of the survey was aware of the new Procurement Law or RA 9184.

Table 2.15 Awareness of the new Procurement Law or RA9184

| Statement/s | Response | CO | Region IVA | Region VII | Region XIII |
|---|---|---|---|---|---|
| 26. Are you aware of the new Procurement Law or RA 9184? | YES | 34 | 74 | 33 | 37 |
| | NO | 41 | 31 | 67 | 53 |

## Question 26

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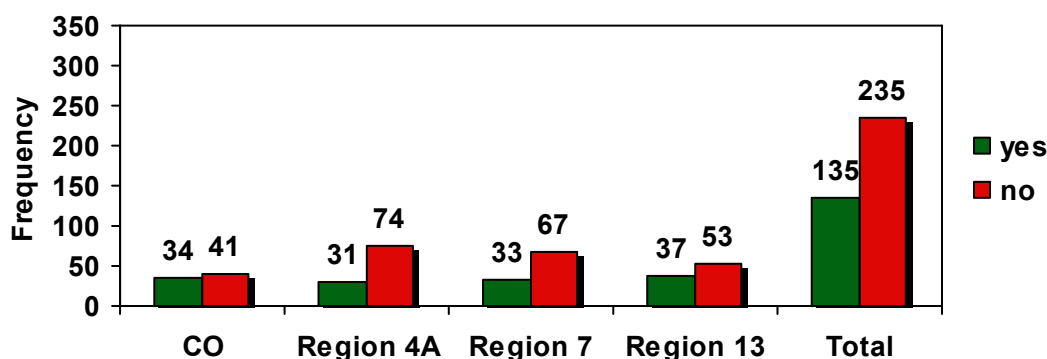
Respondents across sites generally agreed with concerns on Procurement Management. Moderately positive net ratings bordering on slightly positive net ratings for all factors were recorded for all sites.

Table 2.16  Net Ratings for Procurement Management

| Statement/s | CO | Region IVA | Region VII | Region XIII | Agency Total |
|---|---|---|---|---|---|
| 27.  Procurement in our agency follows the procedures as stipulated under the Procurement Law (RA 9184).  (Dito sa aming ahensiya, ang pagbili o procurement ay sang-ayon sa or mga naitalagang panuntunan. | 2.06 | 2.00 | 1.97 | 1.58 | 1.89 |
| 28.  Bids and Awards Committee (BAC) decisions are impartial. (Walang kinikilingan ang BAC sa kanilang mga desisyon.) | 2.27 | 2.18 | 2.20 | 1.76 | 2.09 |
| 29.  Non-performing suppliers are blacklisted. (Ang mga umaabuso at di matinong suppliers ay iniaalis sa talaan ng maaring magkaroon ng transaksyon muli.) | 2.18 | 1.93 | 2.23 | 1.71 | 2.00 |
| 30.  Relevant personnel are well-trained on the entire procurement process – from bidding to inspection/utilization. (May sapat na pagsasanay na ibinibigay sa mga kinauukulang empleyado ukol sa pagbili, inspeksyon, at wastong paggamit ng mga binili.) | 2.34 | 1.90 | 2.23 | 1.64 | 2.01 |

Significant differences in responses were noted only in Region VII and XIII.  Highly positive net agreements were observed mostly from among Region XIII respondents with masters degrees while from among Region VII respondents with college degrees.  Negative ratings with regards to blacklisting of suppliers in Region VII were observed from among those involved in regional scope of work.

**Statement 27**



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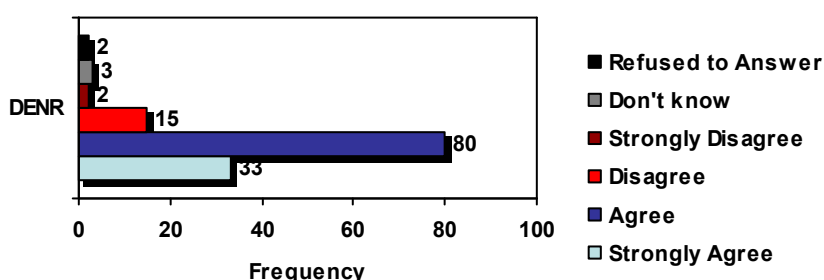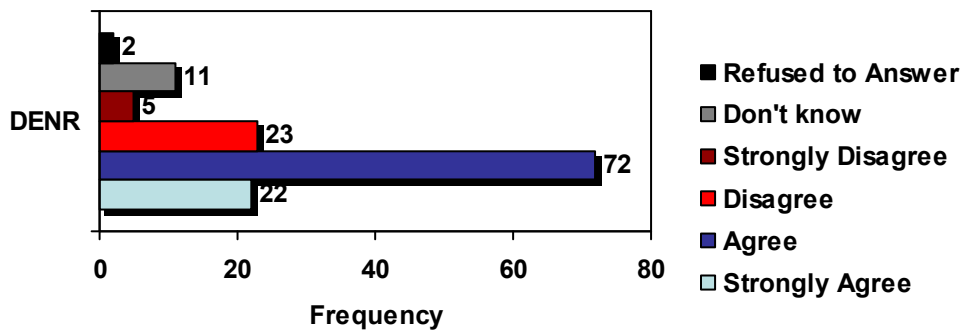
## Statement 28



## Statement 29



## Statement 30



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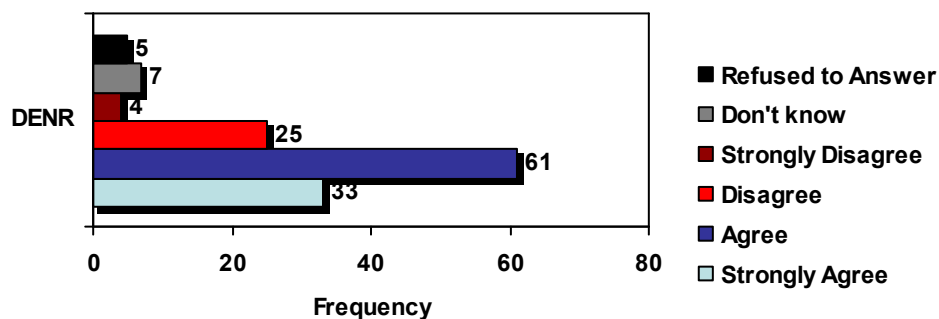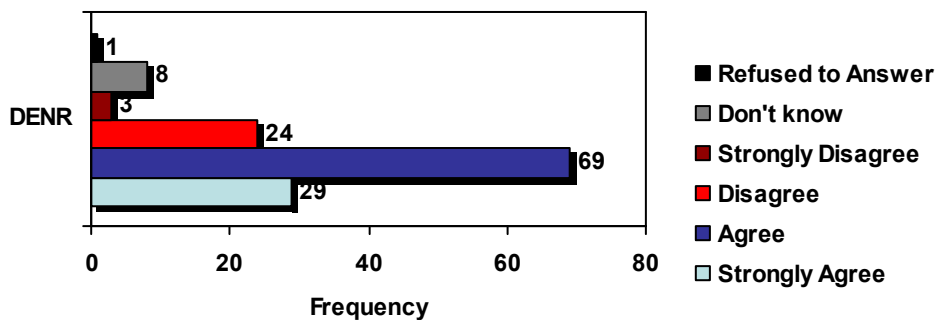
Question 31. What can you suggest to ensure best use of your agency's budget for procurement? Ano po ang maimumungkahi ninyo upang mapabuti pa ang pag-gamit ng budyet para sa pamimili ng inyong ahensiya?

Table 2.17 Suggestions to improve the procurement process include:

| Suggestions | Frequency | Percent of Responses (%) |
|---|---|---|
| Follow procurement laws and policies, all procurement should be handled by procurement system section, expedite process, dapat lahat dumaan sa bidding, no delays, bilisan ang proseso ng procurement | 66 | 17.41% |
| Procure only important necessary supplies/items, be practical, know what to procure first to have proper budget, source legitimate suppliers, have accredited suppliers, canvass lower prices, additional funding, tie-up between accountant and supply officer | 59 | 15.57% |
| Transparency, free from external influences dapat, no political intervention, maging masunurin, have proper documentation of process, gamitin yung pera sa tamang pinaglaanan | 56 | 14.78% |
| Attend symposiums and seminars, disseminate information during assemblies, conduct trainings about procurement, information dissemination, provide training to procurement personnel | 27 | 7.12% |
| Delegate personnel who are capable and knowledgeable, well trained procurement personnel | 20 | 5.28% |
| Inspect procured materials physically, form a unit to study procured materials and to eliminate defective sources and materials, quality of procured materials below standards | 11 | 2.90% |
| E-procurement | 8 | 2.11% |
| Review procurement process to patch serious gaps and do remedial measures, streamline process | 5 | 1.32% |
| Have a clear policy on emergency purchase (suppliers must be excluded from list for emergency purchase, discourage emergency purchases), reimbursement if may emergency purchases | 4 | 1.06% |

## G. Financial Management

About half of the respondents of the survey were aware of the Financial Management Systems in their agency. However, there were more respondents from Region IVA that were unaware of the Financial Management Systems.

Table 2.18 Awareness of Financial Management Systems

| Statement/s | Response | CO | Region IVA | Region VII | Region XIII |
|---|---|---|---|---|---|
| 32. Are you aware of the Financial Management Systems in your agency? | YES | 42 | 44 | 58 | 87 |
| | NO | 33 | 61 | 42 | 33 |

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## Question 32
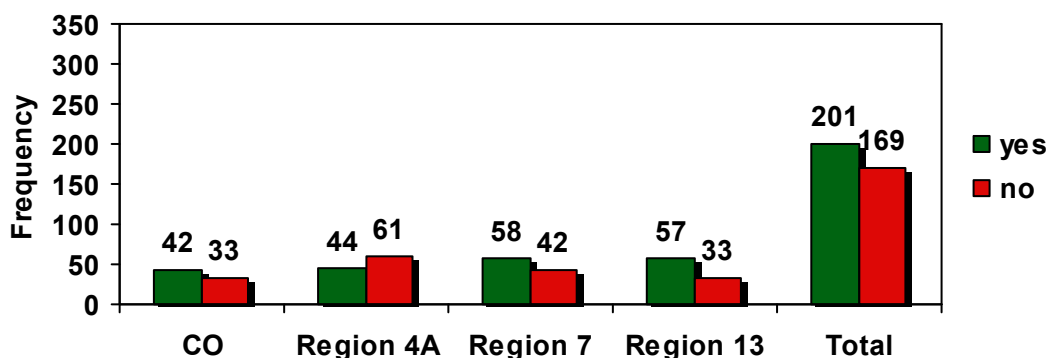


Slightly positive to highly positive net agreement were recorded for statements concerning financial management. CO seems to have the lowest net agreement among the four sites, although still in positive agreement.

Significant differences were observed in Region VII and Region XIII as follows:
- In Region VII, respondents differed in opinion with regards to management scrutiny of agency spending in terms of education and years of service. Negative ratings were likely from among the college graduates and from those who have been with the agency for less than 5 years.
- In Region XIII, positive agreement to management scrutiny of agency spending was higher from among those involved in municipal operations compared to those involved in regional/provincial scope.

Table 2.19. Net Ratings for Financial Management

| Statements | CO | Region IVA | Region VII | Region XIII | Agency Total |
|---|---|---|---|---|---|
| 33. The management scrutinizes our agency spending. (Binubusisi ng aming pamunuan ang gastusin sa aming ahensya). | 2.12 | 1.98 | 1.80 | 1.77 | 1.90 |
| 34. Financial statements and audit reports of our agency are accessible.(Madaling makakuha ng mga financial statements at audit reports dito sa aming ahensya.) | 2.23 | 2.15 | 1.75 | 1.71 | 1.92 |
| 35. Employees know who and where to report irregularities in financial transactions. (Alam ng mga kawani kung saan isusumbong ang mga katiwalian sa financial transactions.) | 2.28 | 1.95 | 1.84 | 1.83 | 1.95 |

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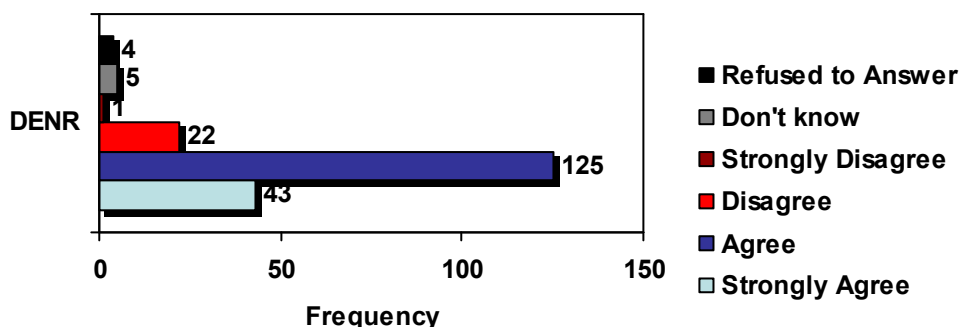
## Statement 33



## Statement 34
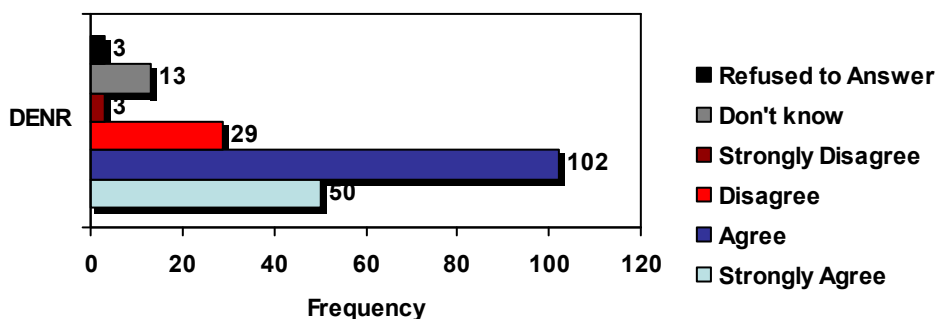


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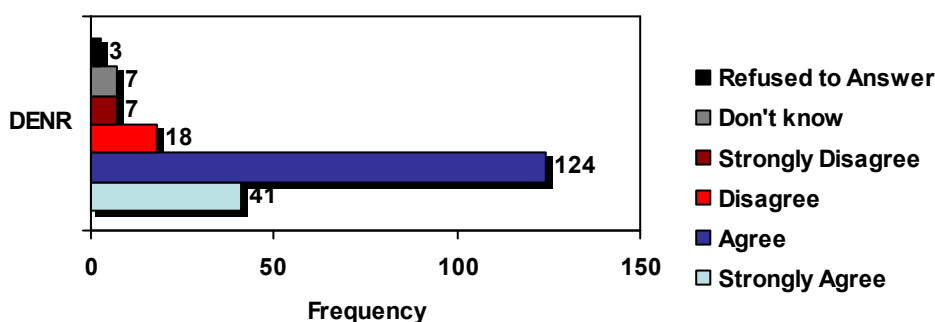


## H.  Whistleblowing, Internal Reporting and Investigation

Slightly positive to moderately positive net ratings were observed with regards to whistle blowing, internal reporting and investigation particularly with respect to encouragement to report corrupt behavior, clear guidelines for reporting and investigation of reports.  However, the Central Office recorded slightly negative net rating on having clear guidelines for reporting corruption and unethical behavior as well as on protection of employees.

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Table 2.20  Net Ratings for Whistle blowing, Internal Reporting and Investigation

| Statement/s | CO | Region IVA | Region VII | Region XIII | Agency Total |
|---|---|---|---|---|---|
| 36. Employees are encouraged to report corrupt and unethical behavior within the agency.  (Ang mga empleyado  ay hinihikayat na isumbong ang mga katiwalian at maling asal sa aming ahensiya.) | 2.24 | 2.09 | 2.15 | 2.03 | 2.12 |
| 37. Guidelines to employees for reporting corruption and unethical behavior are clear. (Malinaw sa mga empleyado ang mga panuntunan ng aming ahensiya ukol sa pagsusumbong ng mga katiwalian at maling asal.) | 2.57 | 2.31 | 2.31 | 2.12 | 2.31 |
| 38. Reports of employees on corrupt behavior are investigated. (Ang mga sumbong ukol sa katiwalian o maling asal ay Ini-imbestigahan.) | 2.07 | 2.06 | 2.09 | 1.89 | 2.03 |
| 39. Employees who report corrupt behavior are protected. (Ang mga kawaning nagsusumbong ng katiwalian ay binibigyan ng proteksyon.) | 2.59 | 2.45 | 2.42 | 2.24 | 2.41 |

Significant differences in responses were observed with regards to investigation and punishment of corrupt behavior as follows:

- Negative net agreements with regards to investigation of reports of corrupt behavior were observed from among non-supervisory and/or MS/MA graduates from  Region IVA, from respondents in Region VII who have been with the agency for at least 10 years and from  non-supervisory personnel in Region XIII.
- Negative net agreements to protection of employees for reporting corrupt behavior were observed to have come from CO respondents with at least 10 years of service and from Region XIII with post-graduate degrees.

**Statement 36**

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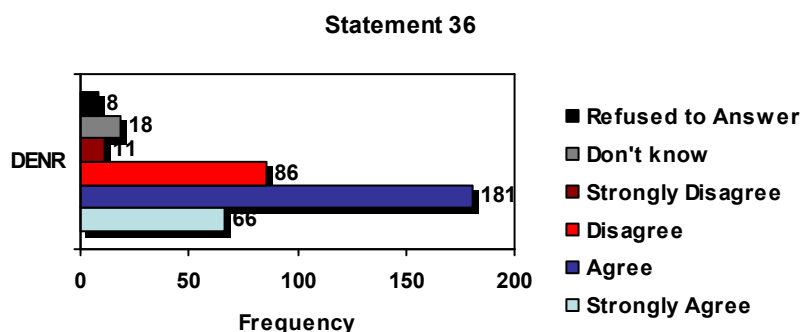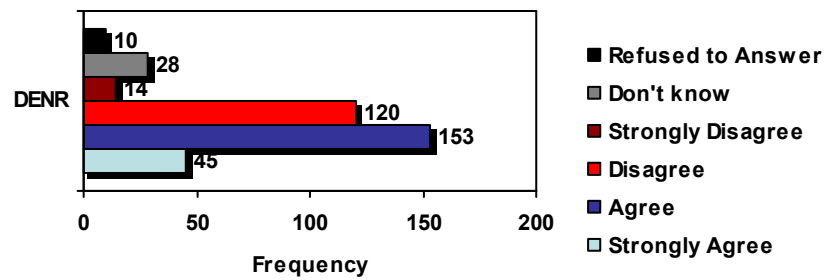
## Statement 37



## Statement 38



## Statement 39

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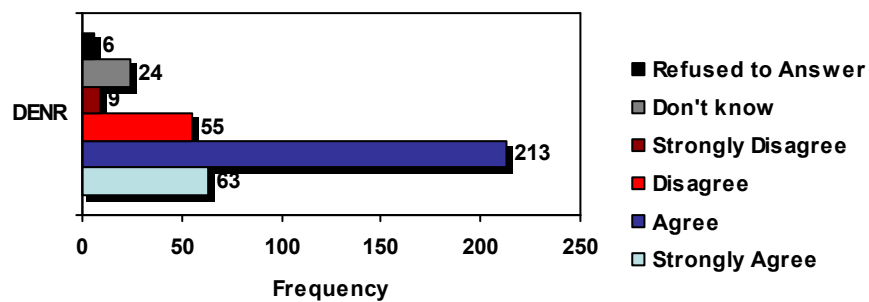
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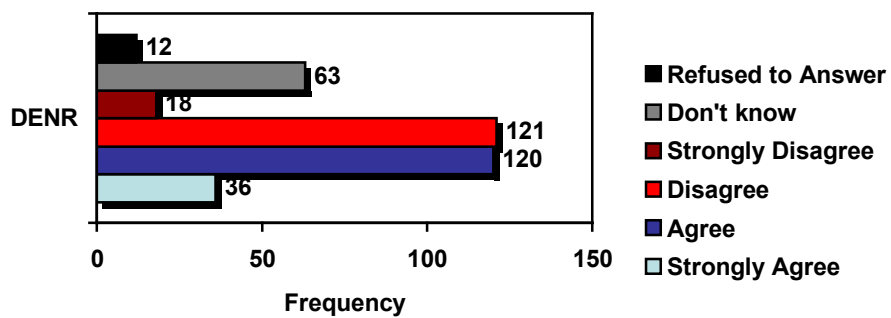
Question 40: What can you suggest to improve the system on internal reporting of corrupt and unethical behavior in your agency?

Table 2.21 Suggestions to improve the system on internal reporting of corrupt and unethical behavior were:

| Suggestions | Frequency | Percent of Responses (%) |
| --- | --- | --- |
| Protection for whistle blowers, security of tenure, confidentiality, give incentives | 102 | 28.33% |
| Conduct immediate investigation on all reports to know truths from suspicions only, create an independent investigating body with qualified heads, give assurance that corrupts will be apprehended, just punishment for offenders, no whitewash, reshuffle if needed | 81 | 22.50% |
| Have a clear procedure on internal auditing and whistle blowing, better if may reporting thru sms, put suggestion box, should have feedback mechanism, provide hotline | 43 | 11.94% |
| Full cooperation of employees union, encourage employees to report unethical behavior, leadership by example, magtalaga ng isang hepe na honest, magkaroon ng lawyer | 35 | 9.72% |
| Transparency and honesty, be fair, walang personalan, annual report of financial matters | 18 | 5.00% |
| Conduct workshops on graft and corruption, conduct orientation, perform performance auditing, give lectures | 17 | 4.72% |
| Close door investigation to protect also the suspects, pagharapin both parties para mahingan pareho ng sides nila | 11 | 3.06% |

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## I.   CORRUPTION RISK MANAGEMENT

There is generally slight agreement with regards to the overall success of the agency in preventing corruption in its operations despite bordering on a split opinion regarding employee training in detecting fraud. The Central Office, however, was in slight disagreements in all statements regarding corruption risk management of the agency.

Significant differences in responses were observed only in Statement 41 concerning implementation of measures to detect fraud and corruption in Region IVA and Region XIII.   Negative ratings in Region IVA were likely from those involved in provincial operations while in Region XIII were likely from non-supervisory personnel.

