



# AGENCY BUDGET NOTES

For FY 2024

## DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES



**P24.57B**  
TOTAL NEW APPROPRIATIONS FOR 2024

### COST STRUCTURE

General Admin and Support	<b>P5.03B</b> (20.5%)
Support to Operations	<b>P3.32B</b> (13.5%)
Operations	<b>P16.23B</b> (66.6%)

### ALLOCATION BY AGENCY

#### OSEC EMB



**P18,627.3M**  
(75.8%)



**NAMRIA**  
**P1,594.0M**  
(6.5%)



**NWRB**  
**P210.9M**  
(0.9%)



**PCSDS**  
**P94.6M**  
(0.4%)

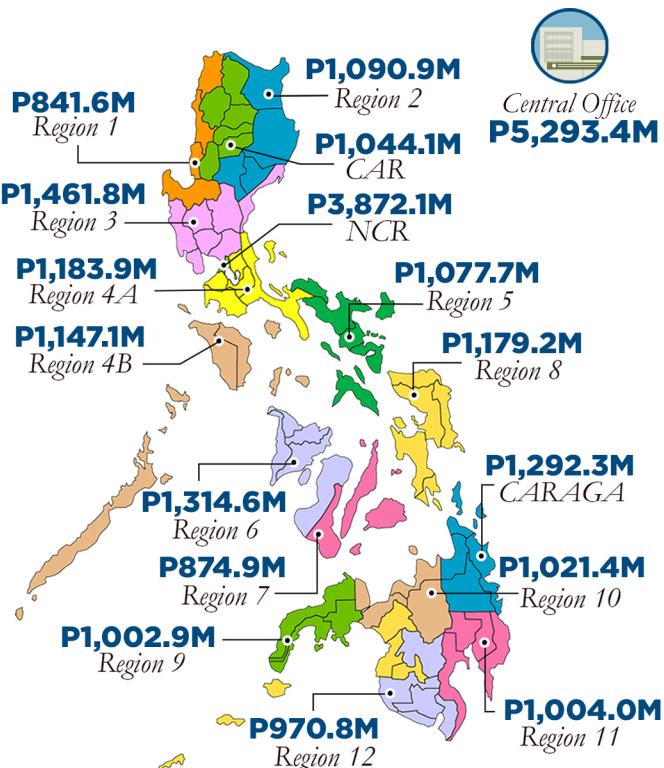


**MGB**  
**P2,573.6M**  
(10.5%)



**Other Programs**  
**P1,471.4M**  
(6.0%)

### REGIONAL ALLOCATION OF THE 2024 EXPENDITURE PROGRAM (P25,672.5M)



### BREAKDOWN FOR OPERATIONS BUDGET



**P10,322.1M** (63.6%)

Natural Resources Conservation and Development Program



**P1,608.7M** (9.9%)

Natural Resources Enforcement and Regulatory Program



**P1,420.7M** (8.8%)

Mapping and Resource Information Program



**P1,239.7M** (7.6%)

Environmental Regulations and Pollution Control Program



**P508.9M** (3.1%)

Environmental Assessment and Protection Program



**P401.4M** (2.5%)

Mineral Resources Enforcement and Regulatory Program



**P357.1M** (2.2%)

Geological Risk Reduction and Resiliency Program



**P104.8M** (0.6%)

Water Resources Enforcement and Regulatory Program

Other Programs **P263.9M** (1.6%)

# QUICK FACTS

## Climate Change



Out of 193 countries, the **Philippines ranked 1st as the most disaster-prone country in the world**

(*World Risk Report, 2022*)



Out of 35 different risks, the occurrence of “natural disasters and extreme weather events” is the biggest threat in the next two years

(*Global Risks Report, 2023*)

### GHG Emission by Sector and Activity, 2016-2020

(metric tons of CO<sub>2</sub> equivalent)

Sector and Activity	2016	2017	2018	2019	2020
Industry	15.05	16.36	13.99	12.96	10.62
Transport	32.15	33.20	34.36	35.57	27.44
Households, Services and Agriculture Sectors	8.47	10.01	10.47	11.10	11.17
Electricity Generation	50.95	58.24	63.76	69.40	70.01
Energy*	0.63	0.68	0.74	1.04	0.77

\*Energy includes Oil Refining, Electricity and other Energy sector own use and losses

Source: DOE, 2020 Philippine Energy Situationer

## Forest

FMB, 2021



**755,009 Hectares**

**Unclassified Forestland**

out of 15.8 million hectares

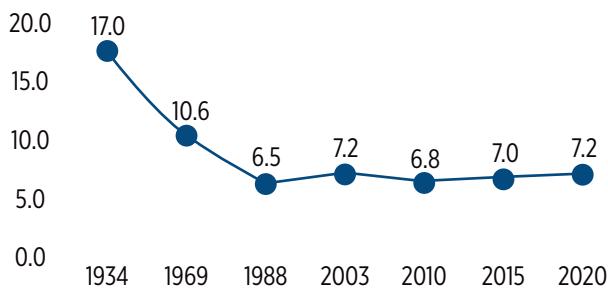


**18 Identified Illegal Logging Hotspot Municipalities**

Region 1 (3), Region 3 (3), MIMAROPA (2), Region 11 (3), Region 13 (7)

### Philippine Forest Cover

(in Million Hectares), 1934-2021



Source: World Bank (2009), Food and Agricultural Organization, Forest Management Bureau

## Marine Ecosystems

GAIA, 2020



The Philippines is one of the world's leading contributor of plastic pollution to the marine environment with 0.28 to 0.75 million tonnes per year of plastic entering to oceans from coastal areas in Manila Bay

## Waste Management

NEDA, 2023

**1,171 Municipalities and Cities** with approved 10-year solid waste plan.

**316 LGUs** adopted ordinances that regulate single-use plastic.

**29% of Barangays** has secured access to Sanitary Landfill Facilities

**39% of Barangays** with Material Recovery Facilities

## Air Quality

NEDA, 2023



In 2022, **Philippines ranked 69th out of 131 countries in air pollution** wherein particulate matter concentration is three times the WHO annual air quality guideline value.



**Motor vehicles continue to be the biggest contributor of urban air pollution at 80%** while the remaining 20% comes from stationary sources, such as factories and open burning.

## Water Resources and Quality



Philippines ranked 57th out of 161 countries with a **3.01 high water stress level score**. This means that at least 40% to 80% of the country's total water supply would have been withdrawn by 2040.

World Resource Institute's (WRI) Aqueduct Water Stress Projections, 2022



In 2021, priority water bodies for public water supply, food production, and recreation still constantly exceeded guideline values for fecal coliform.

NEDA 2023

## HIGHLIGHTS

- *Expenditure Program.* In the proposed 2024 budget, the DENR will have a total appropriations of P25.67 billion, of which P24.57 billion are new appropriations and P1.10 billion are automatic appropriations. Maintenance, Operations and Other Expenses (MOOE) will have the largest share among the expenditures with a budget of P11.41 billion. The Office of the Secretary (OSEC) will have a budget of P19.31 billion.
- *New Appropriations by Cost Structure.* DENR's Operations will have the lion's share in the cost structure amounting to P16.23 billion. General Administration and Support (GAS) and Support to Operations (STO) will have a budget of P5.03 billion and P3.32 billion, respectively.
- *Allocation by Major Programs.* The Natural Resources Conservation and Development Program under OSEC continues to have the biggest share among DENR's programs. In the proposed budget, it will have an allocation of P10.32 billion. NAMRIA's Mapping and Resource Information Program has a proposed budget of P1.42 billion, the biggest among the attached agencies.
- *Unfilled Positions.* In 2024, OSEC's unfilled positions will reach 2,721 out of the 17,819 authorized positions. Among the attached agencies, MGB is expected to have the highest unfilled positions in 2024 with 390 out of 1,349 authorized positions. It is expected that 3,550 vacancies or roughly 16.2% of authorized positions will remain unfilled in 2024 within the department. The trend of vacancy raises concerns whether the said positions are redundant or are still relevant to the agency. If indeed the positions are no longer needed, then the resources should have been strategically reallocated to more productive programs.
- *Budgetary cuts or lack of funding for key programs.* The Environmental and Natural Resources Resiliency Program under OSEC will suffer a significant budget cut of 19.0% with a proposed allocation of P65.2 million. The program is focused on natural resource assessment. The Natural Resources Enforcement and Regulatory Program will also have a lower budget of P1.61 billion, decreasing by 7.6% from the current year's budget. One of the activities under the program is the operations against illegal environment and natural resources activities. In an era of climate change and environmental protection, enforcement and regulation are critical, hence resources for such programs should be shored up and not whittled.
- *Budget Utilization and Unused Appropriations.* In 2022, DENR obligated 94.5% of its total appropriations which is an improvement from the 2020 and 2021 utilization rates. The unused appropriations also continues to decline at P1.55 billion, lower than the 2020 and 2021 levels.
- *Performance of Major Programs.* Among the sub-programs under the Natural Resources Conservation and Development Program, coastal and marine ecosystems rehabilitation has the lowest budget