Table 2.22  Net Ratings for Corruption Risk Management

| Statement/s | CO | Region IVA | Region VII | Region XIII | Agency Total |
|---|---|---|---|---|---|
| 41.  Our agency implements measures to identify potential fraud and corruption. (Nagsasagawa ng mga paraan ang aming ahensiya upang malaman kung saan may posibilidad magkaroon ng pandaraya at katiwalian.) | 2.40 | 2.40 | 2.23 | 2.12 | 2.28 |
| 42.  It is difficult to corrupt our current system of operations. (May angkop na mga pananggalang upang mapigilan ang katiwalian o pangungurakot dito sa aming ahensiya.) | 2.77 | 2.41 | 2.45 | 2.23 | 2.45 |
| 43.  Employees in our agency are trained to manage fraud. (Ang mga empleyado sa aming ahensiya ay binibigyan ng pagsasanay sa pag-pigil ng katiwalian o anuman posibilidad ng pangungurakot.) | 2.63 | 2.46 | 2.27 | 2.12 | 2.35 |
| 44.  Employees in our agency are trained to manage  detect fraud. Ang mga empleyado sa aming ahensiya ay binibigyan ng pagsasanay sa pagpuna ng katiwalian o anuman posibilidad ng pangungurakot.) | 2.67 | 2.49 | 2.44 | 2.31 | 2.47 |
| 45.  Our agency is successful in fighting corruption. (Ang aming ahensiya ay matagumpay sa  pagsugpo sa katiwalian.) | 2.65 | 2.49 | 2.49 | 2.28 | 2.46 |

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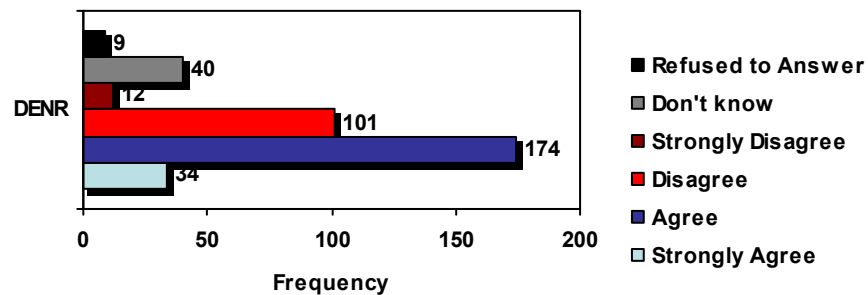
## Statement 41



## Statement 42
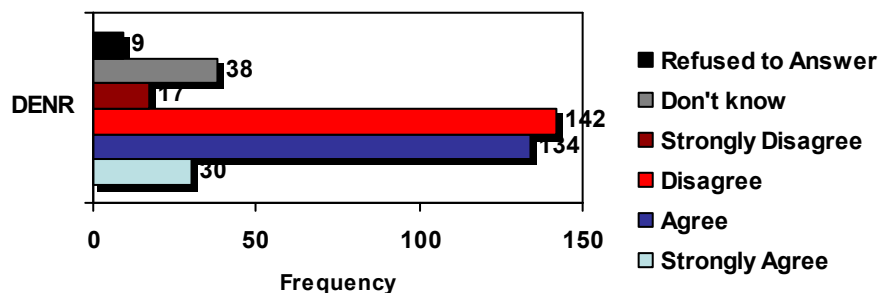


## Statement 43



## Statement 44

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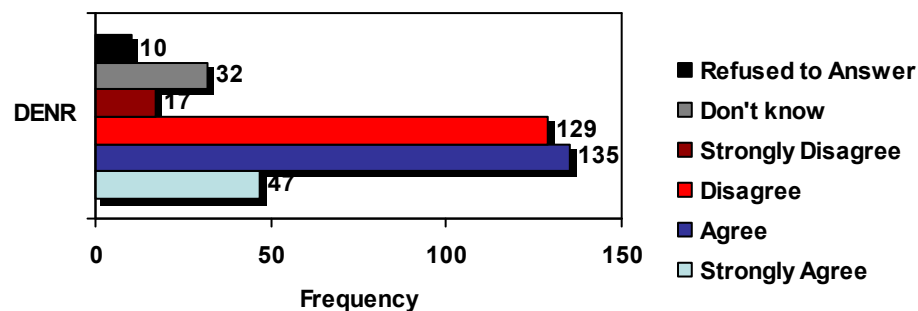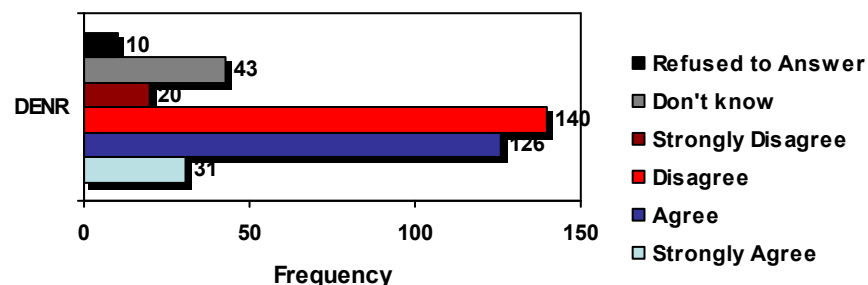
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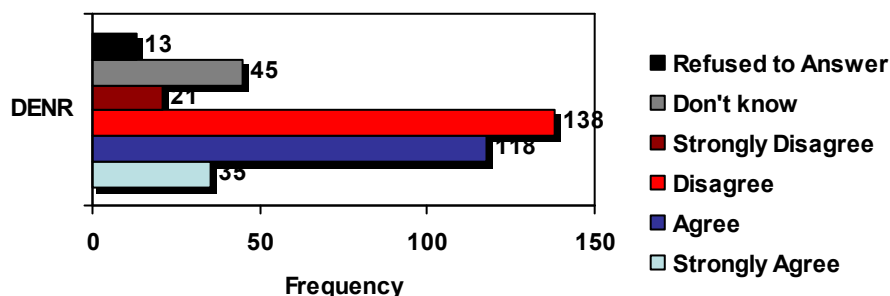


## J.   Interface with the external environment

Slightly positive to moderately positive net agreement ratings were reported across all sites in terms of factors affecting interface with the external environment.   Higher ratings were observed in Region XIII while lower ratings were observed in Central Office.

Significant differences in responses were observed in CO and in Region VII as follows:
- Negative agreement to action on employees complaints in CO were likely to come from those who have been in the agency for 10-20 years.
- Negative ratings in Region VII associated with Statements 47 and 48 were likely from those involved in regional scope of work and from non-supervisory personnel.

Table 2.23 Net Ratings for Interface with the External Environment

| Statement/s | CO | Region IVA | Region VII | Region XIII | Agency Total |
|---|---|---|---|---|---|
| 46.  Overall, operations in our agency are clear and easily understood. (Sa pangkalahatan, madaling maunawaan at malinaw ang pagpapatakbo dito sa aming ahensya.) | 2.24 | 2.09 | 2.15 | 2.03 | 2.12 |
| 47.  Actual practices in our agency are consistent with written procedures and policies. (Ayon sa mga nakatalang alituntunin at patakaran ang mga gawain sa ahensiya namin.) | 2.57 | 2.31 | 2.31 | 2.12 | 2.31 |
| 48.  Complaints and feedback of clients are acted upon in our agency. (Ang mga daing, puna at komentaryo ng mga kliyente ay tinutugunan ng aming ahensiya.) | 2.07 | 2.06 | 2.09 | 1.89 | 2.03 |
| 49.  Complaints and feedback of employees are acted upon here in our agency. (Ang mga reklamo at komentaryo ng mga empleyado ay ina-aksyonan ng aming ahensiya.) | 2.59 | 2.45 | 2.42 | 2.24 | 2.41 |

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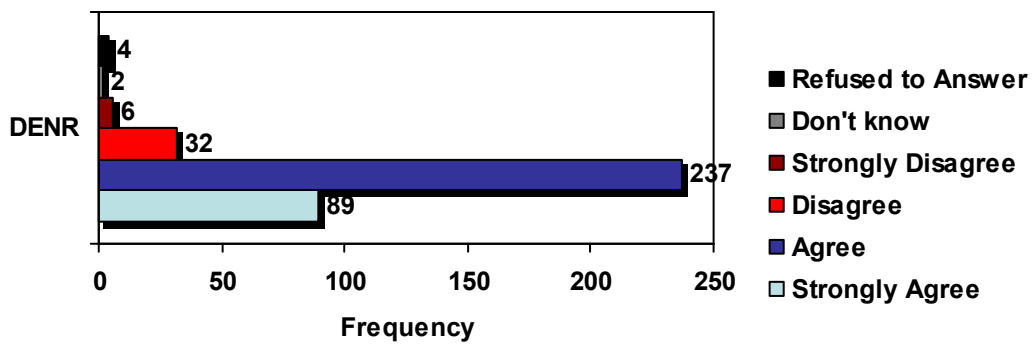
## Statement 46



## Statement 47
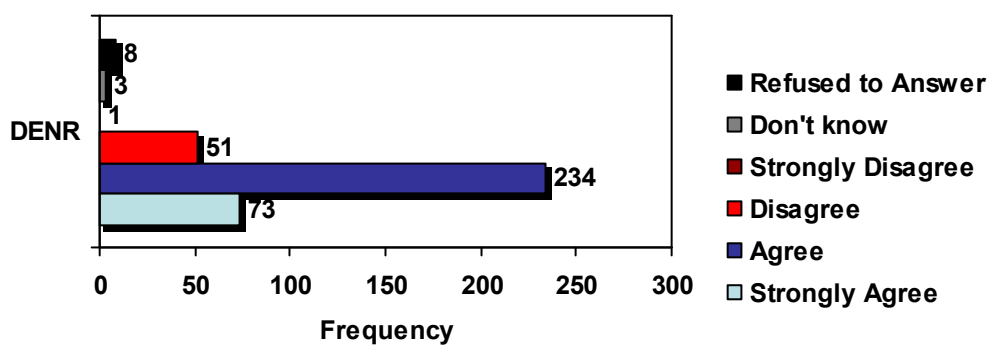


## Statement 48



## Statement 49



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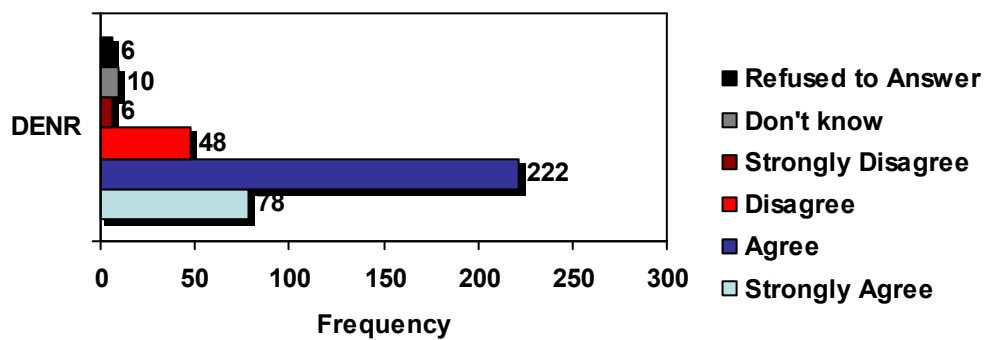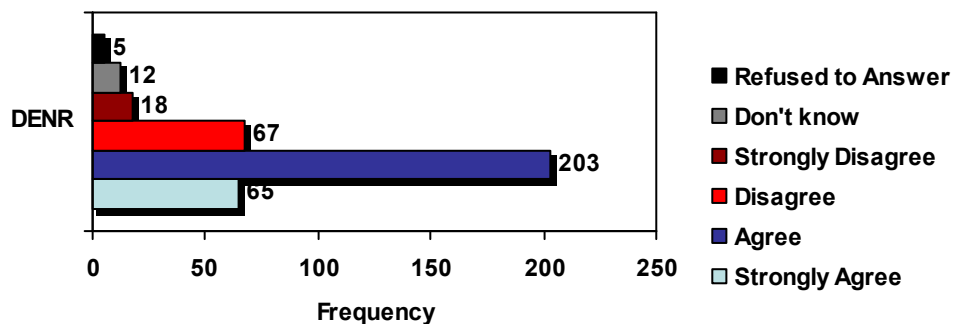
Question 50: What are the common complaints of your agency's clients?

More than a third of the respondents across all sites (36.50%) indicated that the most common complaints of their clients were associated with the delay in the release of their documents related to long processing times, delayed action on requirements and overly manual processes. The lack of orientation and proper information dissemination regarding requirements needed for processing (16.50%) and ever changing of policies (regulations) due to change in management and reshuffling (7.75%) were also cited. Complaints related to illegalities (7.00%), political interventions (6.25%), land conflicts (4.25%) and inaccessibility of the offices (2.00%) was also mentioned.

Table 2.24 Common Complaints from Clients

| Common Complaints | Frequency | Percent of Responses (%) |
|---|---|---|
| Slow processing of process/applications, slow delivery of service (flow of communication/process), slow processing of requests, delayed action/no action taken until requirements are completed, not computerized processes (overly manual processes and retrieval of old files, masyadong mahabang processes | 146 | 36.50% |
| Clients are not entertained well, clients are not informed well that OCC's are required for licensing in LGU, no orientation/briefing to new personnel, nangangamoy na certificates, daming requirement some of which are not relevant today, lack of manpower | 66 | 16.50% |
| Changing policies leading to confusion of clients (pabalik-balik for requirements), frequent change in management affecting processing/operations, absenteeism of top officers causing delay, frequent reshuffling | 31 | 7.75% |
| Illegal cutting of trees, granting permit to cut fast growing tree species, illegal logging and land dispute, pollution, illegal mining, illegal quarrying, illegal extraction of minerals, landslides, geo-hazard and sanitary landfills | 28 | 7.00% |
| Political intervention and favoritism, corruption, under the table transactions, illegal collection without issuing receipt, palakasan system, red tape and bureaucratic processes | 25 | 6.25% |
| Land disputes, problems on boundary conflict on timberland areas | 17 | 4.25% |
| Inaccessible roads to DENR offices (RegXIII), malayong opisina ng DENR, road constructions na hindi pulido pagkakagawa | 8 | 2.00% |

Question 51: What can you suggest to improve the services of your agency?

Table 2.25 Suggestions to improve the services of the agency were:

| Suggestions | Frequency | Percent of Responses (%) |
|---|---|---|
| Dedication to work, come to work early, prompt action to grievances of clients, cooperation, be sensitive to the needs of the clients, be approachable, huwag bastos, show professional competence, maging output oriented, obey the law, have consistency, huwag maging suplada, everybody should do his work | 80 | 19.70% |
| Workshop for rank and file, information dissemination campaign for processes and requirements, consultation, seminar-workshops, IEC, more trainings, have a clear feedback mechanism, leaflets and | 62 | 15.27% |

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| Suggestions | Frequency | Percent of Responses (%) |
|---|---|---|
| flyers, suggestion box, encourage consultation with people, conduct public hearings | | |
| Additional manpower, put highly competent and right individual to right job, capable leaders, remove corrupt officials, leaders who could be good examples, magkaroon ng alternates, do not hire politicians if possible, put knowledgeable head in offices, policy reviews | 51 | 12.56% |
| Give allowances, increase salary, sasakyan for official use, logistics support para sa mga sites, additional fund, fund for travel expense | 45 | 11.08% |
| Strictly and consistently implement rules and regulations, compliance to CSC rules and regulations, full implementation of lamp, itama ang sistema, give well-defined roles to personnel, proper imposition of penalties to guilty employees | 39 | 9.61% |
| Shorten processing steps, remove unnecessary steps in processing, expedite processing, bawasan ang pumipirma sa mga dokumento, streamlining of all processes, organize procedures, reshuffle of key officials, equal distribution of work, assign alternate signatories for continues processing, lessen requirements, delegate authorities, synchronization of functions | 39 | 9.61% |
| Automate processes (land titling, data retrieval), integrated agency services, update IT equipment, install system to cut red tapes, computerization | 23 | 5.67% |
| Transparency in all transactions, proper recordings of docs, investigate illegal activities, be fair, create an independent investigating unit, walang palakasan o bata-bata system | 21 | 5.17% |
| Create/Put up a one-stop-shop for ease of follow up transactions, have a billing unit to facilitate all payments to avoid corruption (currently, they can pay thru the inspectors), strengthening of units, complete facilities | 11 | 2.71% |
| Limit unnecessary meetings | 1 | 0.25% |

## K.  Types of Corruption

Net ratings for types of corruption were obtained using a 3-point weighted scale.  Weights of 1, 2, and 3 correspond to responses Low, Medium and High, respectively.  The computation for net rating is the same as the 4-pt scale used to obtain agreement to statements in the survey.  Interpretations of the net ratings however are directly proportional to the scale.  A weighted rating above 2.3 means a High rating while a rating below 1.7 means a Low rating.  Ratings between 1.7 and 2.3 indicate medium likelihood.  In this section, it is more desirable to have a low rating since it will denote less likelihood of occurrence of the type of corruption in the agency.

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From among the different types of corruption, Nepotism/Favoritism ranked the highest in terms of likelihood ratings. Ranking of types of corruption in terms of their perceived likelihood of occurrence in the agency resulted in the following:

Table 2.26 Ratings on the Types of Corruption and their Likelihood

| Types of Corruption | Net Rating | Likelihood |
|---|---|---|
| Nepotism/Favoritism | 2.45 | High |
| Negligence of duty | 2.25 | Medium |
| Accepting bribes | 2.16 | Medium |
| Abuse of discretion/power | 2.15 | Medium |
| Illegal use of public funds or property | 2.13 | Medium |
| Collusion with suppliers | 2.11 | Medium |
| Overpricing of bids | 2.07 | Medium |
| Falsification of documents | 1.97 | Medium |
| Corruption of Filipino values e.g. pakikisama, hiya, etc | 1.97 | Medium |
| Disclosure of confidential information | 1.94 | Medium |
| Tolerance of fixers | 1.93 | Medium |
| Collusion with Bids and Awards Committee (BAC) members | 1.88 | Medium |
| Others | 1.82 | Medium |
| Theft of public resources | 1.81 | Medium |
| Forgery or fraud | 1.76 | Medium |
| Unauthorized collection of funds | 1.74 | Medium |

Table 2.27 Net Ratings for Types of Corruption

| Types of Corruption | CO | Region IVA | Region VII | Region XIII | Agency Total |
|---|---|---|---|---|---|
| 52. Negligence of duty (Pagpapabaya sa tungkulin) | 2.78 | 2.18 | 2.19 | 1.96 | 2.25 |
| 53. Falsification of documents (Pamemeke ng mga dokumento) | 2.52 | 2.11 | 1.68 | 1.67 | 1.97 |
| 54. Illegal use of public funds or property (Illegal na paggamit ng pera o anumang pag-aari ng gobyerno) | 2.91 | 2.17 | 1.81 | 1.66 | 2.13 |
| 55. Unauthorized collection of funds (Walang pahintulot na pangongolekta ng pera ) | 2.07 | 1.99 | 1.52 | 1.43 | 1.74 |
| 56. Nepotism/Favoritism (Nepotismo o Pagkakaroon ng mga paborito) | 3.07 | 2.58 | 2.29 | 1.90 | 2.45 |
| 57. Disclosure of confidential information (Pagbibigay ng mga lihim na impormasyon) | 2.30 | 1.95 | 1.82 | 1.73 | 1.94 |
| 58. Collusion with BAC members (Pakikipagsabwatan sa mga miyembro ng BAC) | 2.46 | 1.88 | 1.69 | 1.59 | 1.88 |
| 59. Overpricing of bids (Pagdagdag sa presyo ng mga bids) | 2.82 | 2.18 | 1.83 | 1.53 | 2.07 |

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| Types of Corruption | CO | Region IVA | Region VII | Region XIII | Agency Total |
|---|---|---|---|---|---|
| 60. Collusion with suppliers (Pakikipagsabwatan sa mga supplier upang itaas ang presyo at kumita ng iligal) | 2.83 | 2.22 | 1.76 | 1.62 | 2.11 |
| 61. Forgery or fraud (Pamemeke ng pirma at pandaraya) | 2.33 | 1.95 | 1.30 | 1.52 | 1.76 |
| 62. Theft of public resources (Pagnanakaw ng anumang pag-aaring pampubliko) | 2.68 | 1.78 | 1.51 | 1.43 | 1.81 |
| 63. Accepting bribes (Pagtanggap ng mga suhol) | 2.77 | 2.33 | 1.99 | 1.64 | 2.16 |
| 64. Abuse of discretion/power (Pag-abuso ng kapangyarihan sa pagpapasya) | 2.75 | 2.28 | 1.98 | 1.65 | 2.15 |
| 65. Corruption of Filipino values e.g. pakikisama, hiya, etc (Paglalapastangan ng pagpapahalagang Filipino) | 2.39 | 1.95 | 1.96 | 1.63 | 1.97 |
| 66. Tolerance of Fixers (Pagsawalng-bahala ng mga fixers) | 2.33 | 2.18 | 1.75 | 1.56 | 1.93 |

**Negligence of Duty**



**Falsification of Documents**



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## Illegal Use of Public Funds or Property



DENR

Refused to answer: 13
Don't know: 55
High: 47
Medium: 55
Low: 88
None: 111

Frequency

## Unauthorized Collection of Funds



DENR

Refused to answer: 18
Don't know: 61
High: 17
Medium: 42
Low: 80
None: 152

Frequency

## Favoritism/Nepotism



DENR

Refused to answer: 5
Don't know: 33
High: 74
Medium: 83
Low: 93
None: 82

Frequency

## Disclosure of Confidential Information



DENR

Refused to answer: 14
Don't know: 51
High: 17
Medium: 63
Low: 109
None: 116

Frequency

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## Collusion with BAC Members



## Overpricing of Bids
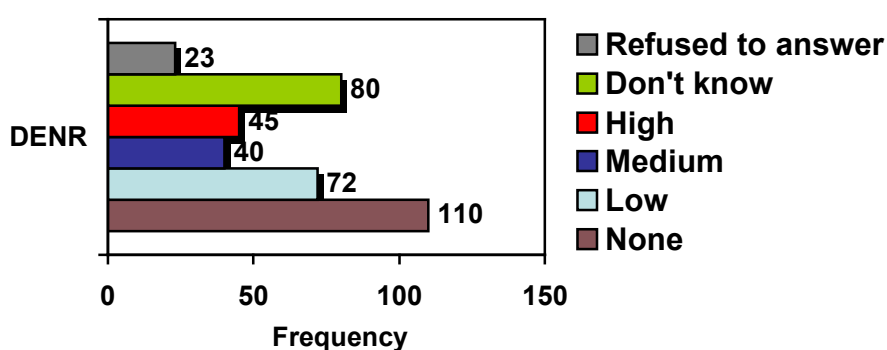


## Collusion with Suppliers



## Forgery or Fraud

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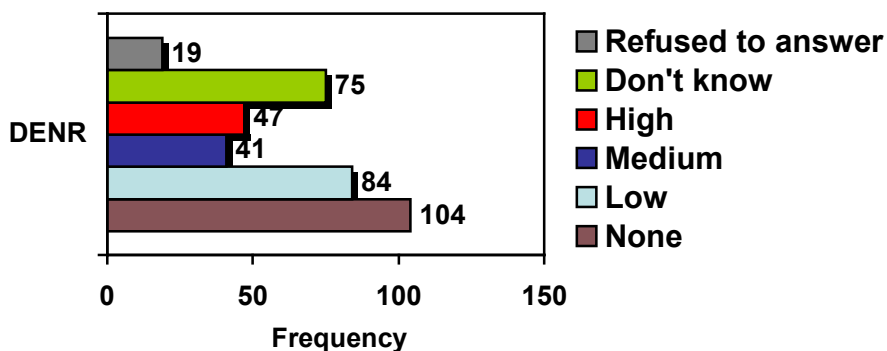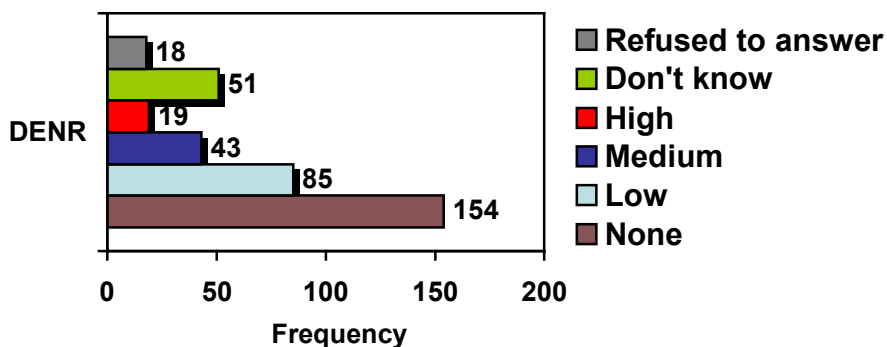
## Theft of Public Resources
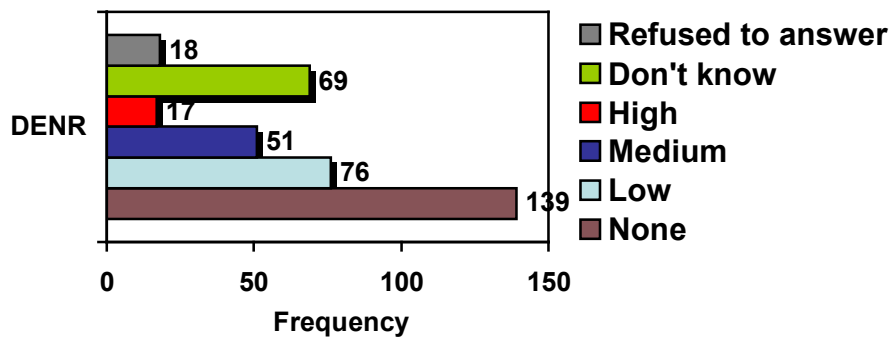


## Accepting Bribes
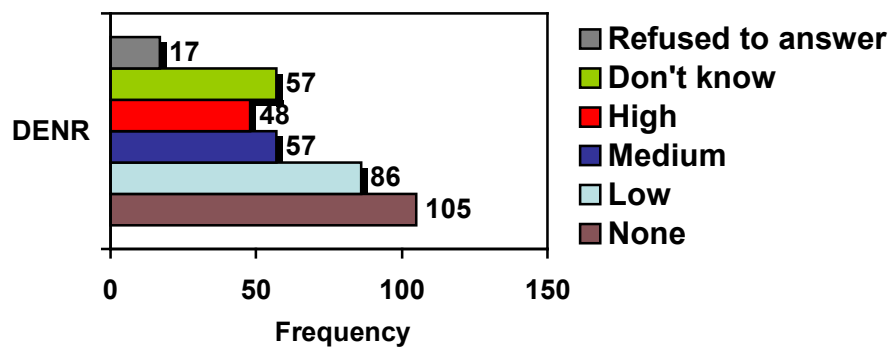


## Abuse of Discretion/Power



## Corruption of Filipino Values



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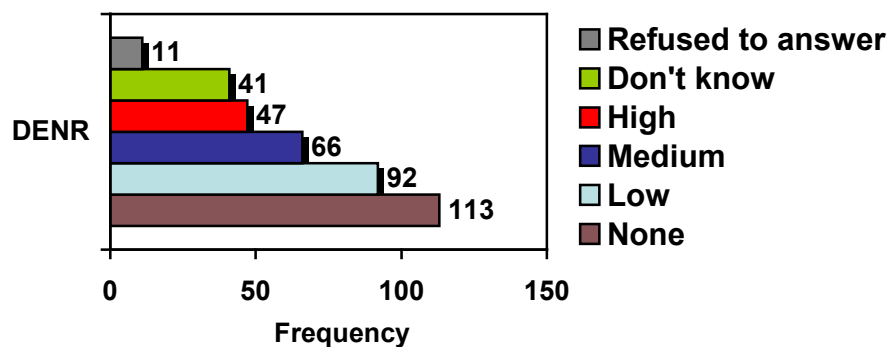
**Tolerance of Fixers**
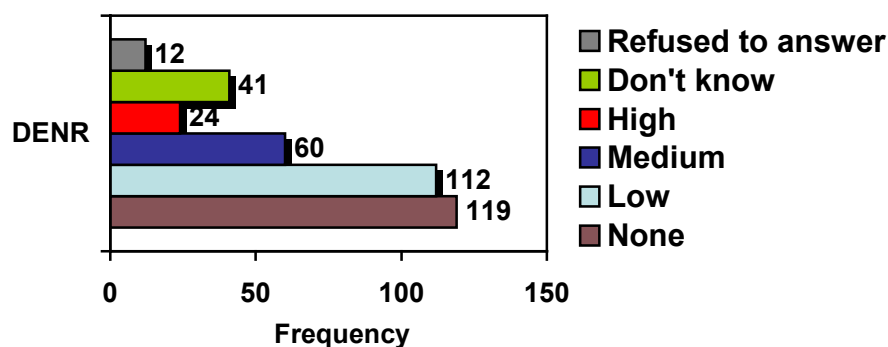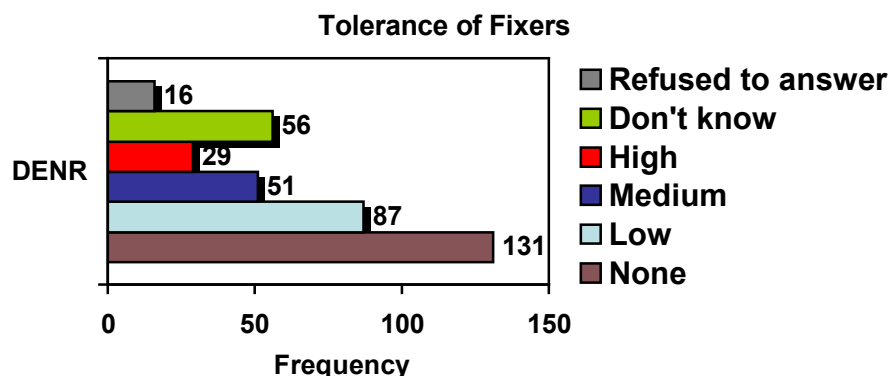


Question 68:  What can you suggest to prevent corruption?

Table 2.28  Suggestions to prevent corruption include:

| Suggestions | Frequency | Percent of Responses (%) |
|---|---|---|
| Dedication to work, leadership by example, do not abuse authority, be vigilant, iwasan tumanggap ng suhol, avoid nepotism and favoritism, simple living, avoid bribery, avoid fixers, ipatupad ang professionalism, avoid extra-marital relationships leading to need for more money to fund other relationships | 78 | 19.55% |
| Instill proper values to employees/all personnel, effective monitoring by the head, seminar for employees on anti-graft and corruption, let employees participate in decision making process, educate employees about corruption,  pre-auditing, re-orientation, values formation | 64 | 16.04% |
| Clear cut policy about corruption and corruption reporting, strict implementation of rules and regulations, dapat walang chance to do corruption, strict implementation of work and financial plan, don't allow suppliers to transact table to table, ikliin ang proseso para walang chance for corruption, delegate authorities, proper bidding procedure, refresh policies and guidelines | 44 | 11.03% |
| Transparency and accountability in all transactions, magkaroon ng representative from NGO, include in inspection all foreign funded activities and all other activities that by-pass accounting | 27 | 6.77% |
| Punish offenders/more stringent penalty, remove corrupt officials, conduct immediate investigation | 27 | 6.77% |
| You can't stop corruption, pamana ng lahi, depends on official because of differences in principles, kung sino nagcorrupt magbago na sila, kung ano lang ang responsibilidad yun lang ang ginagawa, abolish the congress who is number 1 corrupt | 8 | 2.01% |

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## L.   ATTITUDES REGARDING CORRUPTION REPORTING

Only a few (27/370 respondents) of the respondents have experienced reporting a corrupt and unethical behavior.  Percentage reporting rate was shown in Table 2.29  The no. of cases reported and the year it was reported were outlined in Table 2.30.

Table 2.29  Experience in Reporting Unethical Behavior

| Statement/s | Response | CO | Region IVA | Region VII | Region XIII |
|---|---|---|---|---|---|
| 69. Have you experienced reporting a corrupt or unethical behavior that you have witnessed? | YES | 8 | 5 | 9 | 5 |
| | NO | 67 | 100 | 91 | 85 |
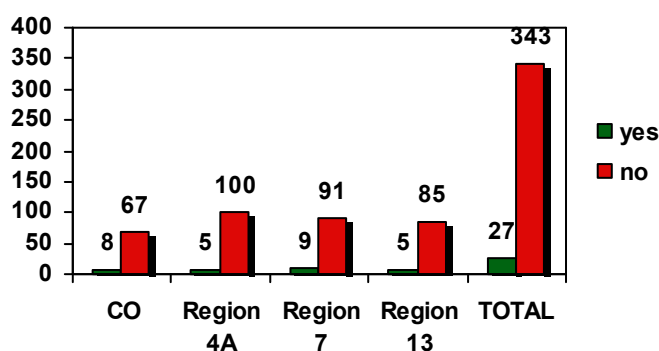


Question 70:  When did this happen?

Table 2.30  No. of Cases Reported by Respondents

| Year | No. of Responses |
|---|---|
| 2007 | 1 |
| 2006 | 7 |
| 2004 | 2 |
| 2003 | 1 |
| 2002 | 3 |
| 2000 | 1 |
| 1996, 1997 | 3 |
| When I was a member of PIC re: falsification of pub. docs., 39052 | 2 |
| Everyday sa office | 3 |
| I don't remember | 4 |
| TOTAL | 24 |

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Question 71: How long did it take before it was resolved?

Resolution time of these reported cases varied depending on the nature of the complaint. Some complaints were resolved immediately within a week's time. Others took several months. Most cases were still unresolved but the resolution is ongoing. Of the total cases tabulated, 12 cases have not yet been resolved.

Table 2.31 Resolution Time of Reported Cases

| Resolution Time | No. of cases |
|---|---|
| It took a month | 2 |
| Not yet resolved but ongoing | 9 |
| Very long and not satisfied with resolution | 1 |
| 2-6 months | 3 |
| Immediately acted upon, 2 days, 1 week | 6 |
| Not resolved | 3 |
| No answer | 3 |
| **TOTAL** | **24** |

In general, respondents who have had the experience of reporting a corrupt or unethical behavior cited satisfaction in the agency's reporting and investigation mechanism. A highly positive agreement could be noted on the satisfaction on the agency's investigation mechanism in Central Office while a split opinion was reported in Region VII. A slightly negative rating was reported for Region XIII. No significant difference in responses were noted.

Table 2.32   Net Ratings for Corruption Reporting by Site

| Statement/s | CO | Region IVA | Region VII | Region XIII | Agency Total |
|---|---|---|---|---|---|
| 72.  How satisfied or dissatisfied are you with your agency's reporting mechanism? | 2.43 | 1.33 | 2.38 | 2.40 | 2.26 |
| 73.  How satisfied or dissatisfied are you with your agency's investigation mechanism? | 1.57 | 2.20 | 2.50 | 2.60 | 2.20 |

**Statement 72**



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**Statement 73**
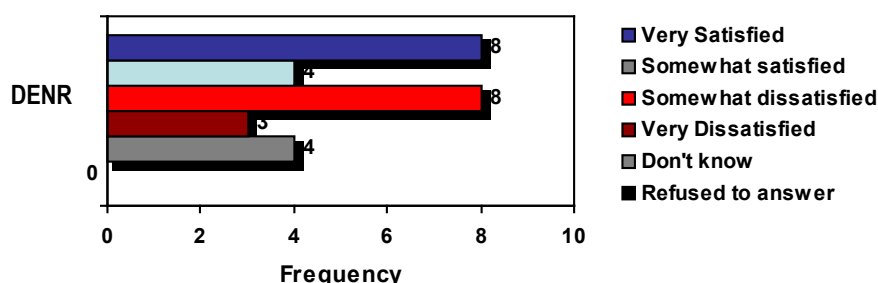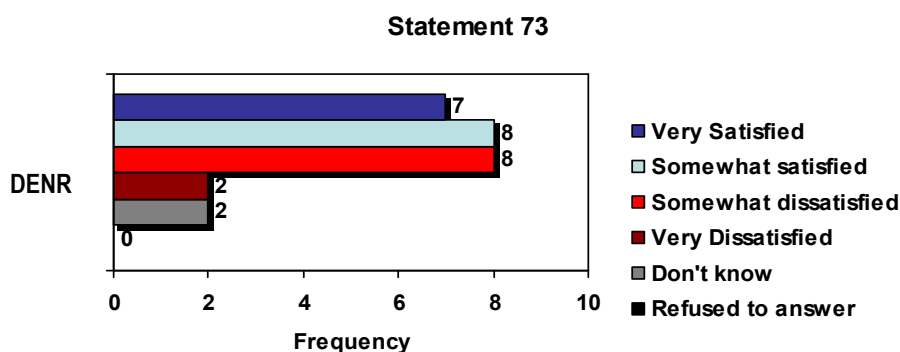


Question 74: Why are these your answers in Q72 & Q73?

Table 2.33 Reasons cited why respondents were satisfied and dissatisfied with the reporting and investigation mechanism of their agency were:

| Reasons | Frequency | Percent of Responses (%) |
|---|---|---|
| **VERY SATISFIED/SOMEWHAT SATISFIED** | | |
| Leadership was quick to act on the matter (employee was suspended), satisfied ako | 9 | 36.00% |
| No comment, okay naman kasi | 2 | 8.00% |
| **VERY DISSATISFIED/SOMEWHAT DISSATISFIED** | | |
| Complaint has strong connection with top management, ako pa ang nagkaroon ng usapin ngayon, board did not follow proper proceedings on promotions | 4 | 16.00% |
| Matagal ang action, delayed ang action, walang nangyayari hanggang ngayon e | 3 | 12.00% |
| Mabait ang leader at naniniwalang magbabago ang tao, naawa sa empleyado kaya pinalagpas na lang | 3 | 12.00% |
| Not all investigated cases have resolutions, lacking investigation mechanism | 2 | 8.00% |
| Nakita kong nagsisilid ng 2 reams of bond paper ang isang employee | 1 | 4.00% |
| No personal knowledge | 1 | 4.00% |

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A majority of the respondents indicated that they would report a corrupt and unethical behavior as shown below in the table of responses by site. Nonetheless, it is quite important to address the issues raised by the few who have indicated that they would rather not report corrupt or unethical behavior.

Table 2.34  Reporting of Unethical Behavior

| Statement/s | Response | CO | Region IVA | Region VII | Region XIII |
|---|---|---|---|---|---|
| 75. If you ever witness a corrupt and unethical behavior (again), will you report it? | YES | 63 | 86 | 90 | 81 |
| | NO | 12 | 19 | 10 | 9 |
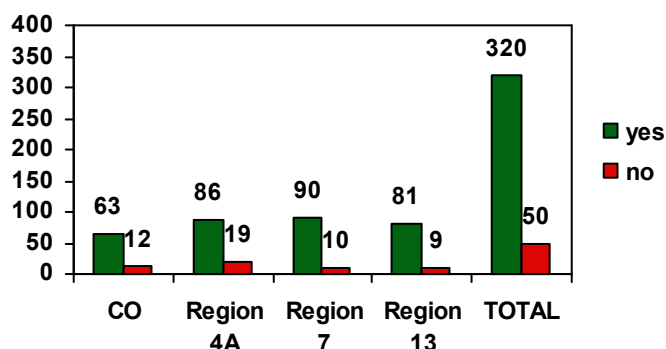


Question 76:  Why is this your answer in Q75? Please explain.

Table 2.35  Reasons why respondents replied YES to Question 75 are listed as follows:

| Reasons why response is YES | Frequency | Percent of Responses (%) |
|---|---|---|
| To right was is wrong, to correct the system, it is my duty, to improve the system, it is needed, to help the government, to prevent aggravating the situation, for the good of the department/government | 92 | 27.22% |
| Para di gayahin ng iba, para maging huwaran, para maparusahan, para mapagsabihan ang empleyado, para di mag-abuso | 81 | 23.96% |
| Maintain the credibility of public servants, to gain trust and confidence of the public, self-discipline | 14 | 4.14% |
| I will report immediately to concerned DENR office, it's just a text-away at madali nang magsumbong, will report to proper authority | 12 | 3.55% |
| to protect the agency's reputation | 8 | 2.37% |
| Because we are spending people's money/blood/sweat/tears, kawawa taong bayan magdudusa | 4 | 1.18% |
| Report to other agency not with DENR kasi wala akong tiwala dito, pwedeng ipa-TV ko na | 2 | 0.59% |
| Para makabawas sa masamang gawa | 1 | 0.30% |
| will report only if there are guidelines and protection | 1 | 0.30% |

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Table 2.36  Reasons why respondents replied NO to Question 75 are listed as follows:

| Reasons why response is NO | Frequency | Percent of Responses (%) |
|---|---|---|
| No protection program for whistle blowers, kasi reresbak sila, natatakot | 23 | 46.00% |
| None, walang nakikita, incongruent (para itama ang mali) | 10 | 20.00% |
| So frustrating that no action is done, superiors protect corrupt employees | 6 | 12.00% |
| no comment | 5 | 10.00% |
| Hintayin na madiskubre na lang ng iba, don't care | 2 | 4.00% |
| Bahala na ang Diyos sa kanila | 1 | 2.00% |
| Hindi na | 1 | 2.00% |
| Not aware of the process | 1 | 2.00% |
| it is the duty of supervisors, sinasabihang sipsip pag employee lang nagreport | 1 | 2.00% |

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## V. CORRUPTION VULNERABILITY ASSESMENT

We now go to Stage 2 of the IDR which is Corruption Vulnerability Assessment (CVA). This entails a detailed examination of mission-critical operational areas where corruption could occur and not be prevented or detected by the internal controls and systems in place. CVA looks at specific operations and functions with inherent risks of corruption, the general control environment, and the adequacy of existing controls and safeguards. A risk is generally defined as anything that could jeopardize the achievement of the agency's objectives. In the context of vulnerability assessment, a risk is taken to mean as an element or factor that can induce deceit, malfeasance, or abuse of power or position for private gain. Vulnerability is determined by a combination of factors: (1) significance and likelihood of occurrence of risks identified and (2) condition and sufficiency of internal controls.

In this case, there are three (3) mission-critical, operational CVA areas which management agreed deserving to assess, namely: 1) for the environmental management sector, the issuance of environmental compliance certificates (ECCs); 2) for the forest management sector, execution of integrated forest management agreements (IFMAs); and 3) for the land management sector, the execution of foreshore lease agreements (FLAs). The CVA Assessment Team was divided into three (3) groups:

| CVA Area | Assessors |
|---|---|
| 1. Integrated Forest Management Agreement | 2 DENR; 1 DAP and 1 OMB |
| 2. Environment Compliance Certificate | 1 DENR; 1 COA and 1 OMB |
| 3. Foreshore Lease Agreement | 1 COA and 3 OMB |

The team then proceeded to do a Risk Mapping of these areas earlier identified to come up with prioritized focus. In prioritizing, the team checked on the extent of the magnitude of operations and in terms of exposure of assets. After which, strategies were identified. Found below are the results of the Risk Mapping done prior to CVA area prioritization.