utilization rates, obligating 87.5% and disbursing 77.8% of its appropriations in 2022. The implementation of toxic substances and hazardous waste management regulations under EMB's Environmental Management and Pollution Control Program only disbursed 59.0% of its total budget.

- *Major Audit Findings.* The Forestland Management Project (FMP) showed an overall utilization rate of 78.9% while the overall disbursement rate is only 56.8%. Of the nine targeted program outputs, two were not completed due to various reasons, thus, attainment of the overall project's objective/purpose was delayed. Moreover, the project's goal to strengthen forestland management through community-based management strategies on enterprise development for food security and income were not fully attained.

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# **DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES<sup>1</sup>**

## **I. MANDATE AND ORGANIZATIONAL OUTCOMES**

- 1.1 One of the objectives of the Philippine Development Plan (PDP) 2023-2028 is to establish livable communities to enhance the quality of life of Filipinos. Effective waste management system and improvement of air and water quality standards are among the strategies proposed under the PDP to improve living conditions. Efficient water infrastructure including the strategic allocation of water resources is also enunciated in the PDP to ensure water security and to maintain the ecological integrity of water systems. Moreover, the government will also continue to strengthen the management and sustainable use of land, water, biodiversity, and other natural resources to protect and conserve these ecosystems from man-made degradation and negative impacts of climate change. The PDP also highlighted the importance of transitioning towards a low carbon economy to reduce greenhouse gas (GHG) emissions, among others, contributing to greener and healthier environment.
- 1.2 The Department of Environment and Natural Resources (DENR) is the primary agency responsible for the conservation, management, development, and proper use of the country's environment and natural resources, specifically forest and grazing lands, mineral resources, including those in reservation and watershed areas, and lands of the public domain, as well as the licensing and regulation of all natural resources as may be provided for by law in order to ensure equitable sharing of the benefits derived therefrom for the welfare of the present and future generations of Filipinos (E.O. 192, s. 1987). DENR's attached agencies and their organizational outcomes are as follows:

Environmental Management Bureau (EMB)

- Clean and healthy environment sustained

Mines and Geo-sciences Bureau (MGB)

- Natural resources sustainably managed
- Adaptive capacities of human communities and natural systems improved

National Mapping and Resource Information Authority (NAMRIA)

- Adaptive capacities of human communities and natural systems improved

National Water Resources Board (NWRB)

- Natural resources sustainably managed
- Adaptive capacities of human communities and natural systems improved

Palawan Council for Sustainable Development Staff (PCSDS)

- Natural resources sustainably managed

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<sup>1</sup> This document was prepared by John Paul S. Quieta as input to the deliberations of the House Committee on Appropriations on the FY 2022 proposed National Budget. The report benefitted from discussions with and inputs of SPRS Director Rosemarie R. Sanvali and SERB Executive Director Manuel P. Aquino with the overall guidance of CPBRD Director General Romulo E.M. Miral, Jr., Ph.D and BPRS Director Pamela Diaz-Manalo. The layout/design of the infographics by Alexiz S. Taaca and Carla P. Soriano are also acknowledged. The views, perspectives, and interpretations in this ABN do not necessarily reflect the positions of the House of Representatives as an institution or its individual Members. A copy of this publication is available at the CPBRD's website: cpbrd.congress.gov.ph.