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# RISK MAP: ECC

**Likelihood of Occurrence** (High ↑)

HI Ls

- Political interference risk ●
- ● Inaccurate/incomplete information risk

HI Hs
- Inaccurate description risk ●
- Non-validation risk ●
- Objectivity impairment risk ●
- Political influence risk ●
- Monitoring absence risk ●
- Undocumented/unreported violation risk ●

- Poor selection risk ●
- Proponent undue influence risk ●

- ● "Package deal" risk     Under-/Over-scoping risk ●
- DENR personnel involvement risk ●
- ● Inadvertence/oversight risk

- Superficial review risk ●
- Collusion risk (substantive review of IEE Report) ●

- Inaccurate/insufficient screening risk ●
- Uncategorized project risk ●
- Objectivity impairment risk ●
- Biased draft recommendation risk ●
- Proponent undue influence risk ●
- Unnecessary penalty reduction risk ●

- ● Inaccurate information risk
- ● Collusion risk (Proponent, EIARC, Case Handler during site inspection)

LI Ls
- Documentation integrity risk ●
- Checklist integrity risk ●

LI Hs

Low ⟶ **Significance of Impact** ⟶ High

# RISK MAP: IFMA

**Likelihood of Occurrence** (High ↑)

HI Ls

HI Hs
- ● Information integrity risk (Proponent-driven Information)
- ● Recycling of CTO/CLO and/or other transport documents
- ● Impairment of Objectivity

- ● "Favoring" applicants over other applicants"
- ● Misdeclaration/under declaration of the vegetative cover of the area/of residual trees
- ● Political Interference
- ● Concealing information
- ● Inaccurate report/Approval of inaccurate report
- ● Tolerance to minimal deviations
- ● Concealing of actual result of findings
- ● Request to disregard clearance
- ● Intentional delay
- ● Inaccurate declaration of area planted/ developed

- ● Cutting outside the IOP
- ● Underscaling/misdeclaration of volume and tree species/of logs and lumber
- ● Non-payment or under payment of forest charges

LI Ls

LI Hs

Low ⟶ **Significance of Impact** ⟶ High

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# RISK MAP: FAM



One month was allotted for preparatory activities before the CVA proper. The team prepared two important documents, the CVA Analysis Matrix and CVA Issues Worksheet before it begun to visit the selected CVA sites. These two documents served in the process mapping and crucial to familiarize the team with the formal processes of the 3 CVA areas. The team also gathered and reproduced vital documents such as Department Administrative Orders (DAOs), PD 1586, AO 42 dated November 2, 2002, ECC Procedural and EIA Review Manuals, DAO 2004-24, DAO 2005-12, DANR Lands Administrative Order 08-3-36, DAO 98-20, LGC Nos. 57 & 81 and Commonwealth Act 141.   Orientations from the process owners on the CVA areas were also done in the central and field sites.  The selected CVA sites were the central offices of EMB, LMB and FMB, CARAGA Regional Offices (RED and EMB), PENRO of Agusan del Sur, CENROs  of Talacogon and Bayugan in CARAGA; Regional Office No. VII. (RED and EMB) PENRO of Bohol, and CENROs of Tagbilaran and Talibon in Bohol. The Assessment Team for the ECC group also visited EMB Regional Office IV-A, NRDC, LLDA and the SBMA port development project to witness MMT meeting and site inspection.

The CVA involves the following:

1. Process mapping or identifying the series of activities for each of the three (3) most vulnerable processes;
2. Determining exposure of activities to risks – identifying factors in each step that induce corruption;
3. Assessing likelihood of occurrence or dispersion of risks and potential loss or impact – determining whether the possibility of the risk to happen in each step is low, medium or high;
4. Evaluating the adequacy and effectiveness of existing controls – identifying in each step the controls or safeguards to prevent corruption from happening and judging whether they are very sufficient or not; and
5. Recommending corrective and preventive measures – making suggestions on how to enhance the safeguards or controls to address the risks.

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## ISSUANCE OF ENVIRONMENTAL COMPLIANCE CERTIFICATE (ECC)

### BACKGROUND

The ECC process touches the heart of the Philippine Environmental Impact Statement System. It is clearly governed by law and procedural manual. It is a core function being performed by the DENR as it maintains the mandated healthy, but not so easy balance between socio-economic development and environmental protection. The ECC issuance was chosen based on the following reasons:

- As already stated, it is the core function of the DENR thru its Environmental Management Bureau (EMB) to maintain the healthy balance between socio economic development and environmental protection, as well as the promotion and protection of intergenerational interests;
- Top management agreed to look into the ECC issuance process since it is usually identified as a commonly complained service deliverable of the Department; and
- There are inherent risks that are attached to the said function that should be addressed for better performance and environmental protection in the future.

### Description Of The Process[23]

### A. Screening

**Risks:** (1) "Package deal" risk
       (2) Inaccurate description risk
       (3) Risk of non-violation

Inquiry from the proponent as to ECC coverage of his/her project sets into motion the ECC issuance process. The Environmental Management Bureau (EMB) Officer of the Day screens initial project documents to determine whether prior issuance of ECC is required. The screening will also enable the officer of the day to determine what project category proponent's the project belong. The initial risk identified at this stage is the **"package deal" risk**, where proponents of small scale projects solicit or are offered the assistance of case handlers who will prepare everything that is needed to secure the ECC for a fee. On the other hand, for projects not covered by the ECC requirement, the proponent who wish to secure a certificate of non-coverage (CNC) will be asked to submit the Project Description that would help justify the issuance of CNC and for EMB or the DENR Secretary (in cases of CNC applications processed by the Laguna Lake Development Authority or LLDA) to have a definitive determination of the project's non-coverage. The risks identified in CNC issuance are the **inaccurate description risk** and the **risk of non-validation** which are both high in terms of likelihood of occurrence and significance of impact. A proponent of a small scale project may not have the technical competence to fully describe the nature of his/her project particularly existing environmental conditions and possible adverse environmental impacts of the project, if any. The risk of non-validation is also high, especially in LLDA, since most of the CNC applications are expedited without validation. There is also the risk that the project is uncategorized and not clearly defined in the procedural manual but may have adverse environmental consequences and yet deemed eligible for CNC.

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[23] Essentially culled from the ECC Procedural Manual – DAO 2003-30

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## B. Application

**Risks:** (1) Insufficient/inaccurate report risk
(2) Risk of poor selection

Projects within environmentally critical areas (ECAs) or Category B projects are generally covered by the initial environmental examination (IEE), either in the form of IEE Report[24] or IEE Checklist[25], depending on the nature of the category B project. At this stage the proponent/preparer submits the applicable document: IEE Report or IEE Checklist. The risk identified in this stage is the **insufficient/inaccurate report risk**. Although there are existing controls like DAO 2003-30, the ECC Procedural Manual and the hierarchy of review, they may be considered insufficient in view of the imperative need to provide report templates for all types of projects. On the other hand, projects considered as environmentally critical projects (ECPs) or Category A projects and thus covered by the environmental impact statement (EIS), the proponent/preparer gives notice to the EMB for a scoping session. With the initial documents submitted by the proponent / preparer whose project is covered by EIS, EMB may evaluate the documents and validate the completeness of stakeholder listing.

At this stage for an EIS covered project, the next step would be the selection of the environmental impact assessment (EIA) Review Committee members. For IEE covered projects, the application would be assigned to a case handler or to a technical committee. The risk identified in this stage is the **risk of poor selection**. However, controls through DAO 2003-30, Code of Ethics of EIARC members and the database / pool of experts are deemed operational.

## C. Scoping

**Risks:** (1) Under or over-scoping risk
(2) Documentation integrity
(3) Scoping integrity risk

This stage is applicable only to projects covered by the EIS. The first step is for the proponent/preparer to give project briefing in order to appraise EMB and the EIARC of the nature of the project. This will be followed by formal / site scoping or technical scoping where the document required is Programmatic Environmental Performance Report and Management Plan (PEPRMP)[26] or Environmental Performance Report and Management Plan (EPRMP)[27]. This is for the purpose of determining / agreeing on the scope of the EIA study through consultation with technical experts and stakeholders. The risk identified in this stage is the **under or over-scoping risk** which has a medium likelihood of occurrence in view of the need to provide a sectoral scoping checklist. After the formal / site scoping, proponent/preparer submits scoping report (for the purpose of documenting formal/ site scoping) or the PEPRMP / EPRMP document itself after the technical scoping. After the submission of the scoping report, this will be followed by the signing of the scoping checklist for the purpose of setting the scope of the EIA study. Although there were risks identified in this stage like **documentation integrity** and **scoping integrity risks**, both have low likelihood of occurrence because of sufficient and operational control mechanisms.

## D. EIA Preparation

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[24] The document required of proponents describing the environmental impact of, and mitigation and enhancement measures for, non critical projects or undertakings located in an ECA.

[25] Short and simplified checklist version of an IEE prescribed by the DENR and required to be filled up by proponents for describing the project's environmental impact and corresponding mitigation and enhancement measures for non-critical projects located in an ECA. The DENR prescribes appropriate corresponding IEE Checklists for different projects with minimal and manageable impacts.

[26] Documentation of actual cumulative environmental impacts of co-located projects with proposals for expansions. The PEPRMP should also describe the effectiveness of current environmental mitigation measures and plans for performance improvement.

[27] Documentation of the actual cumulative environmental impacts and effectiveness of current measures for single projects that are already operating.

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**Risks:** (1) Personnel involvement risk (Partiality; lost of objectivity)

After the signing of the scoping checklist, the next step would be the conduct of the EIA, preparation and submission of the EIA study. This is for the purpose of truthfully assessing the environmental impacts of the development projects / programs subject of the ECC application. The risk identified in this stage is the (DENR) **personnel involvement risk** in the preparation of the EIA study, which was assessed to have a medium likelihood of occurrence.

## E. EIA Report Review and Evaluation

**Risks:** (1) Impairment of objectivity risk

After the submission of the EIS study, PEPRMP, EPRMP, IEE report or IEE checklist report, the next step is its procedural review by the case handler in order to determine the completeness and sufficiency of the study/report. No risk factor was identified in this stage. If the EIS is determined to be complete, proponent/ preparer submits ten (10) copies (with electronic copies) to EMB for substantive review. In case of PEPRMP, EPRMP and IEE Report, proponent/preparer submits five (5) copies and for IEE checklist, three (3) copies, both with electronic copies for substantive review. No risk factor was identified in this stage. The next step is the payment of processing fee and the execution of MOA for and payment of review fund for projects covered by EIS, PEPRMP or EPRMP. However, it has been observed during field visits that the CARAGA EMB Regional Office does not have a review fund manager. The risk identified in this stage is the **impairment of objectivity risk**, where the proponent/preparer directly pays the honorarium of EIARC members, case handler and resource persons. In view of this arrangement, the likelihood of occurrence of the risk is high and the significance of the impact is also high.

**Risks:** (1) Superficial review risk
(2) Collusion risk

The next step is the convening of the EIARC for substantive review of projects covered by EIS, PEPRMP and EPRMP (except in Category B projects). The next activity is the substantive review of the EIS, PEPRMP or EPRMP and possible request for additional information (maximum of 2 requests) or the substantive review of the IEE Report and possible request for additional information. This is for the purpose of reviewing the results of the EIA study / report as input to the processing of the ECC application. The risks identified in this activity are the **superficial review risk** on the part of the EIARC members and **collusion risk** on the part of case handlers. Both risks were assessed to have medium likelihood of occurrence. The existing controls for these activities are the EIA review manual and the hierarchy of review.

**Risks:** (1) Political interference

The next activity is the conduct of public hearing, if necessary, for projects covered by EIS, or informal consultations in case of IEE Report. The risk identified in this activity is **political interference**, especially in ECPs. The likelihood of occurrence in certain projects was assessed to be high in view of the insufficient controls provided by DAO 2003-30 and the ECC Procedural Manual. After this activity, there could be site inspection that may be conducted either for the purpose of site validation of submitted report on the results of the EIA study or for the purpose of a walk through, informal consultation or conduct of additional samplings. Although in both activities there are collusion risks, the likelihood of occurrence among EIARC members, EIA personnel and proponent is low as compared to the collusion risk between proponent/preparer and case handler in projects covered by IEE, which is high.

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**Risks:** (1) Risk of biased draft recommendation

After site inspection / validation is the submission of the EIARC report on substantive review of projects required to submit EIS, PEPRMP and EPRMP for the purpose of consolidating substantive review findings and recommendations on the ECC application. The next step is the review of the report and submission of review process report by the case handler. The risk identified in this activity is the **risk of biased draft recommendation**, although the likelihood of its occurrence is low given the control mechanism provided by the EIA review manual and the hierarchy of review.

**Risks:** (1) Risk of undue influence

The last step for the review and evaluation stage is the review by the indorsing officials: EIA Division Chief in regional offices; EMB Director in the central office and the General Manager of the LLDA. The risk identified in this activity is the **risk of undue influence** exerted by the proponent which may have a medium likelihood of occurrence.

## F. EIA Decision

**Risks:** (1) Risk of undue influence
(2) Risk of undue delay

The activities covered by this stage are the approval / denial of the ECC and the confirmation of ECCs / CNCs processed by the LLDA. The risk factor identified in this stage is the **risk of undue political influence** in certain projects which may be high in likelihood of occurrence on account of insufficient controls in some project category types. There is also **risk of undue delay** on account of a highly centralized set up in cases of LLDA-processed ECC and CNC applications

## G. Monitoring

**Risks:** (1) Absence of monitoring
(2) Risk of undocumented / unreported violation

Monitoring has two faces, namely: monitoring of compliance with ECC conditions and monitoring of environmental management plans (EMPs). This stage covers the following activities – monitoring of compliance with ECC conditions and EMPs, as well as submission of monitoring reports in order to determine level of compliance with ECC conditions and EMPs, when applicable. The risk identified in this stage is the **absence of monitoring**, which may be high except in cases where there are multipartite monitoring teams (MMTs) and self monitoring reports (SMRs). There is also the **risk of undocumented / unreported violation** of ECC conditions, which may be high except where there are MMTs. There are control mechanisms provided by different monitoring protocols, but some of these may be non-operational due to lack of organic monitors.

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## H. Administrative Investigation

**Risks:** (1) Possible undue influence

Reporting of violation which may be done by members of the community / media or members of the monitoring units (e.g. MMTs, third party auditors, EMB monitors) will pave the way for administrative investigations which may take the form of notice of violation, show cause order or the issuance of a cease and desist order (CDO) to prevent grave and irreparable damage. The next activity in this stage is the proponent's submission of reply and the conduct of technical conference / field investigation for the purpose of giving the proponent the opportunity to be heard. The risk identified in this activity is the **possible undue influence** exerted by the proponent which was assessed to be low in likelihood of occurrence.

## I. Imposition of fines and penalties

**Risks:** (1) Unnecessary reduction of penalty

The activity involved for this stage is the approval of the case decision document which may result to the imposition of fines and penalties. This is for the purpose of deterring commission of ECC or EMP commitment violations. The risk identified with this activity is the **unnecessary reduction of penalty**, which is assessed to be low in likelihood of occurrence in view of the controls in place, DAO 2003-30 and the hierarchy of review.

## J. Request for amendments of or relief from ECC conditions

**Risks:** (1) Same as those usually attendant in ECC applications

It could be that after the issuance of the ECC and during the operation of the project, the proponent may request for amendments of the ECC conditions or may have, for some reason or another, failed to operate or the project was consequently classified as Category D, the proponent may request for relief from ECC conditions. In either case, the applicant files a letter-request for amendment of or relief from ECC conditions. The next activity for this stage is the evaluation of the letter-request by EMB and the assignment of a Case Handler or Technical Committee if the requester for relief is a proponent of an ECP. The last activity for this stage is the approval or denial of the letter-request. The risks identified especially in requests for major amendments are the same as those usually attendant in ECC applications.

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Environmental Compliance Certificate Issuance
Present Procedural Flowchart

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## Environmental Compliance Certificate Issuance
## Present Procedural Flowchart

```
              ( A )                                      ( B )
                |                                          |
    EMB selects EIARC                        Preparation of CSW;
                |                             submission of RPR
    Proponent gives                                        |
    project briefing                         Review by Indorsing Official;
                |                             recommend approval
Note 3  Conduct of scoping                    or denial of ECC
                |                                          |
    Signing of scoping                       Approving Official
    checklist/Agree on scope                 approves and issues
                |                             ECC or denies ECC
    Proponent/Preparer                       application
    submits scoping report                                |
                |                                    (         )
Note 4  Conduct EIA /
        Prepare/submit EIA Study
                |
Note 5  Conduct of
        procedural review
                |
Note 6  If Report is complete,
        Proponent submits to EMB
        for substantive review
                |
    Payment of Processing
    Fee, MOA execution and
    payment of Review Fund
                |
              ( C )
```

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Environmental Compliance Certificate Issuance
Present Procedural Flowchart

C

EMB convenes EIARC

EIARC conducts substantive
review of EIA Study; requests
additional information

Note 8 — Conduct of public hearing

Note 9 — Conduct of
site inspection

Submission of the
EIARC Report

Review of
EIARC Report,
preparation of CSW;
submission of RPR

Note 10 — Review by Indorsing Official;
recommend approval
or denial of ECC

Note 11 — Approving Official
approves and issues
ECC or denies ECC
application

Note 12

LEGEND:

ECC - Environmental Compliance Certificate
EIS - Environmental Impact Statement
EPRMP - Environmental Performance Report and Management Plan
PEPRMP - Programmatic EPRMP
IEE - Initial Environmental Examination
CNC - Certificate of Non-Cpverage
EIA - Environmental Impact Assessment
EIARC - EIA Review Committee
CSW - Complete Staff Work
RPR - Review Process Report

Note 1: The EMB Officer of the Day screens initial project documents to determine whether prior issuance of ECC is required and to determine what category the project belongs

Note 2: IEE may be followed up by full EIA if required by EMB after its review of the IEE

Note 3: This is for the purpose of determining/agreeing on the scope of the EIA Study through consultation with technical experts and stakeholders

Note 4: This is for the purpose of truthfully assessing the environmental impacts of the development projects/programs subject of the ECC application.

Note 5: The procedural review is done to determine the completeness and sufficiency of the Study/rReport.

Note 6: If determined to be complete, Proponent/Preparer submits 10 copies (with electronic copies) to EMB for substantive review . In case of EPRMP, PEPRMP and IEE Report, Proponent/Preparer submits 5 copies and for IEE Checklist, 3 copies, all with electronic copies, for substantive review.

Note 7: This is for the purpose of reviewing the results of the EIA Study/Report as input to the processing of the ECC application.

Note 8: The order of site inspection, conduct of public hearing and request for additinal information may differ on a case-to-case basis

Note 9: This is conducted either for the purpose of site validation of submitted report on the results of the EIA Study or for the purpose of walkthrough, informal consultation or conduct additional samplings.

Note 10: The Indorsing Officials are the EIA Division Chief in the regional offices, EMB Director in the central office and the LLDA General Manager

Note 11: Approving Officer: :
o for ECPs - DENR Secretary
o for non-ECPs - EMB Central Office/Regional Director

Note 12: After ECC issuance, there is monitoring of compliance with ECC conditions and monitoring of environmental management plans. If found to be complying, Proponent's efforts are acknowledged. If not, fines and penalties are imposed.

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**Major risks / vulnerabilities and recommended actions**

Discussed below are the ECC activities that are most vulnerable to corruption, the corruption risk factors, the evaluation of likelihood of occurrence and the significance of impact of the risk factors, the existing control mechanism that is built-in the process, and the areas for improvement or recommendations.

**A. Inaccurate description, non-validation and uncategorized project for CNC**

The risks identified in CNC issuance are the inaccurate description risk and the risk of non-validation which are both high in terms of likelihood of occurrence and significance of impact. A proponent of a small scale project may not have the technical competence to fully describe the nature of his/her project particularly existing environmental conditions and possible adverse environmental impacts of the project, if any. The risk of non-validation is also high, especially in LLDA, since most of the CNC applications are expedited without validation. There is also the risk that the project is uncategorized and not clearly defined in the procedural manual but may have adverse environmental consequences and yet deemed eligible for CNC. The assessment team recommends continuing accessible information and education campaigns to empower CNC applicants to intelligently prepare their applications / project descriptions. Site validation / inspection of CNC applications should also be made as a standard procedure. Likewise, there should also be a continuing updating of the procedural manual as far as coverable industries / projects are concerned.

**B. Possible Conflict of Interest**

For projects covered by EIS, EPRMP or PEPRMP, the costs for the review will be shouldered by the proponent by setting up an Environmental Review Fund (ERF). Expenses chargeable to the ERF include honoraria of EIA Review Committee and Resource Persons, site visit expenses, logistical support and basic administrative costs. Under the EMB's Procedural Manual, the ERF shall be held by the fund manager as trustee. Possible conflict of interest arises when there is no fund manager which serves as the "wall" between the proponent and the reviewers. Such is the case at Region XIII as observed by the Assessment Team and the same situation may prevail in other regions as well.

The Assessment Team recommends strict observance of the provisions of DAO 2003-30 and its Procedural Manual. The said Manual succinctly provides: "To ensure transparency, the selection of a fund manager shall follow government guidelines on procurement of services. An alternative mode would be negotiation with other government agencies or GOCCs (for example, Land Bank and DBP)."

**C. Possible impairment of objectivity**

In the conduct of the site inspection, there is a perceived low likelihood of occurrence for this risk for projects covered by EIS, PEPRMP and EPRMP due to the presence of the EIA Review Committee. However, the same may not be true for projects covered by IEE Report, IEE Checklist or even that of the application for CNC since only the Case Handler interacts with the Proponent. The lack of logistics is also apparent on the part of the Case Handler who has no way of doing site inspection or going to public hearings, when necessary, but to use the proponent's vehicle and benefit from the meals and lodging provided by the proponent.

The Department has formulated a Code of Conduct for Good Environmental Governance which includes the provision that: "I will ensure that due diligence is taken before any decisions or actions are made or implemented that will concern either directly or indirectly present and future Filipinos, their heritage, and the natural resources they rely upon" as well as other commitments therein provided. However, the Assessment Team believes that the said Code is not enough to address the risk discussed herein.

To lessen the likelihood of the occurrence of this risk, it is recommended that a customized Code of Conduct for Case Handlers be formulated, with concrete examples of work situation dilemmas and recommended values-based solution.

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Furthermore, a stringent enforcement of the present guidelines particularly the Procedural Manual, under DAO 2003-30 dated 30 June 2003, is extremely important. The Team also proposes that the Department consider using the team approach especially for site inspection and other activities where the judgment of the Case Handler working alone may be impaired due to the unwarranted influence of the proponent.

Another issue that needs to be resolved, though it involves representation with the Department of Budget and Management, is the Contractual status of the Case Handlers not only at the EMB Central Office but also at the Regional Offices. This situation leads to a quick turnover of personnel who were already trained in the EIS System and the hiring of either fresh graduates or engineers who still has to undergo a learning curve in the EIS System but is made to perform the duties of Case Handlers even without enough training or immersion in the highly technical work they were hired for. The Assessment Team believes that a Permanent item for these Case Handlers is necessary so that they have a career path to look forward to and not be easily swayed by tempting offers by jobs abroad or even by the proponent himself who need proficient personnel for technical positions in his current project or even competent EIS Preparers in future projects since the said Case Handlers are already familiar with the present EIS System

## D. Insufficiency of monitoring

The importance of monitoring cannot be overemphasized because it is the only way to verify if the proponent has followed all the conditions of the ECC to the letter, and in certain cases, its environmental management plan (EMP). It appears, though, that this risk may not be a problem for Category A and some Category B Projects wherein proponents are required to submit an EIS, Programmatic EIS, EPRMP or PEPRMP. In these instances, a Mutlipartite Monitoring Team (MMT) is formed with representatives coming from the proponent, the different stakeholders of the project, the local government unit and the DENR, particularly from the EMB.

However, this particular risk has a high likelihood of occurrence and high impact considering possible undocumented or unreported violations of ECC conditions although there are violations reported to the DENR, LGU or even to the media by those who are brave enough to complain about foul or noxious odor, disposal of untreated effluents and wastewater and other violations of ECC conditions. There is practically no way to determine whether the proponent has committed environmental desecration when there is insufficiency of monitoring.

The Assessment Team strongly recommends the increase in the number of EMB personnel who are assigned to monitor. Continuous training and professional updating of these personnel is also suggested because it is particularly necessary to raise the level of their profession and to make them aware of the new technologies available at the present. The Department may also look into the possibility of tapping a member of the EIARC in monitoring highly technical projects

If the above recommendations cannot be addressed immediately, we recommend that the DENR consider the cascading of monitoring as well as monitoring report templates to stakeholders, members of the community and even to LGUs who are directly affected by the project/s operating in their area of jurisdiction.

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In addition to the above recommendations, the Assessment Team wishes to proffer the following recommendations:

1. The current Procedural Manual needs continuous updating as far as the coverable industries or projects are concerned.  At present, a proponent or preparer inquires from the EMB on the necessity of or the requirements for ECC issuance.  It may be possible that the project is an entirely new project or a unique one such that the same is not included in the industries currently covered by the EIS System.  An extensive information, education and communication or IEC may likewise be necessary to provide feedback to the proponent/preparer particularly on the stakeholders' understanding of the EIA process and its proposed project and the issues and concerns attendant thereto.

2. Deployment of the Environmental Impact Statement (EIS) system and updates to the local government units, stakeholders and the general public.  Notwithstanding the fact that the phrase "This ECC should not be misconstrued as a permit …" is already indicated on the face of the ECC, there are still misconceptions that the ECC is a form of permit to be secured by proponents before they are given the permits required by local government units.

3. For projects covered by IEE Report or IEE Checklist, the Assessment Team finds the current control activity/mechanism as insufficient.  We recommend that comprehensive report templates for all possible types of projects be formulated and included in the Procedural Manual to help the proponents/preparers in crafting the required document.

4. Include an Accountability Statement for IEE Checklist which is not presently required.

5. In the approval or denial of the ECC, there is a probable risk of political influence.  Our interview with members of the EIARC revealed that there were certain high profile projects in the past which were granted ECCs because of political interference by influential people or those closely associated to the proponent itself.  The Assessment Team recommends that an unyielding stance be taken by the Department in the midst of such political influence by strictly enforcing the EIA Law and the guidelines already issued.  The ECC approval or denial process should have transparency mechanisms as well.

6. Regardless of project category type or whether it is an ECC or CNC application, 2006 statistics would show that it usually takes eight months for a proponent to get his LLDA-processed ECC or CNC. There is a need to revisit the highly centralized arrangement in LLDA-processed ECC and CNC applications to address the risk of undue delay in processing said applications. Inevitably, there is a need to strengthen the capacity of EMB in processing ECC and CNC applications in terms of manpower complement and continuing skills enhancement.

For corruption vulnerability analysis matrix (ECC Process), please see Annex 1.

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## INTEGRATED FOREST MANAGEMENT AGREEMENT (IFMA)

### A. Background

The IFMA is a production sharing contract entered into by and between the DENR and a qualified applicant wherein the DENR grants to the latter the exclusive right to develop, manage, protect and utilize a specified area of forestland and forest resources therein for a period of 25 years and may be renewed for another 25-year period, consistent with the principle of sustainable development and in accordance with an approved Comprehensive Development and Management Plan (CDMP) and under which both parties share in its produce. (DENR Administrative Order No. 99-53).

The Integrated Forest Management Agreement (IFMA) was chosen as one of the areas for the Corruption Vulnerability Assessment (CVA) for the Department of Environment and Natural Resources (DENR) because it is one of the instruments on sustainable forest management endeavor of the Department used to protect and advance the people's right to a balanced and healthful environment, promote equitable access to forest resources, and ensure the continuous supply of wood and non-wood products.

Also, pursuant to the provisions of DENR Administrative Order (DAO) 99-53 and DAO 2003-21, Timber License Agreements (TLAs) which are about to expire can be converted into IFMAs.

Moreover, results of interview conducted during the Corruption Resistance Review (CRR) disclosed that one of the common complaints of clients is the slow processing of Private Land Timber Permits (PLTPs). However, PLTPs' scope is smaller and covers only private lands while IFMAs cover lands of public domain.

The Assessment Team for IFMA chose the CENRO Talacogon in the province of Agusan del Sur, CARAGA Region due to the presence of one (1) TLA and six (6) IFMAs in the area and security considerations for the assessors. Likewise, Region XIII is the Department's preference in assessing the forest sector.

### B. Description of the IFMA Process

To have a complete picture and better appreciation of the IFMA process, the Assessment Team deemed to present the activities/steps of the Integrated Forest Management Program (IFMP). Since IFMP is too wide a scope, the team focused more on the Implementation of the Integrated Operations Plan (IOP) in validating the major risks/vulnerabilities for corruption.

1. IFMA Application

Based on the IFMP guidelines, the application for IFMA shall be filed/submitted through the Community Environment and Natural Resources Office (CENRO). A composite team composed of CENRO, PENRO, Regional Office, FMB-Central Office personnel and representative of the IFMA proponent conduct the 5% timber inventory within residual forest to determine the ISLO (to be converted into forest tree plantation) and ASLO (selective logging). In the approval of the IFMA-IOP, the conduct of 20% timber inventory within areas for logging operation shall be held by an inventory team composed of CENRO tree markers, PENRO Timber Management Officer, representative from the region and LGU's ENRO to determine the area for logging operation and volume to be harvested on annual basis. Thereafter, the Regional Deliberation Committee composed of the CENRO, PENRO, EMB, RTDs, all division chiefs of the region concerned, LGU-ENRO, and NCIP will deliberate on the IFMA application whether to approve or deny the IOP.

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## 2. IFMA-Comprehensive Development and Management Plan (CDMP)

As input to the IFMA Comprehensive Development and Management Plan (CDMP), a composite team composed of personnel from CENRO, PENRO, Regional Office, Forest Management Bureau (FMB) and representative of the IFMA proponent shall undertake the conduct of 5% timber inventory within the residual forest area. This is to determine the Inadequately Stock Logged Over Areas (ISLO) and Adequately Stock Logged Over Areas (ASLO).

## 3. Approval of the IFMA-Integrated Operations Plan (IOP)

Prior to the deliberation for the approval of the IFMA-Integrated Operations Plan (IOP), an Inventory Team composed of Tree Markers and Timber Management Officer from the CENRO, representatives from the PENRO and Regional Office and LGU's ENRO will undertake 20% timber inventory to determine the annual allowable cut (AAC) and the area to be harvested. The recommendation for the approval/disapproval of the IFMA-IOP will be decided upon by the Regional Deliberation Committee composed of the CENRO, PENRO, EMB, RTDs, all Division Chiefs of the Region, NCIP and LGU's ENRO.

## 4. IFMA-IOP Implementation

In the implementation of the IFMA-Integrated Operations Plan (IOP) which shall involve monitoring of the logging plan/operations, particularly "Tree Marking Set-up" establishment, DENR and IFMA proponent's Tree Markers establish tree marking set-up through a set-up map. The tree marking set-up shall be submitted to the CENRO for approval and serve as DENR's control and monitoring mechanism. A copy of the same document shall be given to the IFMA proponent to serve as guide for the proponent's operation.

To determine the number of trees to be cut and trees to be left, DENR and IFMA proponents' tree markers conduct pre-sampling inventory and mark trees to be cut and residual trees, respectively. Marking report (trees to be cut and residual trees) shall be encoded in the "Forest Stock Management System (FSMS)" of the concerned CENR Office. Both the DENR and IFMA proponent shall be furnished a copy of the report for control and monitoring of the DENR and guide for the IFMA proponent's operation.

The cutting and scaling are conducted by the proponent assisted by the Scaler from CENRO to determine the volume of trees cut for production report and the amount of forest charges. To determine the damaged marked residual and the cutting of trees within the set-up, the Tree Markers check the marked residual trees and prepare residual inventory report. Thereafter, Tree Markers compute the silvicultural fees for approval by the CENRO.

The Chief of the Engineering and Infrastructure Unit of the CENRO conduct checks on the road specification as part of the monitoring of the logging plan/operations of the IFMA. Road maintenance of either rehabilitated or newly constructed road requires clearance from the Secretary. Inspection/evaluation report is submitted to the PENRO.

On the cut disposition and utilization program, the proponent shall requests for CTO/CLO and auxiliary invoice which is required to transport logs and lumber from sawmill to market/log pond. The Chief Utilization Section of the CENRO handles the processing of requests and conducts inspection of logs and lumber.

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5. Cutting and Scaling

Whether the cut trees are processed by the IFMA holder or sold outside, these trees shall be subjected to scaling by the DENR's Scaler (CENRO) and to be assisted by the proponent's Scaler. Forest charges are determined by the DENR's scaler or Timber Management Officer (TMO).

To determine the damaged marked residual trees and whether the cutting is within the "Set-up", Tree Markers conduct a check on the areas where said cutting is held. Residual Inventory report shall be prepared by the Tree Markers which will be the basis for the computation of silvicultural fees subject for approval by the CENRO.

6. Logging Operations Plan

Part of the IOP implementation is the maintenance or construction of roads in the IFMA areas. The Chief of the Engineering and Infrastructure Unit of the CENRO is responsible in the monitoring whether the proponent has complied with the specifications of the roads constructed/rehabilitated per the approved IOP. Any road construction/rehabilitation is subject to the approval of the Secretary.

7. Cut Disposition and Utilization Program

For the proponent to transport cut logs and lumber, a request for CTO/CLO as well as auxiliary invoice shall be filed and processed by the Chief Utilization Section of the CENRO. Part of the process in securing the CTO/CLO, the CENRO's Chief Utilization Section conducts an inspection of logs and lumber by the DENR Scaler and Tree Marker to be transported to processing plant/log pond. The inspection result on the volume of logs and lumber to be transported will be the basis for payment of forest charges.

8. Reforestation Plan

To determine the planted/developed area, the CENRO conducts a validation. The CENRO submits the validation report to PENRO and Regional Office. Said report will determine the degree of compliance with IFMA's-IOP and Reforestation Plan.

9. Protection Program

Part of the IOP is the proponent's establishment of forest protection program such forest patrol, census/survey of forest occupants, checkpoints, information dissemination/education campaign and forest pest and disease control. The check points set up in the area shall be manned by Forest Rangers/Guards to check on the transport documents such as CTO/CLO/OR, auxiliary invoice, delivery receipt, consignee. Moreover, the Forest Rangers shall conduct verification of species and rescaling per the transport documents to determine the species and volume of forest products.

10. Research Program, ECC, and Community Development

The CENRO validates report of proponent on the compliance of the IFMA-IOP. The CENRO prepares the validation report for submission to PENRO/Regional Office. The EMB-Regional Office is responsible in the monitoring of the ECC.

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# Integrated Forest Management Program (IFMP)

```
                    ┌─────────────┐
                    │    START    │
                    └──────┬──────┘
                           │
                           ▼
                  ┌─────────────────┐
                  │ IFMA Application│
                  └────────┬────────┘
                           │
                           ▼
                  ┌─────────────────┐
                  │      CDMP       │
                  └────────┬────────┘
                           │
                           ▼
                  ┌─────────────────┐
                  │   IOP Approval  │
                  └────────┬────────┘
                           │
                           ▼
                  ┌─────────────────┐
                  │ IOP Implementation│
                  │  by Proponent as │
                  │ monitored by DENR-│
                  │   Field Office   │
                  └────────┬────────┘
                           │
                           ▼
                    ┌─────────────┐
                    │     END     │
                    └─────────────┘
```
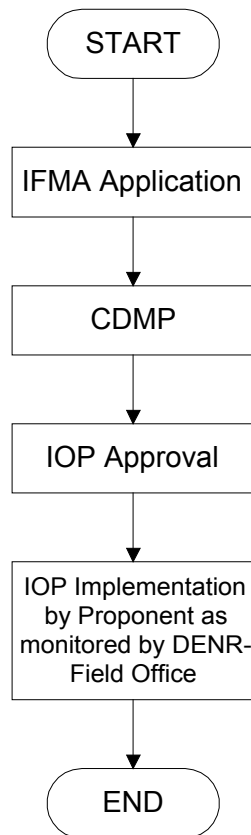
Legend:
    IFMA - Integrated Forest Management Agreement
    CDMP - Comprehensive Development and Management Plan
    IOP - Integrated Operations Plan

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## "TREE-MARKING SET-UP" ESTABLISHMENT

## TREE MARKING

**A**

Establish "tree-marking set-up"

Prepare "tree marking set-up" with map

Submit "tree marking set-up" to CENRO for approval

Provide copy of "tree marking set-up" to proponent

END

**B**

Tree Marking

Conduct Pre-sampling Inventory (to determine marking goal/residual inventory)

Mark trees to be cut (mature & over-mature)

Mark residual trees (mother tree)

Prepare the Tree Marking Report

Encode in the FSMS to generate "List of trees to be cut" Report & Residual Reports (Log Control Monitoring System or Forest Stock Management System)

Submit tree marking report to CENRO for approval (tree marking & FSMS)

Provide copy of report to proponent

END

Legend:  CENRO - Community Environment and Natural Resources Office
FSMS - Forest Stock Management System

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## Cutting and Scaling

**C**

↓

Proponent starts cutting of trees

↓

Scale logs going to log pond or sawmill

↓

Prepare Forest Charges for payment

↓

END

## Residual Inventory

**D**

↓

Check the marked Residual Trees basis: Tree Marking Report

↓

Prepare Residual Inventory Report

↓

Compute the Silvicultural Fees

↓

Prepares Order of Payment

↓

For CENRO's approval

↓

Inform proponent of Payment of Silvicultural Fees (thru letter)

↓

END

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# Road Repair Maintenance

```
                              ( E )
                                │
                                ▼
                    ┌───────────────────────┐
                    │  Check the road        │
                    │  speculations (from the│
                    │  approved IOP)         │
                    └───────────────────────┘
                                │
              ┌─────────────────┴──────────────────┐
              ▼                                     ▼
  ┌───────────────────────┐         ┌───────────────────────┐
  │  Rehabilitation Road   │         │  Newly Constructed Road│
  └───────────────────────┘         └───────────────────────┘
              │                                     │
              ▼                                     ▼
  ┌───────────────────────┐         ┌───────────────────────┐
  │  Prepare Inspection/   │         │  Inform proponent of   │
  │  Evaluation Report     │         │  violation as per Terms│
  │                        │         │  of Conditions of IOP  │
  │                        │         │  (thru letter)         │
  └───────────────────────┘         └───────────────────────┘
              │                                     │
              ▼                                     ▼
  ┌───────────────────────┐         ┌───────────────────────┐
  │  Submit to CENRO (FYI) │         │  Recommend suspension  │
  │                        │         │  or stoppage of        │
  │                        │         │  operation (assumption:│
  │                        │         │  no justification from │
  │                        │         │  proponent)            │
  └───────────────────────┘         └───────────────────────┘
              │                                     │
              └─────────────────┬──────────────────┘
                                ▼
                          (   END   )
```
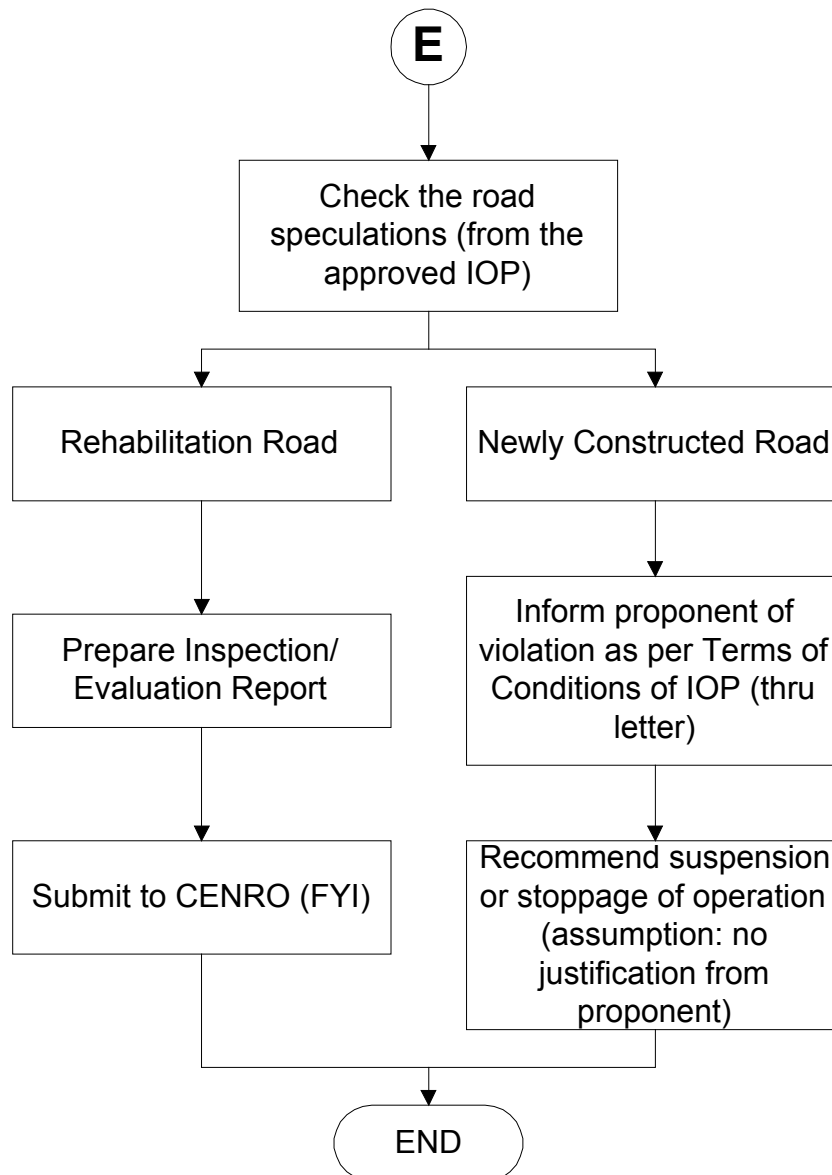
Legend:
   IOP - Integrated Operations Plan

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# Cutting Disposition and Utilization Program

```
                              ( F )
                                │
                ┌───────────────┴───────────────┐
                ▼                                ▼
        ┌───────────────┐              ┌───────────────┐
        │  Processed by │              │ Sold to Others│
        │   Own Plant   │              │               │
        └───────┬───────┘              └───────┬───────┘
                └───────────────┬───────────────┘
                                ▼
                ┌───────────────────────────┐
                │  Request for Transport     │
                │  Document (CTO/CLO),       │
                │  auxiliary invoice         │
                └─────────────┬──────────────┘
                              ▼
                ┌───────────────────────────┐
                │  Prepares the CTO/CLO      │
                │  requests and conducts     │
                │  inspection of logs and    │
                │  lumber                    │
                └─────────────┬──────────────┘
                              ▼
                ┌───────────────────────────┐
                │  Measures the volume of    │
                │  logs and lumber to be     │
                │  transported and prepare   │
                │  payment of forest         │
                │  charges (if no payment    │
                │  has been made             │
                └─────────────┬──────────────┘
                              ▼
                        (   END   )
```

Legend:
    CTO - Certificate of Timber Origin
    CLO - Certificate of Lumber Origin

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# Reforestation Plan

**G** → Validate Seedlings Production (Basic Reforestation Plan)

↓

For Own Use | For disposition

↓

Check disposition logbook

↓

Prepare Monitoring Report (Seedling Production & Disposition)

↓

Submit to PENRO & RED

↓

END

**H** → Site Preparation

↓

Check & verify site area proposal for planting

↓

Planting

↓

Validate area planted/ developed and submit Validation Report (Plantation Establishment)

↓

Submit to PENRO & Regional Office

↓

END

Legend:
   PENRO - Provincial Environment and Natural Resources Office
   RED - Regional Executive Director

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## Silvicultural Treatment Program

For Timber Stand Improvement (TSI) & ANR/Enrichment Planting

**( I )**

↓

Validate Report of Proponent

↓

Prepare Validation Report

↓

Submit to PENRO/ RED

↓

( END )
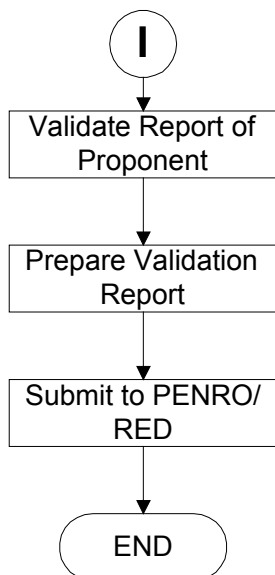
## For Research Program, ECC & Community Development

**( K )**

↓

Validate Report of Proponent

↓

Prepare Validation Report

↓

Submit to PENRO/ RED

↓

( END )
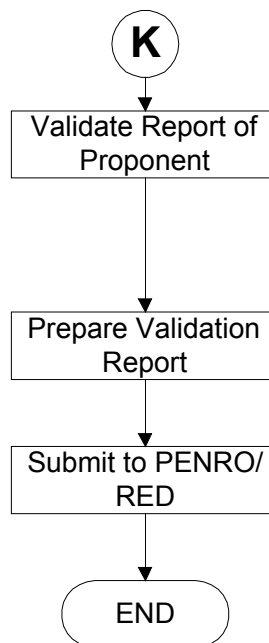
## Protection Program

For: Forest Patrol, Census Survey of Forest Occupants, Checkpoints, Information Dissemination/Education Campaign & Forest Pest & Disease Control
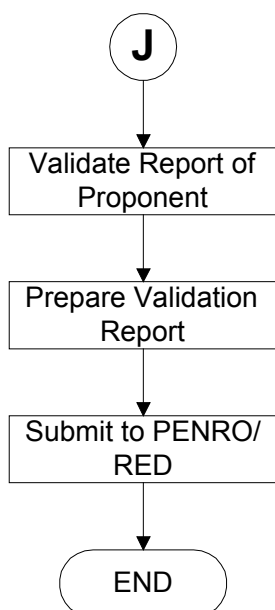
**( J )**

↓

Validate Report of Proponent

↓

Prepare Validation Report

↓

Submit to PENRO/ RED

↓

( END )

Legend:
PENRO - Provincial Environment and Natural Resources Office
RED - Regional Executive Director

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## C. Major Risks/Vulnerabilities and Recommended Actions

Discussed below are the Integrated Forest Management Program (IFMP) and not just the Integrated Forest Management Agreement (IFMA) activities since the critical areas below also covered all activities under the IFMP which is, in fact, promulgated under DAO 99-53. But the Assessment Team gave a little concentration on the implementation of the Integrated Operations Plan (IOP).