## **II. SOURCES OF APPROPRIATIONS**

- 2.1 The yearly budget is sourced from the following funds: new appropriations, automatic appropriations, continuing appropriations, and budgetary adjustments. Generally, the lion's share of any department's budget is sourced from new appropriations. In the proposed 2024 budget, the DENR will have total available appropriations of P25.67 billion, of which P24.57 billion are new appropriations. From 2022 to 2024, new appropriations accounted on average 92.3% of the department's total budget. Note that new appropriations in the proposed budget increased by 5.5% or P1.28 billion higher than the 2023 level of P23.29 billion.
- 2.2 In 2023, the DENR's automatic and continuing appropriations amounted to P1.04 billion and P1.47 billion, respectively. Both appropriations accounted for 9.7% of total appropriations. Automatic appropriations are programmed annually or for some other period prescribed by law, by virtue of outstanding legislation which does now require periodic action by Congress. Continuing appropriations refer to unused appropriations in the previous years that remained valid and carried over into the succeeding year.
- 2.3 In 2022, total available appropriations amounted to P27.97 billion of which P764.2 million or 2.7% is budgetary adjustment consisting of transfers from Contingent Fund, Miscellaneous Personnel Benefits Fund (MPBF), and Pension and Gratuity Fund (PGF).

**TABLE 1**  
**SOURCES OF FUNDS, 2022-2024**  
**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**

Particulars	Amounts (In Million Pesos)			Share to Total Appropriations (%)		
	2022	2023	2024	2022	2023	2024
New Appropriations	25,453.6	23,292.0	24,571.8	91.0	90.3	95.7
Automatic Appropriations	1,013.8	1,041.7	1,100.7	3.6	4.0	4.3
Continuing Appropriations	743.1	1,465.7	-	2.7	5.7	-
Budgetary Adjustments	764.2	-	-	2.7	-	-
<b>Total Available Appropriations</b>	<b>27,974.7</b>	<b>25,799.3</b>	<b>25,672.5</b>	100.0	100.0	100.0
LESS: Unused Appropriations	1,549.1	1,465.7	-	-	-	-
<b>Total Obligations</b>	<b>26,425.5</b>	<b>24,333.7</b>	<b>25,672.5</b>	-	-	-

Source of basic data: NEP 2024

## **III. EXPENDITURE PROGRAM**

- 3.1 Over the years, the Office of the Secretary (OSEC) accounted for the bulk of the DENR's budget. In the proposed 2024 budget, the OSEC will have a share of 75.2% or a budget of P19.31 billion. The OSEC's proposed budget is P518.4 million higher than the current year's budget of P18.79 billion. Major programs related to ecosystem protection and the sustainable use of resources are lodged under the OSEC.

- 3.2 Among the attached agencies, the Environmental Management Bureau (EMB) has the largest budget in recent years. In the proposed budget, P2.72 billion will be allocated to the agency comprising 10.6% of DENR's budget. It will also have a higher budget, increasing by 10.2% or P250.6 million more than in 2023. The agency is responsible for the prevention and control of pollution from all sources in air, water, and land.
- 3.3 The National Water Resources Board (NWRB) posted the highest increment among agencies, increasing by 45.9%, from a current budget of P149.4 million to a proposed budget of P218.0 million. NWRB is in charge with the management and regulation of all water resources in the country. Note that all attached agencies will have higher proposed allotments next year.

**TABLE 2**  
**EXPENDITURE PROGRAM BY AGENCY, 2022-2024**

Particulars	Amounts (In Million Pesos)			Share to Total (%)		
	2022 Actual	2023 Program	2024 Proposed	2022	2023	2024
Office of the Secretary	20,036.6	18,791.6	19,309.9	75.8	77.2	75.2
EMB	3,168.7	2,466.3	2,716.9	12.0	10.1	10.6
MGB	1,573.8	1,400.6	1,682.9	6.0	5.8	6.6
NAMRIA	1,377.6	1,416.1	1,628.8	5.2	5.8	6.3
NWRB	141.3	149.4	218.0	0.5	0.6	0.8
PCSDS	127.6	109.6	116.1	0.5	0.5	0.5
<b>TOTAL Department</b>	<b>26,425.5</b>	<b>24,333.7</b>	<b>25,672.5</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Source of basic data: BESF 2024*

- 3.4 In the proposed 2024 expenditure program of the DENR, Maintenance, Operations and Other Expenses (MOOE) will have the largest share among the expenditures with a budget of P11.41 billion or 44.4% of total budget. These are expenses for supplies and materials, transportation and travel, water and power utilities, and repairs. Note that, in recent years, Personal Services (PS) or the payment of salaries and wages constituted the largest expense of the department. In the proposed budget, it will only have a share of 42.0% which is now lower than MOOE. Capital Outlay (CO) will only comprise 13.5% of total expenditures.