The high risk operations and functions in the IFMP were examined through the above-stated process mapping, identification of risks, checking of internal controls and the evaluation of the likelihood of occurrence and significance of impact of the risk factors and the evaluation of the adequacy of standards. The assessment team conducted a document review, stakeholder/concerned personnel interview, and process observation to appraise the inherent risks of corruption, control environment and adequacy of safeguards. It should be noted that the CVA does not measure the level or extent of corruption in the agency, but the presentation of critical areas where corruption is likely to occur and be undetected by existing controls. The critical areas that may be susceptible to system, policy and procedures corruption are discussed below including the recommendations for preventive and/or corrective measures.

**Note:** There's no comparative analysis for our case study on our CVA on IFMA as the actual fieldwork was only limited to Region XIII (Butuan City for the Regional Office and Agusan del Sur for the CENROs). Also, the Assessment Team was only able to observe and interview one proponent – the Casilayan Softwood Development Corporation (CSDC) because of security and budgetary considerations.

### 1. Proponent-driven information in FSMS encoding

Under the Integrated Operations Plan (IOP) Implementation - Tree Marking for the Logging Plan/Operations' activity, the team through interview of licensee and observation has noted that the proponent encodes the data in the computer based system Forest Stock Management System (FSMS). The FSMS is a tool of Sustainable Forest Resource Management pertaining to the harvest, transport and disposition of locally produced logs and lumber with valid licenses, including logs and lumber harvested from trees planted inside private wood lots or tree plantations, and also applicable to imported logs and lumber. Contrary to Memorandum Order No. 96-06, Guidelines on the Implementation of the Log Control and Monitoring System (LCMS), particularly the computer encoding of LCMS data and prior to the pilot testing of FSMS in two regions, the proponent/licensee finalizes and prints the data capture forms (Forms 1,2,3,4A,4B and 5) where the CENRO encoder is not given a soft copy for purposes of review and modification. According to the CENRO encoder, the proponent "assists" in the data encoding of the marked trees as either "to be cut" or as "residual trees". The reason given is the voluminous data that should be encoded, the lack of DENR encoders and dedicated computer. However, this practice of allowing the proponent to encode, finalize and print data for the signature of CENR Officer makes this area highly vulnerable to corruption as the Timber Management Officer (TMO) and CENRO encoder will not be able to check the accuracy of the encoded data submitted by the proponent.

Further to the interview with the CENRO encoder, it was mentioned that there were "bugs" in the system that he had to devise and use the MS Excel program for the recording, storage, and retrieval of the reports; however this is only done for other tenurial instruments such as the Timber License Agreement (TLA). In addition, the assessment team has observed that the FSMS is being used interchangeably with some features of the LCMS.

The Assessment Team recommends the institutionalization of the FSMS under the Forest Information System (FIS) with the issuance of the implementing guidelines. In this manner, timber resources data will be standardized, tracking of log flows from cutting areas to end users will be systematized, collection of forest-derived revenues will be improved, unauthorized cutting, transportation and disposition of timber and wood products will be mitigated if not prevented, and timber resources utilization will be optimized. The impact of this

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critical area is high considering that the preceding objectives may not be achieved through the presentation of inaccurate data as encoded by the proponent.

While the institutionalization of the system may not be implemented soonest, the team recommends that the CENRO designate a DENR regular employee responsible for encoding the information in the FSMS or the LCMS and a copy be given to the proponent, with the conforme of the TMO and signed by the CENR officer as required under Memorandum Order 96-06.  This way, "possible" inaccurate and biased reporting by the proponent is controlled.  Also, the system should be allotted a dedicated computer unit to handle all the transactions related to tree marking and/or pre-sampling inventory to ensure that only the authorized users have access to the system.

2.  **Recyling of CTO/CLO and/or other transport documents under the Cut Disposition and Utilization Program and Protection Program**

During the transport of logs and lumber from sawmill to market/log pond, as well as the checking of transport documents (CTO/CLO, official receipts (OR), auxiliary invoice, delivery receipt and consignee), there is a high likelihood of recycling of CTO/CLO and transport documents.  The team has observed at one of the checkpoints that photocopies of the OR were presented.  The significance of impact is high with the loss in government revenues and resultant unsustainable forest management.  The control mechanism in the issuance of CTO/CLO is existing but deemed inadequate to safeguard the occurrence of irregularities.

To date, one of the control mechanisms installed is the creation of a composite team in the checkpoints.  Aside from the DENR personnel there are also representatives from the PNP/TMG, from BIR and even from PGU/LGUs manning and checking the transport of logs/lumber.  Primarily, all of them have stakes in the said activity (like the BIR collects P30 EVAT, same with the LGUs who collect P200 environmental tax per cubic meter for naturally grown and P35 for planted species (for every shipment/transport), which supposedly make them all the more vigilant.

However, the time when shipment arrives pose a risk to the said process/step.  Most shipment is done in the evening or even at dawn.  As such, it is possible that the person manning the checkpoint is already sleepy and tired resulting in haphazard checking of documents and forest products.

The team suggests the strengthening of the National Anti-Environment Crime Task Force (NAECTAF) that handles the intelligence and surveillance operations of illegal logging, mining and other illegal environmental and natural resources related activities.  Strict enforcement of the Revised Forestry Code (PD No. 705 as amended) in the imposition of penalties is likewise recommended.  It would also be of big help if the agency strengthens the mobile checkpoints that will conduct a spot/random checking of the transportation of forest products.  Furthermore, the plan to implement the computerized system for CTO/CLO issuance and monitoring must be pursued.

3.  **Impairment of Objectivity under the critical areas of the Integrated Forest Management Agreement (IFMA) – Comprehensive Development and Management Plan (CDMP), and IOP Approval and IOP Implementation**

In the conduct of the following activities: conduct of 5% timber inventory within residual forest, conduct of 20% timber inventory within areas for logging operation, establish tree marking set-up, conduct pre-sampling inventory, cutting of trees by proponent, and other activities, there is a likelihood of occurrence for this risk.  Problem in logistics (particularly the very limited P500 per quarter travel allowance) is very evident on the part of the Tree Markers, Scalers, and Timber Management Officers who has no way of doing timber inventory, tree marking, cutting and scaling of trees or doing site inspection (among others) but to use the proponent's vehicle and benefit from the generosity provided by the proponent. These are in terms of food and accommodation for agency personnel.  Moreover, other non-monetary benefits are given by the proponent such as canned goods.

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The impact on the "generosity or favors" accorded by the proponent may result in "biased reports" from the agency personnel. The control mechanism is deemed inadequate under DAO 2004-16, Prescribing the Revised Schedule of Forestry Administrative Fees, which provides a revolving fund/service deposit for timber inventory only for IFMA area, considering further the constraints in funding and logistics in conducting the activities independently without the involvement of the proponent.

To lessen the likelihood of the occurrence of this risk, it is recommended that the agency make representation with DBM with regard to the augmentation of budget particularly for the logistical needs for the conduct of aforesaid activities. Furthermore, explore the possibility of negotiations with donor countries taking into account the high vulnerability of the activities to corruption. Monitoring activities which are vital to IFMP operations may be prioritized according to urgency and/or necessity to efficiently allot budget.

Likewise, the team also proposes that the agency consider using the "team support/team approach" in all the activities mentioned above where the objectivity of the agency personnel (either the Tree Markers, Scalers, or Timber Management Officers) working alone may be impaired due to the influence and/or generosity of the proponent.

There are also other activities that are at risk/vulnerable to corruption and thus likely to occur and eventually have significance in impact, such as:

## 1. Concealing information under Tree Marking Set-up Establishment

There is a possibility that an IFMA proponent might conceal information as to the trees cut within the 50% slope and 20m strip along riverbanks and creeks in determining the area or boundary of the "tree marking set-up". This can be done along with the tree markers from DENR, who's also responsible in establishing the tree marking set-up. There are control mechanisms installed but its probability of occurrence can be on the high side because the tree marker has the monopoly and responsibility of the activity. As such a big possibility of collusion between the tree marker and the proponent is likely to happen. Its impact is significant because the protection of our forest areas is at stake.

The Assessment Team recommends that there should be strict monitoring on the set-up establishment and stiffer penalties for violators. Enforcement of penalties refers to suspension or cancellation of lease agreement, payment of forest charges and 300% surcharge (DAO No. 28 Series 1993) for the proponent. As for the DENR personnel, suspension may also be considered.

## 2. Misdeclaration/under declaration of the volume and species of trees

Most of the steps/activities in the IFMA process involves the possible risk of misdeclaration or under declaration of the volume and species of trees in the following: (a) conduct of 5% timber inventory within residual forest (first activity in the IFMA – Comprehensive Development Management Plan), (b) conduct of 20% timber inventory within areas for logging operation (under the IFMA – Integrated Operations Plan), (c) conduct of pre-sampling inventory (Tree Marking activity), (d) cutting and scaling of trees, and (e) checking the marked residual trees (under the Residual Inventory activity). All the said activities can likely occur and have an impact resulting in unsustainable forest management and even loss in government revenues.

The control mechanisms for all the aforesaid activities are existing but deemed inadequate to safeguard the occurrence of possible irregularities/risks. As such, the team recommends conduct of spot checking of the inventory plots and validation of the output of the composite and inventory team (making sure that the timber inventory is not just "table survey"). An allocation of funds for validation/evaluation for the team that will conduct the said activity must be provided. Also, the agency must intensify monitoring and validation of all submitted

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reports especially as regards the proponents' compliance with the Integrated Operations Plan (IOP).  Likewise, stiffer penalties for violators must be strictly enforced (such as cancellation of lease agreement and suspension of logging operation for the proponent in the cutting and scaling activity, among others).

**Other Recommendations**

The assessment team has noted certain strengths in the IFMP particularly the implementation of existing orders such as DAO 99-53, PD 705, Memorandum Circular 96-04, and DAO 16, s-2004, but the IFMP operations and functions may be enhanced by the formulation and implementation of a customized Code of Conduct that must be complied with by all DENR personnel in order to maintain high ethical standards.  The DENR Code of Conduct should be complemented by the conduct of a values formation seminar or training related to integrity development considering that frontline services are being provided at the field/regional offices levels.  The imposition of penalties for violators must be done with the strict enforcement of the Revised Forestry Code.

Furthermore, the team strongly recommends the allotment of funds for the monitoring activities for IFMA particularly on the proponents' compliance with the IOP. This may be costly but an allotment in the Maintenance and Other Operating Expenses (MOOE) in the departments' operations plan to conduct monitoring of IFMAs across the regions per calendar year will be beneficial to the agency.  The benefit is not only in terms of improved government revenues, but also the FMB mandate/thrust is responded to resulting in sustainable forest management.

For corruption vulnerability analysis matrix (IFMA Process), please see Annex 2.

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## FORESHORE AREAS MANAGEMENT

**Background**

Foreshore land, being one of the areas comprising the public domain or part of the State's natural resources, is *a string of land margining a body of water, the part of a seashore between the low-water line usually at the seaward margin of a low tide terrace and the upper limit of wave wash at high tide usually marked by a beach scarp or berm*.[28] Although it may be noted that its total area is quite marginal compared to the other lands of the public domain, there is no question however that its conservation or preservation deserves equal attention not only from the available resources of the government, but also from the care and sensitivity of the populace.

The advent of vigorous campaign by the government to generate the much-needed income and improve its financial viability by way of utilizing the beauty and pristine state of most of the country's beaches and / or foreshore lands in general, coupled with inadequate and unsound policies, pose inevitable threats into advancing environmental corruption. These policies or systems may be characterized as having no standard controls, features, or even parameters on how to balance efficiently commercialization as against preservation of our natural resources. Similarly, the inability of the government to provide the general public with appropriate information as regards the proper utilization of such resources solidifies the latter's disregard in sustaining the environment's potentials that will benefit the whole population for the next decades.

It cannot be denied that any form of disregard, such as structures, permanent or otherwise, built along the foreshore areas, increases the vulnerability or susceptibility, not only of the environment to its further degradation, but also the conception of a culture where government officials mandated to regulate the utilization of natural resources bend the established rules in order to acquire personal gain. And in some case, these officials, through ignorance and ineptitude, simply fail to ensure that proper regulations have been implemented and imposed.

Furthermore, it is likewise worthwhile to consider how the government adapt and respond immediately to the growing concerns and issues involving foreshore areas management in particular. Although DENR has issued so far two (2) department administrative orders (DAO) with regard to the administration of the subject areas, i.e. DAO Nos. 1999-34 and 2004-24, it is only in year 2005 that the Foreshore Areas Management Unit (FAMU) has been institutionalized through DAO No. 2005-12[29].

In this aspect, the Corruption Vulnerability Assessment (CVA) tries to understand and look into the present state of DENR's policies and systems of implementing programs on the utilization and management of natural resources, as well as, determine the effectiveness of measures incorporated into the system to curb corrupt activities, which result to the further decline of the environment's condition, diminishing of government's financial resources, failure of attaining target revenues, inefficient services provided by its human resources, among others.

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[28] Sec. 4, par. 46 of R.A. No. 8550, otherwise known as the "Fisheries Code of 1998"

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Exhibit 1. Residential and commercial establishments built along the foreshore areas in the municipality of Talibon, Bohol.



Exhibit 2. This portion of land is a reclaimed area covered by a foreshore lease agreement.

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[29] DAO No. 2005-12, Creation of a Foreshore Areas Management Unit (FAMU) in the CENR and Regional Offices and in the Lands Management Bureau (LMB)

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**Description of Major Processes**

Executive Order No. 292, otherwise known as the "Administrative Code of 1987" provides that DENR, as one of its powers and functions, has to "*formulate, implement and supervise the implementation of the government's policies, plans and programs to the management, conservation, development, use and replenishment of the country's natural resources.*" The same power / function has been emphasized under E.O. No. 192[30].

Commonwealth Act No. 141, also known as the "Public Land Act", as amended, *which remains to this day the existing general law governing the classification and disposition of lands of the public domain other than timber and mineral lands*[31], principally spells out the procedures or processes in the disposition and management of foreshore lands. Under said act, the only course of disposition is through lease[32]. Foreshore land remains part of the public domain and is outside the commerce of man. It is not capable of private appropriation.[33]

Specifically, under Department Administrative Order (DAO) No. 2004-24[34], Foreshore Lease Agreement (FLA) or Contract is an agreement executed by and between the DENR and the applicant to occupy, develop, utilize and manage the foreshore lands.  It may also cover marshy lands or lands covered with water bordering upon the shores or banks of navigable lakes or rivers[35].

The following are the major processes involved in the management and disposition of foreshore lands:

**1. Conduct of Inventory and Land Survey**

The first process is the conduct of inventory and land survey of all foreshore and marshy lands within the area of jurisdiction of the concerned CENR Officer. As stated under Section 5 of DAO No. 2004-24, this is to determine their existing / appropriate uses, availability of open areas, extent of the area and the number of settlers. It is required that the inventory of subject lands must be completed one (1) year after the effectivity of said order in August 24, 2004.

In most instances, therefore, where the required survey plan is not available, it is incumbent upon the applicant to apply for an authority to conduct such survey. The steps involved are as follows:

1. *Application for Survey Authority* – The applicant files an application for such survey with the CENRO where the subject foreshore land is located;
2. *Conduct Inspection* – Concerned personnel of said CENRO inspects the site to determine whether the subject land is apt for lease application;
3. *Issuance of Survey Authority* – Upon the endorsement of the LMS Chief, the CENR Officer issues a Survey Authority;
4. *Conduct of Survey* – The private surveyor hired by the applicant conducts the survey and prepares the survey plan;
5. *Submission of Survey Plan* – The applicant submits the survey plan to the CENRO;
6. *Verification of Survey Plan (CENRO)* - The Geodetic Engineer verifies the correctness of the survey plan, after which, the same is signed by the Land Management Section (LMS) Chief;
7. *Endorsement of Survey Plan* – The CENR Officer endorses the survey plan to the Regional Technical Director (RTD) – Land Management Service (LMS);

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[30] E.O. 192, Order Providing for the Reorganization of the Department of Environment, Energy and Natural Resources, Renaming it as the Department of Environment and Natural Resources, and for other Purposes

[31] Chavez vs. PEA and AMARI Coastal Bay Dev. Corp, G.R. No. 133250, July 9, 2002

[32] Sec. 61 of CA 141, in relation to Sec. 59 of the same Act. "It is part of the alienable land of the public domain and may be disposed of only by lease and not otherwise" (Roble v. Arbasa, 362 SCRA 69)

[33] Republic v. Alagad, 169 SCRA 455 (1989)

[34] DAO No. 2004-24, Revised Rules and Regulations Governing the Administration and Management of Foreshore Lands

[35] Sec. 2(c), Id.

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8. *Verification of Survey Plan (RTD)* – Concerned staff of RTD – LMS verifies the endorsed survey plan; and

9. *Approval of Survey Plan* – The RTD of LMS approves the survey plan.

## 2. Process Application for Permit of Occupancy and Use

The second process as provided for under DANR Lands Administrative Order No 08-3-36 dated April 30, 1936[36] is the issuance of provisional or revocable permits for occupancy and use of foreshore lands. Permits for temporary occupation and use of non-timber, non-mineral public lands, lands and other real properties of the Commonwealth of the Philippines, including foreshore areas may be issued only when such lands are vacant and the use thereof will not be prejudicial to public interests.

Prospective and qualified applicants shall file their respective applications for revocable or provisional permits before the concerned CENRO. The CENRO gives notice to the riparian owner with preferential right to the land applied for. The CENRO conducts the required Preliminary Investigation on the land applied for and if he is satisfied with the result of the investigation that the land applied for is vacant shall submit to the Secretary through channels the report together with his recommendation for consideration and approval[37].

When public interest so requires, and upon approval of the Secretary, the CENRO may auction off the right to revocable or provisional permit and issue the permit to the highest bidder, or may issue permit before an investigation of the land is made subject to the result of the investigation. Under Section 6(b) of the same order, publication of the process is required.

## 3. Process Application for Lease Agreement

The third process involved in the administration and management of foreshore lands is the processing of Foreshore Lease Agreements or Contracts (FLA) as described specifically under Department Administrative Order (DAO) 2004-24 and Sections 33 to 43 of CA 141.

For purposes of fast-tracking the processing of foreshore lease applications, the following procedures should be followed:

a. **Filing and acceptance of application with complete requirements at the CENRO to include verification of records, numbering, foldering and recording[38]**

The foreshore lease applications shall be filed before the concerned CENRO together with the required application fee and complete documentary requirements and clearances. Qualified applicants are Filipino citizens who are of legal age; corporations, partnerships or associations including cooperatives duly constituted and organized under the laws of the Philippines of which at least sixty percent (60%) of the capital is owned by Filipinos.

The application form shall be filed in due form and substance. It shall only be accepted if properly filled-out and under oath by the applicant or by its President, General Manager, or duly authorized representative/s in the case of juridical persons and payment of application fee of Php500.00 for Individual and Php1,000.00 if applicant is a juridical person. The concerned CENRO shall refer the application to the Land Management Examiner who shall determine the completeness of the required documents, and as such refer the same to the authorized personnel to receive payment of the application fee. The application is further referred to the Records Officer for the

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[36] DANR Lands Administrative Order No. 08-3-36, Rules and Regulations Governing the Issuance of Temporary Permits of Occupation and Use of Non-Mineral, Non-Timber Public Lands, and of Lands and other Real Properties of the Commonwealth of the Philippines
[37] Memorandum from the Secretary dated April 24, 2007, Subject: Leases and Permits on Alienable and Disposable (A and D) and Foreshore Lands that are within Environmentally-Critical Areas
[38] Sec. 4, 8, 9, 10, 12.1 of DAO 2004-24; Sec. 33 of CA 141

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assignment of docket number, better known as the carpeta, i.e., folder containing the application documents already docketed.

The application will not be processed unless the following documents have been submitted and verified:

a.    Duly Accomplished Application Form;
b.    Official Receipt (O.R.) for the application fee;
c.    Documentary Stamp;
d.    Approved Survey Plan and Technical Description of the land applied for. If the subject land area is not yet surveyed, the CENRO shall issue a Survey Authority to the applicant or private surveyor upon prior letter-request and compliance of all supporting documents;
e.    Any Development Plan of the area stating among others, the financial and technical capability of the applicant to undertake the project;
f.    Whenever applicable, Certification from Regional Heads of the following agencies / offices having jurisdiction over the area that the land applied for is not needed for public use;
        f.1    Department of Tourism (DOT)
        f.2    Philippine Ports Authority (PPA)
        f.3    Public Reclamation Authority (PRA)
        f.4    Municipal / District / City Engineer's Office with the concurrence of the Regional Director of the Department of Public Works and Highways (DPWH);
        f.5    Endorsement / Clearance from the Local Government Units (LGU) concerned[39].

### b.  Referral to the Land Investigator / Deputy Public Land Investigator for Preliminary Investigation

After docketing of the application at the CENRO, the concerned Land Investigator (LI) / Deputy Public Land Investigator (DPLI) will notify the riparian owners with preferential rights[40]. After the notice has been acknowledged by the latter and / or the Waiver of Rights has been issued, the former shall conduct the required Preliminary Investigation[41].

The LI / DPLI shall conduct the mandatory ocular inspection and verification of the site of the land applied for, as well as evaluate the development plan and narrative technical description, together with the Land Status Classification.

### c.  Conduct and Submission of the Appraisal Report by the CENRO to the Secretary through channels[42]

A composite team created by the Regional Executive Director composed of the CENRO and the Foreshore Area Management Unit (FAMU) shall conduct the appraisal of the land applied for in accordance with DAO No. 98-20[43].

Inasmuch as appraisal is not an exact science, but an opinion of value expressed by sound discretion, it must be ascertained by considering the assessment of the property as determined by the municipal/city / provincial assessor and / or the zonal valuation prescribed by the BIR, and such other factors.

### d.  Approval of Appraisal and Grant of Authority to lease the land through the Conduct Public Bidding

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[39] This requirement is not specified under DAO No. 2004-24. However, it has been the practice of the CENROs to require the same from the applicants.
[40] Sec. 6 of DAO 2004-24
[41] Sec. 12.2 & 12.3, Id.
[42] Sec. 12.4 & 12.5 of DAO 2004-24; Sec. 37 & 116 of CA 141
[43] DAO 98-20, Revised Rules and Regulations on the Conduct of Appraisal of Public Lands and other Patrimonial Properties of the Government

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Upon the recommendation of the CENR Officer, the Appraisal Report, together with the Investigation Report, shall be endorsed through channels to the Secretary for approval.

Upon approval by the Secretary, the *carpeta* shall be returned to the CENRO through channels for the conduct of the required Public Bidding in accordance with Sections 34, 35, 36, and 37 of CA 141, as amended.

**e. Publications / posting of the notice of right to lease the land applied for and submission of proofs of publication by the CENRO to the PENRO[44]**

Upon receipt by the CENRO of the authority to conduct Public Bidding from the Secretary, the former shall cause the publication of the notice to lease the land applied for stating therein the date and place of the auction in the Official Gazette and / or two (2) newspapers of general circulation (one in English and one in the local dialect) once a week for six consecutive weeks, and posting of the said notice for six weeks at the bulletin boards of the CENRO, Municipal/City Halls, Barangay Halls where the land applied for is situated.  Proofs of publication shall be submitted by the CENRO to the PENRO.

**f. Conduct capability-building programs for CENRO / FAMU (e.g. disposition of foreshore areas, appraisal, inspection/ monitoring)**

**g. Conduct of Public Bidding and submission of report of bidding by the CENRO to the PENRO**

The appropriate Bidding Committee shall open the sealed bids in the presence of the respective bidders or his / her duly authorized representatives.  The report of the bidding must contain the results of the bidding in accordance with the Bidding Guidelines and procedures in DAO 2004-24.

The CENRO shall recommend the awarding of the land applied for to the highest bidder in any of the following instances:
   a. Where the riparian owner is the highest bidder;
   b. Where the riparian owner raises the bid equal to the highest bid;
   c. Where the highest bidder is not the riparian owner who did not raise the bid equal to the former's bid.

**h. Issuance of an Order of Award, Conduct of Final Investigation and Preparation of the Foreshore Lease Agreement (FLA)[45]**

Upon determination by the CENRO of the winning bidder being the highest bidder, he shall prepare an Order of Award. The CENRO shall conduct a Final Investigation to determine compliance by the awardee of all the conditions set forth in the Order of Award.  Upon compliance by the awardee as stipulated in the final investigation, the CENRO shall cause the preparation of the Foreshore Lease Agreement for signature by the awardee. These documents shall form part of the Report of Bidding which shall be submitted to the PENRO. The PENRO shall affix his recommendation for endorsement to the RED for final review, and endorses the same to the Secretary for approval[46].

*i.* **Notarization and transmittal of approved Foreshore Lease Agreement (FLA) to the applicant by the CENRO and Record Officer concerned**

The approved *carpeta* will be transmitted back to the CENRO through channels for the required notarization of the agreement.

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[44] Sec. 12.6 of DAO 2004-24; Sec. 34 & 24 of CA 141
[45] Sec. 12.8, of DAO 2004-24
[46] Sec. 12.9 & 12.10, Id.

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## 4. Monitor Conditions of Permit / Lease Contract

The fourth process embodied in the effective administration and management of foreshore areas is the need for monitoring. Monitoring activities includes not only the status of compliance of all the permits and licenses granted but also the status or condition of all foreshore areas alienated and/or unoccupied. Monitoring the compliance of all permits and licenses granted is a control measure consistent with the mandate of sections 3, 4, 5 and 58 of C.A. 141, as amended, in order to rationalize and regulate the utilization and occupation of foreshore areas in particular and the need to conserve and protect the natural resources and the coastal environment in general.

Specifically, post monitoring of all the permits and licenses granted shall determine first and foremost whether or not all the conditions set forth in the respective contracts have been religiously complied by the grantees. Otherwise, any violations thereof shall be a ground for revocation and/or cancellation of the permit to mention the non-payment of annual lease rental for two (2) consecutive years.

The specific provisions contained under the lease agreement are as follows:

*Construction of Permanent Improvements* – The lessee shall construct permanent improvements appropriate for the purpose for which the lease is granted, shall commence the construction thereof within six (6) months from the date of the award of the right to lease the land, and shall complete the said construction within eighteen (18) months from said date[47];

*Payment of Annual Lease Rental[48]* - The rental shall be paid at CENR Office having jurisdiction over the land subject of the lease[49]. The lessee shall be required to pay the annual lease within fifteen (15) days after receipt of the approved lease contract for the first year. Thereafter, said lease rental shall be paid annually on or before the fifth day of the first month of the year during the life of the lease and without the need of notice of demand to pay[50];

*Assignment, Encumbrance or Subletting of Rights[51]* - The lessee shall not assign, encumber or sublet his rights of the lease without prior consent issued by the Secretary[52]. Nothing in this section shall be understood or construed to permit the assignment, encumbrance or subletting of foreshore lands to persons, or associations / corporations / partnerships which are not authorized to lease such lands under CA 141, as amended and other pertinent laws[53];

*Removal or Disposal of any Timber[54]* – It is strictly prohibited to remove or dispose any timber except as provided under PD 705, as amended, or any stone, oil coal, salts, or other minerals or medicinal mineral waters existing within the leased area. Violation of lease conditions by the lessee shall cause the forfeiture of his rights stipulated in the lease agreement and render him liable to immediate dispossession and suit for damages[55];

*Introduction of Project subject to Environmental Impact Assessment System* – All projects introduced by the lessee shall be subject to the Environmental Impact Assessment System[56];

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[47] Sec. 64(d) of CA 141
[48] Sec. 37 & 64(a), Id.
[49] Sec. 14.2, of DAO 2004-24
[50] Sec. 15.5, Id.
[51] Sec. 40 of CA 141
[52] Sec. 15.1, of DAO 2004-24
[53] Sec. 15.2, Id.
[54] Sec. 41 of CA 141
[55] Sec. 15.3 of DAO 2004-24
[56] Sec. 15.4, Id.

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*Implementation of Approved Development Plan* – The lessee shall be required to follow strictly the implementation of the approved development plan[57];

*Easement[58]* - The salvaged zone described herein shall not form part of the agreement. Further, the lease is subject to easement reserved by the Law on Waters and to the provisions of Sections 41, 109, 110, 111, 112, 113, and 114 of CA 141, as amended[59];

*Cancellation* - The grounds for cancellation are as follows: (1) Any violation of the provisions of CA 141, as amended, regarding Foreshore Lands and the additional conditions under the preceding section of this Order; and (2) Non-payment of annual lease rental for two (2) consecutive years[60];

*Re-appraisal[61]* - The appraisal or re-appraisal shall be in accordance with the manner prescribed in DAO 98-20. The area used and the improvement thereon shall be re-appraised every ten (10) years from the date of the approval of the lease contract. In the event however, that new improvements/ development have been introduced prior to the tenth-year, immediate appraisal shall be effected[62].

*Prohibition on Reclamation Work* – The lease shall not give lessee any right to conduct any reclamation work within adjoining the area under his lease.[63]

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[57] Sec. 15.6, Id.
[58] Sec. 64(g) & (h) of CA 141
[59] Sec. 15.7, of DAO 2004-24
[60] Sec. 16, Id.
[61] Sec. 37 & 64(b) of CA 141
[62] Sec. 14.1 of DAO 2004-24
[63] Sec. 15.8, Id.

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## 5. Process Renewal of Permit / Lease Contract

Lease shall run for a period of not more than twenty-five years, but may be renewed once for another period not to exceed twenty-five years, in case the lessee shall have made important improvements which, in the discretion of the Secretary, justify a renewal[64].

In the case of permit, such may be renewed, at the discretion of the Secretary, the Undersecretary or the Director of Lands, as the case may be, for a period of not exceeding that which the original permit was issued[65].

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[64] Sec. 38 of CA 141
[65] Sec. 13(b) of DANR Lands Admin Order No. 08-3-36

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**Overall Process Flow of Foreshore Areas Management**



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## Process Flow of Foreshore Lease Application

| CENRO | PENRO | RED | SECRETARY |
|-------|-------|-----|-----------|

**Applicant**

**CENRO:**

Filing of Application with requirements. Preliminary Investigation. Record Sheet Appraisal (7 days)

Favorable comment and recommendation; Mun./City, PPA, DOT, PRA, Dist. Engr., concurred by RD DPWH

Approval of survey, if the land is not yet surveyed (15 days)

Report of Appraisal / recommends approval and authority to lease the land (1 day)

a. Collection of publication expenses expenses if value of the land is more than P240.00.
b. Posting on Notices of Sale (30 cons days)
    On the land itself; Brgy. Hall where the land is located; The Mun/City Hall, as the case maybe; the CENRO concerned.
c. Publication to Official Gazette, National Daily / local Daily. (6 cons. Week, once a week)
d. Bidding proceedings. (1 day)
e. Report of Bidding, Proof of Publication, Posting, Payment of equivalent to 3 months rental. (1 day)

A
A

Preparation of Order of Award (1 day)

**PENRO:**

Recommends Issuance of Order of Award

(Per Secretary's Memo dated May 4, 2006)

(1 day)

Recommends Issuance of Lease Contract

(Per Secretary's Memo dated May 4, 2006)

(1 day)

**RED:**

Recommends Issuance of Order of Award

(Per Secretary's Memo dated May 4, 2006)

(7 days)

**SECRETARY:**

Issues Order of Award

(Per Secretary's Memo dated May 4, 2006)

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| CENRO | PENRO | RED | SECRETARY |
|-------|-------|-----|-----------|

Final Investigation
(3 days)

Furnish applicant copy of
Lease Contract
(1 day)

Recommends
Issuance of
Lease
Contract

(Per
Secretary's
Memo dated
May 4, 2006)

(1 day)

Issues Lease
Contract

(Per
Secretary's
Memo dated
May 4, 2006)

Approval of
Appraisal

(Per
Secretary's
Memo dated
May 4, 2006)

Refer Lease Contract to
Secretary (thru the
PENRO and RED) for
signature and notarization
(3 days)

Preparation of Lease
Contract

Refer Lease Contract to
Applicant for signature and
notarization
(1 day)

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**Major Risks / Vulnerabilities and Recommended Actions**

As previously discussed, the main concern of this assessment is to determine the critical risks or vulnerabilities in the entire process / system of the foreshore areas management. This refers to any threat that may possibly encourage the performance of corrupt / inefficient activities, and much worse, the degradation of the environment.

Given the interviews and document gathering made by the assessment team at CENRO Talibon and Tagbilaran, the PENRO of Bohol, and the Regional Office of Central Visayas, the following are the critical areas which need to be addressed:

**1. Risk of Incomplete Inventory and Land Survey of Foreshore Areas**

DAO No. 2004-24 emphasizes the purpose of inventory and land survey that is to determine the existing and appropriate uses of foreshore and marshy lands, as well as, the availability of open areas, extent of the area, and the number of settlers.  Notwithstanding the specific provision of the same order with regard to the completion of such activity within one (1) year from its approval, however this has not been fully implemented principally due to lack of funds, manpower and adequate facilities. At the Community Environment and Natural Resources Office (CENRO) – Talibon in the province of Bohol, for instance, only less than twenty percent (20%) of the estimated total number of foreshore lands were subjected to land survey conducted by the geodetic engineers of said office.

Such state of incompletion may likely create conflicts primarily in the registration of foreshore lands. These may happen when verifications of survey plans conducted by the CENRO's concerned personnel are inaccurate or hastily done, as most of these plans are made by private geodetic engineers hired by the applicants. This scenario may result to overlapping of boundaries, i.e. two applicants may have occupied the same portion of foreshore areas based on their respective survey plans.

Considering the fact that this activity depends entirely on the approved appropriation and / or the availability of funds, whether from the national government or from other funding institutions, which unfortunately cannot be addressed immediately by the government, the completion of this requirement may not be done within a short period of time. Hence, alternative solutions must be undertaken, such as the implementation of a data banking mechanism (database system) to facilitate the verification of survey plans. Under this method, the Records Division / Section of every CENR Office should maintain a database of all survey plans, including sketches, conducted by said office and those that were submitted by the applicants. This concept of data-basing may be implemented by using highly organized recording methods, or by adopting technology solutions such as computer softwares, like Microsoft Access and Excel. What is most important in this methodology is to enhance the storage and retrieval of records for purposes of verification.

It is also advisable to integrate all survey plans required by the different Services of DENR, especially in the issuance of patents. This consideration is quite relevant in order to avoid the issuance of titles / patents over foreshore areas. This scenario happened in the case of Angel Yu[66], whose parcel of reclaimed land located in Sara, Iloilo was due for the issuance of certificate of title as ordered by the court. It was later found out that said land used to be part of foreshore area.

In compliance with the objective stated under DAO No. 2005-12, that is to "*develop and institutionalize foreshore lands database management nationwide,*"[67] as well as "*maintain database of all records and statistics within the*

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[66] G.R. No. 126316, Jun 25, 2004
[67] Sec. 2.4 of DAO No. 2005-12

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*region for the efficient management and monitoring of foreshore areas,*" [68] the consolidation or updating of database must be done from the CENRO level up to the PENRO, Regional, and Central Office levels.

**2. Risk of Lack of Enforcement of Present Laws, Department Administrative Orders and Circulars**

In the processing of FLA applications, it cannot be denied that numerous requirements are needed before any such application could be processed. What is very crucial is the clearance or endorsement of the LGU on the matter of FLA application which the CENROs have given so much importance. A review of the provisions of DAO 2004-24, there is no such requirement from the LGU regarding its clearance or endorsement. Although, there is an existing Lands General Circular No. 57 of then Director of Lands Ramon N. Cassanova dated August 10, 1979, "Requiring all District Land Officers and Other Officials Concerned to Consult the City or Municipal Government Land Use Plan before Accepting and Giving due Course to Public Land Applications", this does not mean that the absence of the LGU-Clearance or endorsement will cause the non–processing of FLA Applications.

Sec. 3(i) of R.A. 7160 (Local Government Code of 1991) provides that the "Local Government Units shall share with the National Government (referring to the DENR) the responsibility in the management and maintenance of ecological balance within their territorial jurisdiction, subject to the provisions of this Code and national policies". It is worthwhile to note that under LGC No. 57, there is a necessity to determine the purpose of the lease application whether the same conforms with the land use plan of the local government unit where the subject land is located. Thus, requiring the applicants to seek clearance or endorsement from the concerned LGU only conforms to this shared responsibility.

As already emphasized by the Secretary in his letter dated October 4, 2006 in answer to the Resolution / Ordinance of the Province of Zambales prohibiting DENR Field Offices to perform certain acts in connection with the disposition of lands in the Province of Zambales, and in all other areas where there are foreshore lands, it was categorically reiterated that the mandate and authority to do so still remains with the DENR. This mandate of the DENR to manage and control the Foreshore Areas are clearly defined under the 1987 Constitution, CA 141, as amended, Executive Order Nos. 292 and 192.

Recognizing the mandate and authority of the DENR in its direct supervision and control of public land disposition, it is strongly recommended that strict enforcement of the appropriate laws, policy issuances, regulations etc. pertaining to the processing of foreshore lease applications should be observed. In numerous cases in Talibon and Tagbilaran CENRO Field Sites, foreshore lease applications were not being processed due to the absence or lack of clearance or endorsement from the LGU concerned. This should not have been the case had there been strict observance and / or enforcement of the DENR laws pertaining to the management and control of foreshore areas.

Although the provisions of DAO 2005-12, prescribing the rules governing the administration and management of foreshore areas, is already sufficient, the same should be strictly observed and be given emphasis for its full implementation. It is further recommended that additional guidelines should be incorporated specifically defining the responsibilities of each agency involved in the processing of applications. This will provide for national policy guidelines to be followed by said line agencies on the processing of foreshore lease applications, thus re-orient concerned government agencies with interest on foreshore areas particularly DENR and LGU's from utilitarianism and exploitation, towards proper conservation and management of such areas.

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[68] Sec. 3.4 and 4.7, Id.

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It is also worthwhile to simplify the process with respect to the preparation, approval and signing of the Order of Award and Lease Contract so that the processing time will be reduced significantly. While the aforecited flow chart indicates separate process stages, the award and contract, together with the Final Investigation Report, may be forwarded to the Secretary at the same time for approval.

### 3. Risk of Under-Appraisal of Foreshore Area

The task of conducting the appraisal of the foreshore area applied for to determine the appraised value of the area as basis for the foreshore lease rental is vested with the Appraisal Committee created by the Regional Executive Director in accordance with Section 3 of DAO 98-20 dated May 20, 1998.

Inasmuch as there is no exact science in the conduct of the appraisal the sound opinion and / or discretion of the Appraisal Committee shall only be relied on.  Apparently, the Appraisal Committee usually based their appraisal on the assessments made by the City / Municipal Assessor concerned where the area applied for is within his jurisdiction.  Usually, the assessment made by the respective Municipal Assessors has been approved by the Provincial Assessor.  Moreover, the Zonal Valuation prepared by the Bureau of Internal Revenue (BIR) also plays an important factor as basis for appraisal in the absence of the Assessment of the City / Municipal Assessor.

There is a risk of under-appraisal of the area applied for. The sound discretion and decision of the Appraisal Committee could be affected by such factors. The risk of under-appraisal is prevalent when the Appraisal Committee failed to comply with the guidelines provided for under DAO 98-20.  The risk is aggravated especially if the members of the Appraisal Committee do not have the appropriate training and expertise in the field of appraisal provided for the agency.  In most cases, only very few personnel underwent such training.  More often than not, such personnel have to spend their own money to participate in seminars relevant to their functions. The absence of updated Assessment of City / Municipal Assessors makes the problem worse.  Although, this is not within the control of the agency, the same plays an important role in coming-up with a true appraisal value of the of the subject land.

To ensure adequacy of the appraisal of the subject area applied for, both assessments and zonal valuation must be considered whichever is best applicable and favorable to both parties. A regular and periodic update of appraisal values within the PENRO / Regional / Central level is strongly recommended to ensure a uniform policy on appraisal for use in all field sites.

### 4. Risk of Absence of or Inefficient Monitoring Procedures

There is no doubt that the most important aspect of foreshore areas management is the presence and implementation of required monitoring procedures. Aside from the express provisions of CA No. 141 and DAO No. 2004-24, the conditions by which the applicant is mandated to comply are likewise stated under the FLA itself.

It is to be noted that violations or instances of non-compliance with these conditions do not only result to losses of revenue on the part of the government, but most significantly, they destroy the environment. These situations are quite apparent in the sites that the team had visited for purposes of assessment, such as:

1. In the case of CENRO – Talibon, only one (1) FLA, out of an estimated 1,000 lots, has been effected despite the fact that quite a number of commercial establishments have been constructed along its foreshore areas. On the other hand, less than ten (10) FLAs have been subsisting in CENRO – Tagbilaran. Had there been a complete survey of the entire foreshore areas and the same have been subjected to lease agreements, more income could have been generated in favor of the government;

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2. There are lapses in the conduct of re-appraisal for FLAs. In the case of the only FLA executed in CENRO – Talibon, there was no re-appraisal made even though such lease was awarded in 1988, and substantial area had already been reclaimed. Again, more income could have been generated if these developed / improved areas are re-appraised;

3. Collection of rental and occupancy fees must be done pro-actively to generate more income. It has been a usual practice in CENRO – Talibon, for instance, to just wait for lessees / occupants to pay their respective fees. Although the office maintains account control card, i.e. a ledger which reflects the payments made by the lessee / occupant, it is still quite difficult to monitor whose already in default for a number of years. Looking at the summary report of CENRO – Talibon on the status of foreshore areas, more than 80% of the occupants have not even paid their supposed occupancy / permit / rental fees. And almost 100% of those who have been paying are already in default for an average of six (6) years. Obviously, this is quite a problem in terms of boosting the revenue collections of every CENRO;

4. Improvements introduced within the foreshore areas pose great danger as far as preservation of environment is concerned if these are not closely monitored. For instance, the area subject of the lone FLA in CENRO – Talibon was already reclaimed despite the non-issuance of an Environmental Clearance Certificate (ECC). On the contrary, the leaseholder failed to construct, within the prescribed period of 6 to 18 months after the issuance of the order of award, the supposed improvement as stated in its development plan.

   Over and above such violation, a lot of commercial and residential establishments have long been constructed along the foreshore areas of Talibon and Ubay municipalities. These constructions have even extended to areas classified as easement or salvage zones. In fact, a restaurant constructed on a foreshore area has been operating with inadequate sanitary facilities and the sea area is obviously the dumping site of its wastes.