**TABLE 3**  
**EXPENDITURE PROGRAM BY GENERAL EXPENSE CLASS, 2022-2024**  
**(AMOUNTS IN MILLION PESOS)**

Particulars	Amounts (In Million Pesos)			Share to Total (%)		
	2022 Actual	2023 Program	2024 Proposed	2022	2023	2024
PS	11,781.6	10,901.5	10,791.5	44.6	44.8	42.0
MOOE	9,961.5	10,027.6	11,408.9	37.7	41.2	44.4
CO	4,682.4	3,404.6	3,472.1	17.7	14.0	13.5
<b>TOTAL Department</b>	<b>26,425.5</b>	<b>24,333.7</b>	<b>25,672.5</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Source of basic data: BESF 2024*

- 3.5 Unfilled positions steadily increased from 2021 to 2023, plateauing at 3,550 in 2023 and 2024 relative to authorized positions of 21,900 in 2021 and 21,880 from 2022 to 2024. In 2024, OSEC's unfilled positions will reach 2,721 out of the 17,819 authorized positions.

Among the attached agencies, MGB is expected to have the highest unfilled positions in 2024 with 390 out of 1,349 authorized positions. It is expected that 3,550 vacancies or roughly 16.2% of authorized positions will remain unfilled in 2024 within the department. The trend of vacancy raises concerns whether the said positions are redundant or are still relevant to the agency. If indeed the positions are no longer needed, then the resources should have been strategically reallocated to more productive programs.

**TABLE 4**  
**NUMBER OF AUTHORIZED AND UNFILLED POSITIONS BY AGENCY, 2021-2024**

Agency	Authorized Positions				Unfilled Positions			
	2021	2022	2023	2024	2021	2022	2023	2024
OSEC	17,839	17,819	17,819	17,819	2,350	2,657	2,721	2,721
EMB	1,772	1,772	1,772	1,772	285	302	312	312
MGB	1,349	1,349	1,349	1,349	373	385	390	390
NAMRIA	740	740	740	740	95	109	111	111
NWRB	124	124	124	124	20	11	10	10
PCSDS	76	76	76	76	4	6	6	6
<b>TOTAL</b>	<b>21,900</b>	<b>21,880</b>	<b>21,880</b>	<b>21,880</b>	<b>3,127</b>	<b>3,470</b>	<b>3,550</b>	<b>3,550</b>

Source: Staffing Summary 2023-2024

- 3.6 In terms of regional distribution, the Central Office which houses the OSEC and the NCR where majority of attached agencies and line bureaus are located will both receive the biggest allocations in the proposed 2024 budget with a combined amount of P9.17 billion or 35.7% of DENR's budget.
- 3.7 In the countryside, Regions 3 (Central Luzon) and 6 (Western Visayas) will have the second and third largest shares in the department's budget, with allocations of P1.46 billion (5.7%) and P1.31 billion (5.1%), respectively. Central Luzon is rich in timber and mineral resources (both metallic and non-metallic). Western Visayas is a key fisheries development area, with its 84 coastal municipalities, eight major fishing grounds, inland bodies of water and fishponds.
- 3.8 On the other hand, Regions 7 (Central Visayas) and 1 (Ilocos Region) will have the least allotments of P874.9 million (3.4%) and P841.6 (3.3%), respectively.

**TABLE 5**  
**REGIONAL DISTRIBUTION OF THE DENR BUDGET, 2022-2024**  
**(AMOUNTS IN MILLION PESOS)**

Region	2022 Actual		2023 Program		2024 Proposed	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Central Office	3,361.0	12.7	4,838.9	19.9	5,293.4	20.6
NCR	3,792.2	14.4	3,475.9	14.3	3,872.1	15.1
CAR	1,349.1	5.1	1,019.8	4.2	1,044.1	4.1
Region 1	968.2	3.7	843.2	3.5	841.6	3.3
Region 2	1,360.2	5.1	1,065.0	4.4	1,090.9	4.2
Region 3	1,724.8	6.5	1,419.6	5.8	1,461.8	5.7
Region 4A	1,432.3	5.4	1,148.1	4.7	1,183.9	4.6
Region 4B	1,197.4	4.5	1,167.4	4.8	1,147.1	4.5
Region 5	1,247.2	4.7	1,029.2	4.2	1,077.7	4.2
Region 6	1,527.4	5.8	1,027.1	4.2	1,314.6	5.1
Region 7	1,276.8	4.8	877.4	3.6	874.9	3.4
Region 8	1,241.7	4.7	1,246.6	5.1	1,179.2	4.6
Region 9	1,073.1	4.1	947.9	3.9	1,002.9	3.9
Region 10	1,240.3	4.7	982.7	4.0	1,021.4	4.0
Region 11	1,053.5	4.0	992.4	4.1	1,004.0	3.9
Region 12	1,038.5	3.9	923.7	3.8	970.8	3.8
CARAGA	1,541.7	5.8	1,329.1	5.5	1,292.3	5.0
BARMM	-	-	-	-	-	-
<b>TOTAL</b>	<b>26,425.5</b>	<b>100.0</b>	<b>24,333.7</b>	<b>100.0</b>	<b>25,672.5</b>	<b>100.0</b>