5. Encumbrance, transfer, or subletting of rights without the approval of DENR has likewise happened. A case reached the Regional Office of Central Visayas where the entity making the payment of rental fee was not the same entity registered under the FLA. It was found out later, i.e. after the conduct of an investigation, that subletting of rights took place without the knowledge and / or approval of the DENR.

In order to address the financial-related concerns, it is a great advantage for DENR to adopt technology solutions, such as the implementation of a computer-based Billing and Collection System in every CENRO, if applicable, which will provide the following features: Master List of Foreshore Lease Agreement, Generation of Statement of Accounts containing the principal amount due and the imposed penalty / interest, Generation of Summary of FLAs subject of Re-appraisal, Recording of Findings upon On-site Investigations, among others. This will greatly enhance the financial operations and monitoring functions of concerned offices or units, especially the management and planning offices which will be provided with defined reportorial requirements.

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In addition, every CENRO – FAMU must implement a monitoring program that will be conducted on a regular basis to inspect the conditions of all foreshore leases / occupancies within its area. It is quite commendable that the CENRO – Tagbilaran has made it a practice to notify in writing existing lease holders that an ocular inspection will be conducted. Such report will be the basis whether to recommend the cancellation or revocation of the FLA, or the conduct of re-appraisal based on improvements made. As earlier stated, every finding may be recorded in a computer-based system. It is however imperative that the full operations of the FAMU be given due course.

It is also important to review the prevailing rate of occupancy fee. Such imposition may be implemented depending on the usage of the subject area, whether for residential or commercial purposes. For instance, the Bohol Beach Club in Panglao, Bohol only pays Php 100 a year for permit fee (provisional permit) pending the issuance / approval of lease agreement.

## 5. Risk of Unreliability of Survey

### Manpower

The conduct of preliminary investigation and submission of reports appears to be critical as it involves the qualification, expertise, and diligence of the members of the Foreshore Area Management Unit (FAMU). They are tasked to evaluate the development plan and technical description of the land applied for and its corresponding appraised value. The mere fact that CENR Offices have acute shortage of manpower, not to mention the implementation of the Rationalization Law, there is not enough personnel to conduct the required Preliminary Investigation and other vital activities involved in FLA process. In order to comply with the process, oftentimes, the CENRO commissioned the Land Investigators and Geodetic Engineers to conduct the task of Preliminary Investigation. This does not preclude the lack of interest and hesitance of Investigators to go to the site to conduct the ocular inspection by reason of insufficient logistical support and facilities to do the required documentation including appropriate equipment especially if the area applied for has not been surveyed or still lack of sketching. There is also that possibility that considering the constraints faced by the Investigators, a table survey would suffice as an alternative which most often are provided by the applicant. This will sacrifice authenticity of the Investigation Report upon its submission and approval by the CENR Officer. This lack of validation may result to unreliable survey.

It is also noted that due to lack of regular personnel to arrange, record and maintain files, the office hires non-organic personnel on contractual basis which is beneficial to the present set up of the division. However, these people report on shifting or staggered scheme. This is done by giving them equal number of man-days in order to accommodate them and be able to sustain their daily needs and alleviate their living. With this practice, there is no continuity of how one does his work to another and no accountability in case of loss of files or documents. Considering the limited resources at the field offices, the work attitude of the non-regular personnel in carrying their tasks by working for the government without regular status and pay is laudable.

It may be expressed that the performance of employees are gauged in terms of attainment of the agency / office performance targets and are measured in terms of its accomplishment of set targets and revenue collection. In any case, these are in terms of such indicators as the number of approved foreshore lease applications, collection of fees (includes regular rental fees, fines/penalties from delinquent occupants/awardees, as well as increase in fees from re-appraised areas, and renewal of permits). These targets rise up yearly if only an extensive monitoring and collection of fees is realized.

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Apparently, there is really a shortage of manpower to do the task of FLA processing. The establishment of the Foreshore Areas Management Unit (FAMU) in the LMB, Regional Office and CENRO, under DAO 2005-12, did not entirely address the manpower complement problem as its composition were the same regular employees taken from other divisions having other regular functions. It is therefore highly recommended that the same should be fully implemented to pursue the conduct of inventory of foreshore areas to determine existing / appropriate uses, extent of areas, number of settlers and availability of open areas (as provided for under DAO 2004-24); and to ensure the timely collection and payment of the annual lease rental of all foreshore lands and miscellaneous leases. Finally, to ensure a continuing success of the FLA process, and more revenues will be collected by the government, there is a need to provide an annual funding for the completion of foreshore land inventory and sketching and the hiring of manpower complement such that of a Records Management Aides and additional Land Investigators/Inspectors to do the required tasks, thus complementing the manpower support to FAMU in carrying out its mandated functions embodied in DAO 2005-12.

### Facilities

Moreover, in the conduct of land surveys, it was noted especially in Talibon that there is no transit for the exclusive use for FLA processes. The outmoded transit assigned at the LMS is being utilized by the Inspection Team. So far, only 20 per cent of the total foreshore areas had been completed. Apparently, DAO 2005-12 provides for the creation of the FAMU within the LMB, Regional as well as at the CENRO. However, in the CENRO level, as in the case of Talibon and Tagbilaran both in the Province of Bohol, the composition of the FAMU and implementation of DAO 2004-24 and DAO 2005-12 remains unfulfilled for one reason or another as already mentioned in the foregoing.

It was observed during the CVA that the records division is almost filled up with voluminous records and documents which are not properly kept due to limited space and lack of fixtures. There is only one computer (outmoded) which is not even capable to encode and upload data.

It is therefore recommended that priority of funding be given for the improvement of facilities such as the procurement of modern equipment for land survey e.g. global positioning system (GPS) and computers for encoding and uploading of data and the improvement of storage room for records keeping.

### Training

On the matter of training, not anyone had participated in relevant training pertaining to foreshore lease application process. In the case of geodetic engineer in Talibon, he was able to participate on his own expense in an annual seminar for Geodetic Engineers but for purposes of license renewal.

Participation of concerned FLA Process personnel to relevant trainings / seminars is highly recommended. Likewise, annual appropriation for the required trainings and seminars should also be included in the agency's budget.

Finally, it is also strongly recommended that CENROs and FAMUs must be subjected to a capability building program, e.g. disposition of foreshore areas, appraisal / re-appraisal, inspection and monitoring techniques as an skills in carrying-out their respective duties and responsibilities embodied under DAO 2004-24 and DAO 2005-12.

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For the corruption vulnerability analysis matrix (FAM Process), please see Annex 3.

## VI. Action Plan

| Program/Project/Activity | Timeframe | Responsibility Center | Resources Needed/ Requirements |
|---|---|---|---|
| **I. Capability Enhancement and Institutional Strengthening** | | | |
| **A.** Full implementation of the Internal Audit Service (IAS) | CY 2008 | FMS – Management Division/IAS | Issuance of NOSCA and/or approval of Rationalization Plan |
| **B.** Empowerment of Senior Leaders | | | |
| • Specific responsibilities on preventing and detecting corruption in Job Description, and attendance in related training programs | Not later then 30 Sept. 2007<br><br>Feb. 2008 (training) | Administrative Service-Personnel Division<br><br>HRDS | Draft Special Order for approval by the Secretary thru EXECOM<br><br>Allocation of funds |
| **C.** Conduct of Training Programs | | | |
| • Corruption Prevention and Detection for Senior Leaders | Feb. 2008 | HRDS | MM – P198,660.00 ENRA –P254,980.00 |
| • Performance Monitoring and Evaluation on Performance Evaluation System | May 2008 | HRDS | Funds |
| • RA 9184 (Procurement Act) for BAC members | CY 2008 | HRDS | P15,000.00 |
| • Financial Management for Senior Officials, Division Chiefs and relevant personnel | July 2008 | HRDS and FMS (Budget and Accounting Divisions) | Allocation of Funds |
| • eNGAS and other related computerized systems | Sept. 2008 | HRDS and Accounting Division | Allocation of funds |
| • Risk-based audit/corruption risk assessment and management | CY 2008 | HRDS and Management Division/IAS | Schedule of training from AGIA/COA Allocation of funds |
| • Internal Reporting and Investigation | Aug. 2008 | HRDS and Legal Service | |
| • Handling of client suggestions and complaints for frontliners | CY 2008 | HRDS – PAO | P15,000.00 |

| | | |
|---|---|---|
| MM | - | Metro Manila |
| ENRA | - | Environment and Natural Resources Academy (Caranglan, Nueva Ecija) |
| NOSCA | - | Notice of Organization, Staffing & Compensation Action |
| BAC | - | Bids and Awards Committee |
| eNGAS | - | Electronic National Government Accounting System |
| AGIA | - | Association of Government Internal Auditors |
| COA | - | Commission on Audit |

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| Program/Project/Activity | Timeframe | Responsibility Center | Resources Needed/ Requirements |
|---|---|---|---|
| • Values Formation seminars especially for high risk positions (e.g. IFMP) | May 2008 | HRDS | MM – P198,660.00 ENRA –P254,980.00 |
| • Orientation/Re-orientation on the following: | | | |
| ► RA 6713 re: Code of Conduct and Ethical Standards | 2 batches in CY 2008 and 2010 | HRDS | P 15,000.00 / batch |
| ► Recruitment and promotion policies and processes for Personnel Selection Board | Effective Dec. 2007 | Admin. Service – Personnel Division | Issuance of S.O. Convene Committee   Review   Update   Presentation   Approval |
| ► Performance Evaluation System (PES) | Starting Oct. 2007 | Admin Service – HRDS | Special Order |
| **SECTORAL CONCERNS** | | | |
| **Environmental Sector** | | | |
| • DAO 2003-30 (IRR for EIS System) and Procedural Manual | Oct. 2007 to Oct. 2008 | EIAMD – CO in coordination with EEID-EMB-HRDS | Consultant & facilitator/ Documentor Workshop/Orientation/ Training Cost |
| • Team approach for site inspection of IEE covered projects | Oct. 2007 to Oct. 2008 | EIAMD – CO in coordination with EEID-EMB-HRD | |
| • Monitoring Protocols and templates to stakeholders | Starting Jan. 2008 | EEID-EMB in coordination with EIAMD – CO | Costs of Publication of IEC materials; consultant/ facilitator/ documentor; cost of workshop/training |
| • EIA Laws/guidelines | Starting Oct. 2007 | EIAMD- CO in coordination with EEID-EMB-HRD | Consultant/Facilitator/ Documentor Workshop Orientation Training Cost |
| **Lands Sector** | | | |
| • Capability building programs for CENRO FAMU | 4th Qtr. Of this year | DENR, LMB & Regional Offices | Fund Allocation |
| D. Establishment of proactive line of communication (Constant reminders thru MANCOM, EXECOM, Flag Raising Ceremony, Small Group & Staff Meetings) | Effective 2007 | Admin. Service – Personnel Division | |

| | | |
|---|---|---|
| S.O. | - | Special Order |
| EIAMD - | - | Environmental Impact Assessment and Management Division |
| EEID | - | Environmental Education and Information Division |
| EIA | - | Environmental Impact Assessment |

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| FAMU | - | Foreshore Area Management Unit |
| IEE | - | Initial Environmental Examination |

| Program/Project/Activity | Timeframe | Responsibility Center | Resources Needed/ Requirements |
|---|---|---|---|
| **SECTORAL CONCERNS** | | | |
| | | | |
| **Environmental Sector** | | | |
| A. Approval of EIAMD in Central and Regional Offices | Not later than Dec. 2007 | DENR Admin. Service – Personnel Div. | |
| **Forestry Sector** | | | |
| A. Designation of DENR regular employee in CENRO to encode FSMS (with dedicated computer) | Last Qtr. CY 2007 | CENRO/Regional Office Admin Service – Central Office | Office space Computer facilities |
| B. Strengthening of NAECTAF | Ongoing | OSEC/NAECTAF Officers and staff | Hiring of additional personnel with technical skills; Allotment for Capital Outlay; MOOE |
| C. Strengthen mobile checkpoints to conduct spot checking of transported forest products | Last Qtr. CY 2007 (depends upon approval of Secretary) | Office of the RED/RTD for Forestry/FRCD | Vehicles for mobility Handheld radio cellular phone Logistical support |
| D. Rotation of Timber Management personnel | 1st Qtr. CY 2008 | Office of the RED/RTD for Forestry/FRCD | |

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| Program/Project/Activity | Timeframe | Responsibility Center | Resources Needed/ Requirements |
|---|---|---|---|
| **Land Sector** | | | |
| A.  Full implementation of FAMU | Ongoing | CENRO/Regional Office/LMB | Manpower/Training |
| B.  Upgrading of facilities re: computer-based FAMIS, and GPS, computer, etc. | 3rd Qtr CY 2007 | DENR – MISD/LMB | Funding for software |
| | Within a year once the budget is released (GPS etc.) | LMB/RD | Funding |
| **II.  Improvement and Promotion of Policies, Systems and Control Mechanisms** | | | |
| **A**.  Formulation of policies and guidelines | | | |
| • Customized Code of Conduct | Dec. 2008 | Admin. Service – Personnel Div. | Convene Drafts Committee to finalize Code (June 2008) Approval Nov. 2008 |

| | | |
|---|---|---|
| MISD | - | Management Information Systems Division |
| FAMIS  - | - | Foreshore Areas Management Information System |
| FRCD | - | Forest Resources Conservation Division |
| GPS | - | Global Positioning System |

| Program/Project/Activity | Timeframe | Responsibility Center | Resources Needed/ Requirements |
|---|---|---|---|
| ► Supplement with specific guidelines (e.g. receipt of gifts & donations; integrate in bidding documents) | Oct. 2008 | Admin. Service – Personnel Div. | Convene Drafts Committee to finalize Gifts Policy (1st Qtr. 2008) Assistance from Integrity Dev. Council (IDC) Presentation to Top Management (Sept. 2008) |
| | Starting Aug. 2007 (Bidding documents) | Admin. Service – Personnel Div. | Approval by Top Management (Oct. 2008) |
| | Dec. 2008 | FMS – Management Div. (financial management) Planning Service (technical operations) | Issuance of appropriate Order |

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| Program/Project/Activity | Timeframe | Responsibility Center | Resources Needed/ Requirements |
|---|---|---|---|
| • Enhanced Performance Evaluation and Management System | Starting 1st Qtr. CY 2009 | Admin Service – HRDS & Planning Service | Allocation of funds |
| • Disclosure by BAC members of conflict of interest in all transactions | Starting Aug. 2007 | Admin. Service – GSD | Reiteration of Memo re:  RA 9184 – Disclosure Policy |
| • Conduct of internal reporting of information and reports on corruption | CY 2008 | Legal Service | Composite Technical Group |
| • Incentives and protection to whistleblowers | Aug. 2008 | Admin Legal Service | Cash incentives to whistleblowers |
| • Sanctions on erring officials and employees based on internal reporting and investigation | Aug. 2008 | Admin Legal Service | Training for investigators |
| • Install mechanisms | | | |
| ► Client complaints and feedback | Starting Aug. 2007 | Special Concerns Office (SCO) | Manpower, Training & Logistics |
| ► Compliance with published rules, procedures, and standards | Starting Oct. 2007 | HEA/concerned Office | Manpower |
| ► Translate into Action Plan (implementation of gifts registry) | Oct. 2008 | Admin. Service – Personnel Div. | Convene Drafts Committee to finalize Gifts Policy (1st  Qtr. 2008) Assistance from IDC Presentation to Top Management (Sept. 2008) Approval by Top Management  (Oct. 2008) |

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| Program/Project/Activity | Timeframe | Responsibility Center | Resources Needed/ Requirements |
|---|---|---|---|
| **SECTORAL CONCERNS** | | | |
| **Environmental Sector** | | | |
| A. Performance Audit Guidelines re: EIS System and Procedural Manual | Nov. 2008 to Mar 2009 | Office of AD, EMB | Technical committee |
| B. Customized Code of Conduct for case handlers | Oct. 2009 | EIAMD | Technical Assistance from IDC Consultants |
| C. Formulation of comprehensive report templates for IEE covered projects | Starting Jan. 2008 | EIAMD | Funds for consultations/ workshops |
| **Forestry Sector** | | | |
| A. Institutionalization of FSMS with the issuance of implementing guidelines | Upon approval of the guidelines by the Secretary CY 2008 | FMB/Forest Economics Div./NFMD | Laptop/desk top computers |
| B. Customized Code of Conduct for forestry personnel (with "dilemma and solution examples") | | FMB/ Regional Offices | |
| **Land Sector** | | | |
| A. Implementation of computer-based FAMIS | Already developed but to be officially enforced with the issuance of DAO | LMB/RO/CENRO/FAMU | Manpower and Computers |
| B. Imposition of higher occupancy fees | Ongoing study | LMB | Funds for stakeholders dialogue/consultations |
| C. Institute proactive collection, inspection and monitoring programs | Ongoing | LMB/RO/CENRO | |
| D. Appraisal on existing FLAs and imposition of penalties/surcharges, if applicable | Within a year | RO/CENRO | |

| | | |
|---|---|---|
| FSMS | - | Forest Stock Management System |
| FLA | - | Foreshore Lease Agreement |
| NFMD | - | Natural Forest Management Division |

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| Program/Project/Activity | Timeframe | Responsibility Center | Resources Needed/ Requirements |
|---|---|---|---|
| **B.** Updating/revision of the following: | | | |
| • DENR Merit Selection Plan (e.g. CENR/PENR Offices position items) | Jan. 2008 | Admin. Service – Personnel Division | Action planning by drafting Committees Presentation Approval |
| • Qualification Standards | Dec. 2008 | Admin. Service – Personnel Div. | Creation of a monitoring & evaluation committee |
| **SECTORAL CONCERNS** | | | |
| **Environmental sector** | | | |
| • Updating of Procedural Manual | Oct. 2007 | EMB | |
| **C.** Information Dissemination | | | |
| • Recruitment and promotion policies | March 2008 | Admin. Service – Personnel Div. | Issuance of S.O. Convene Committee (review, update, presentation & approval) |
| • Corruption risk areas | CY 2008 | FMS – Management Division/IAS | Allocation of funds |
| **SECTORAL CONCERNS** | | | |
| **Environmental Sector** | | | |
| • EIS System and updates | Starting Oct. 2007 | EEID-EMB in coordination with EIAMD-CO | Cost of publication of IEC materials; consultant/facilitator/ documentor; cost of workshop/orientation/ training |
| **D.** Sustain Rewards and Awards System | June 2008 | Admin. Service – Personnel Div. | Allocation of funds |
| **E.** Monitoring System | | | |
| • Performance of suppliers and contractors and imposition of penalties and/or sanctions | Last Qtr. 2007 | Admin. Service – GSD | Issuance of DAO |
| • Enforcement of budgeting and accounting laws and regulations | Starting Aug. 2007 | FMS – Accounting Division | |

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| Program/Project/Activity | Timeframe | Responsibility Center | Resources Needed/ Requirements |
|---|---|---|---|
| • Submission of SALN and imposition of sanctions, if necessary | Every May of each year | Admin. Service – Personnel Division | Review of non-complying employees Appropriate Memorandum/Order Manpower |
| • Compliance with service standards (e.g. action on client feedback) by Senior Officials | Starting Oct. 2007 | HEA/concerned offices | |

SALN        -        Statement of Assets, Liabilities and Networth

| Program/Project/Activity | Timeframe | Responsibility Center | Resources Needed/ Requirements |
|---|---|---|---|
| **SECTORAL CONCERNS** | | | |
| **Forestry Sector** | | | |
| • Enforcement of Revised Forestry Code in the imposition of penalties | Ongoing (for forest protection) | All DENR Field Offices | Issuance of Special Order |
| **Lands Sector** | | | |
| • Enforcement of laws and policies re: FAM | Ongoing | CENRO/Regional Office/LMB | |
| **F.** Maintenance of centralized database on procurement | Starting Sept. 2007 | Admin. Service – GSD Planning Service – MISD | Issuance of appropriate Memorandum |
| **G.** Enhancement of DENR Website/Webmail | | | |
| • Uploading of internal policies/guidelines in website/webmail | Aug. 2008 | FMS – Management Div. And Admin. Service – RMDD (uploading of data) | Logistics and funding for hardware system and LAN connectivity P963,670.00 |
| • Monitoring scheme on receipt of guidelines from intra/internet facility | Oct. 2008 | MISD – monitoring scheme | |
| **SECTORAL CONCERNS** | | | |
| **Environmental Sector** | | | |
| A. Conduct of Performance Audit on implementation of DAO 2003-30 and site inspection of IEE covered projects | Nov. 2008 to March 2009 (DAO 2003-30) Oct. 2009 | EIAMD – Central Office | Composite Committee |
| | re: Site inspection | EIAMD | Additional personnel |

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| Program/Project/Activity | Timeframe | Responsibility Center | Resources Needed/ Requirements |
|---|---|---|---|
| B.  Revisit LLDA arrangements (ECC/CNC processing) | Sept. 2007 | DENR Central Office | Policy Technical working Group |
| **Forestry Sector** | | | |
| A.  Proposal for computerized system for CTO/CLO issuance and monitoring | Upon approval of the Secretary | Office of the Director FMB | Provision of computer to all regions with TLAs/IFMA, etc. Office supplies |
| B.  Possible augmentation of budget in the conduct of monitoring, inventory, and other IFMA activities; and allocation of same in MOOE | CY 2008 | FMS | |

FAM     -     Foreshore Area Management
CTO     -     Certificate of Timber Origin
CLO     -     Certificate of Lumber Origin
ECC     -     Environmental Compliance Certificate
CNC     -     Certificate of Non Coverage
TLA     -     Timber License Agreement

| Program/Project/Activity | Timeframe | Responsibility Center | Resources Needed/ Requirements |
|---|---|---|---|
| **III.  Establishment of Monitoring and Evaluation System for Integrity Development Action Plan** | | | |
| A.  Creation of the Integrity Development Committee | Oct. 2007 | Admin. Service | |
| B.  Monitoring of corruption risk areas | CY 2009 | FMS – Management Division/IAS | |
| C.  Monitoring of Integrity Development Action Plan | CY 2008 | Integrity Development Committee (IDC) | |

IFMA     -     Integrated Forest Management Agreement

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