Source of basic data: BESF 2024

#### IV. NEW APPROPRIATIONS

- 4.1 In the proposed new appropriations of DENR, Operations will have the lion's share in the cost structure amounting to P16.23 billion or 66.0% of total budget. Operations involves the department's programs and the corresponding expenditures for the direct production of goods or delivery of services. General Administration and Support (GAS) which consists of activities relating to the provision of overall administrative management will have a budget of P5.03 billion (20.5%). Support to Operations (STO) will have the smallest share of P3.32 billion (13.5%).

**TABLE 6**  
**NEW APPROPRIATIONS BY AGENCY AND COST STRUCTURE, FY 2024**

Agency	Amounts (In Million Pesos)				Share to Total Agency (%)			
	GAS	STO	Operations	Total Agency	GAS	STO	Operations	Total Agency
OSEC	3,868.3	2,763.0	11,996.0	18,627.3	20.8	14.8	64.4	100.0
EMB	501.6	323.4	1,748.6	2,573.6	19.5	12.6	67.9	100.0
MGB	392.0	231.2	848.3	1,471.4	26.6	15.7	57.6	100.0
NAMRIA	173.3	-	1,420.7	1,594.0	10.9	-	89.1	100.0
NWRB	51.8	-	159.1	210.9	24.6	-	75.4	100.0
PCSDS	39.9	-	54.7	94.6	42.2	-	57.8	100.0
<b>TOTAL (DENR)</b>	<b>5,026.9</b>	<b>3,317.5</b>	<b>16,227.4</b>	<b>24,571.8</b>	<b>20.5</b>	<b>13.5</b>	<b>66.0</b>	<b>100.0</b>

Source of basic data: NEP 2024

- 4.2 The Natural Resources Conservation and Development Program under the OSEC will continue to have the lion's share of DENR's programs with P10.32 billion or 63.6% of total operations. Forest and watershed management (P4.62 billion), coastal and marine rehabilitation (P216.6 million), protected areas development (P1.89 billion), wildlife conservation (P86.3 million), and land management (P2.01 billion) are under this program. The Manila Bay Coastal Management Strategy (P1.39 billion) and Pasig River Rehabilitation (P108.4 million) are also included in this program classified as locally-funded projects.
- 4.3 The NAMRIA's Mapping and Resource Information Program has a proposed budget of P1.42 billion, the biggest among the attached agencies. Activities under this program include hydrographic and oceanographic surveys and nautical charting (P562.9 million), topographic base mapping and geodetic surveys (P587.2 million), resource assessment and mapping (P137.5 million), and geospatial information management (P133.0 million).
- 4.4 The NWRB's Water Resources Enforcement and Regulatory Program will have the highest increase in the proposed budget amounting to P104.8 million which is 98.6% bigger than the 2023 level. Activities include the processing, adjudicating and granting of water rights and waterworks franchises (P75.3 million) and monitoring of water appropriation/utilization and enforcement of laws and orders (P29.5 million).
- 4.5 On the other hand, the Environmental and Natural Resources Resiliency Program will suffer a significant budget cut of 19.0% with a proposed budget of P65.2 million. The program is focused on natural resource assessment. The Natural Resources Enforcement and Regulatory Program will also have a lower budget of P1.61 billion, decreasing by 7.6% from its 2023 budget. Sub-programs include natural resources management arrangement/agreement and permit issuance (P1.50 billion) and operations against illegal environment and natural resources activities (P109.6 million). In an era of climate change and environmental protection, enforcement and regulation are critical, hence resources for such programs should be shored up and not whittled.

**TABLE 7**  
**SUMMARY OF PROGRAMS FOR 2022-2024**  
**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**

Program/Implementing Agency	Amount (In Million Pesos)			%Share to Total Program			Growth Rates '23-'24 (%)
	2022	2023	2024	2022	2023	2024	
Natural Resources Conservation and Development Program (OSEC)	11,409.0	10,170.9	10,322.1	62.4	63.2	63.6	1.5
Natural Resources Enforcement and Regulatory Program (OSEC)	1,590.8	1,741.1	1,608.7	8.7	10.8	9.9	-7.6
Mapping and Resource Information Program (NAMRIA)	1,107.3	1,378.4	1,420.7	6.1	8.6	8.8	3.1
Environmental Regulations and Pollution Control Program (EMB)	2,747.7	1,221.6	1,239.7	15.0	7.6	7.6	1.5
Environmental Assessment and Protection Program (EMB)	367.3	513.0	508.9	2.0	3.2	3.1	-0.8
Mineral Resources Enforcement and Regulatory Program (MGB)	375.6	387.7	401.4	2.1	2.4	2.5	3.6
Geological Risk Reduction and Resiliency Program (MGB)	344.5	353.2	357.1	1.9	2.2	2.2	1.1
Water Resources Enforcement and Regulatory Program (NWRB)	55.9	52.8	104.8	0.3	0.3	0.6	98.6
Mineral Resources and Geosciences Development Program (MGB)	117.5	89.5	89.8	0.6	0.6	0.6	0.3
Environmental and Natural Resources Resiliency Program (OSEC)	74.8	80.5	65.2	0.4	0.5	0.4	-19.0
Palawan Environmentally Critical Areas Network Management Program (PCSDS)	68.4	55.3	54.7	0.4	0.3	0.3	-1.0
Water Resources Vulnerability and Sustainability Assessment Program (NWRB)	16.3	35.6	35.8	0.1	0.2	0.2	0.6
Water Resources Management Program (NWRB)	17.7	18.3	18.4	0.1	0.1	0.1	0.8
<b>TOTAL</b>	<b>18,292.8</b>	<b>16,097.7</b>	<b>16,227.4</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>0.8</b>

*Note: The amounts for programs and Total Operations include the proposed amounts for Projects which were presented separately from the regular programs under Operations in the 2023 NEP/GAA and the 2024 NEP.*

*Source: GAA 2022-2023 and NEP 2024*

## V. PERFORMANCE REVIEW

- 5.1 Obligations refer to liabilities legally incurred and committed to be paid by the government either immediately or in the future. Table 8 shows the budget utilization efficiency of the department and its attached agencies on the extent to which they obligate or use their available appropriations. In 2022, DENR obligated 94.5% of its total appropriations which is an improvement from the 2020 and 2021 utilization rates. Note that EMB only obligated 79.8% of its appropriations in 2022 which is lower compared to other agencies.
  
- 5.2 DENR's unused appropriations also continues to decline to P1.55 billion in 2022, lower than the 2020 and 2021 levels. The unused funds came from unobligated allotment and unreleased appropriations amounting to P1.53 billion and P16.9 million, respectively.

**TABLE 8**  
**OBLIGATIONS-APPROPRIATIONS RATIO**  
**AND UNUSED APPROPRIATIONS, 2020-2022**

Particulars	Obligation-Appropriations Ratio (%)			Unused Appropriations (In Million Pesos)		
	2020	2021	2022	2020	2021	2022
OSEC	85.1	93.4	96.5	(2,797.3)	(1,413.6)	(720.5)
EMB	68.3	97.6	79.8	(1,066.9)	(95.2)	(800.3)
MGB	96.1	98.2	99.6	(53.9)	(27.8)	(6.1)
NAMRIA	84.3	95.3	98.6	(260.5)	(81.8)	(19.0)
NWRB	89.8	99.8	98.7	(18.1)	(0.3)	(1.9)
PCSDS	94.3	99.0	98.9	(7.5)	(1.2)	(1.4)
<b>TOTAL Department</b>	<b>83.5</b>	<b>94.4</b>	<b>94.5</b>	<b>(4,204.1)</b>	<b>(1,619.9)</b>	<b>(1,549.1)</b>

Sources of basic data: NEP 2022-2024

- 5.3 Disbursement refers to the settlement/liquidation/payment of an obligation incurred in the current or prior years, involving cash or non-cash transactions, and covered by disbursement authorities. In 2022, DENR disbursed 85.6% of its total appropriations or an improvement from the 84.3% disbursement rate in 2021. Only EMB recorded a disbursement rate lower than 70.0%.

**TABLE 9**  
**DISBURSEMENT RATE BY AGENCY, 2021-2022**  
**(AMOUNTS IN MILLION PESOS)**

Particulars	2021			2022		
	Appropriations	Disbursements	Disbursement Rate (%) a/	Appropriations	Disbursements	Disbursement Rate (%) a/
OSEC	21,479.3	17,994.1	83.8	20,757.1	18,123.2	87.3
EMB	3,929.3	3,480.5	88.6	3,969.0	2,741.5	69.1
MGB	1,518.5	1,414.1	93.1	1,579.9	1,520.7	96.3
NAMRIA	1,745.2	1,250.1	71.6	1,396.6	1,324.5	94.8
NWRB	153.5	142.9	93.1	143.2	134.8	94.2
PCSDS	124.1	120.9	97.5	129.0	112.8	87.5
<b>Total Dept</b>	<b>28,949.9</b>	<b>24,402.7</b>	<b>84.3</b>	<b>27,974.7</b>	<b>23,957.5</b>	<b>85.6</b>

a/ Disbursement rate – ratio of disbursements to appropriations

Source: SAAODB 2021-2022, DBM

- 5.4 In 2022, OSEC's Natural Resources Conservation and Development Program obligated 96.6% and disbursed 88.6% of its P11.59 billion total appropriations. Forest and watershed management which is the biggest sub-program in the department in terms of budgetary allocation, recorded obligation and disbursement rates of 98.4% and 91.3%, respectively.
- 5.5 Among the sub-programs under the Natural Resources Conservation and Development Program, coastal and marine ecosystems rehabilitation has the lowest budget utilization rates, obligating 87.5% and disbursing 77.8% of its appropriations in 2022. In the proposed 2024 budget, it will have a total allocation of P1.70 billion of which P1.39 billion is for the implementation of the operational plan for the Manila Bay Coastal Management

Strategy, management of coastal and marine resources (P216.6 million), and Pasig River rehabilitation (P108.4 million).

- 5.6 EMB's Environmental Management and Pollution Control Program obligated 99.0% and disbursed 83.1% of its total appropriations. Note that the implementation of toxic substances and hazardous waste management regulations only disbursed 59.0% of its total budget.

**TABLE 10**  
**BUDGET UTILIZATION BY MAJOR PROGRAM, 2022**  
**AMOUNTS IN MILLION PESOS**

Program/Implementing Agency	Appropriations	Obligations	Disbursements	Obligation Rate (%) a/	Disbursement Rate (%) b/
<b>Natural Resources Conservation and Development Program (OSEC)</b>	<b>11,587.9</b>	<b>11,193.3</b>	<b>10,270.4</b>	<b>96.6</b>	<b>88.6</b>
Protected Areas, Caves and Wetlands Development and Management	2,605.2	2,582.3	2,314.9	99.1	88.9
Wildlife Resources Conservation	75.7	75.0	67.9	99.0	89.7
Coastal and Marine Ecosystems Rehabilitation	2,187.4	1,914.4	1,701.3	87.5	77.8
Land Management	2,145.6	2,122.4	2,010.0	98.9	93.7
Forest and Watershed Management	4,573.9	4,499.2	4,176.3	98.4	91.3
<b>Environmental Management and Pollution Control Program (EMB)</b>	<b>2,011.5</b>	<b>1,991.1</b>	<b>1,672.0</b>	<b>99.0</b>	<b>83.1</b>
Implementation of Clean Air Regulations	351.8	351.6	325.4	99.9	92.5
Implementation of Clean Water Regulations	494.5	489.2	443.1	98.9	89.6
Implementation of Ecological Solid Waste Management Regulations	864.8	854.4	726.4	98.8	84.0
Implementation of Toxic Substances and Hazardous Waste Management Regulations	300.3	295.9	177.1	98.5	59.0

a/ Obligation rate – ratio of obligations to appropriations

b/ Disbursement rate – ratio of disbursements to appropriations

Source: SAAODB 2022 (FAR No. 1 in Transparency Seal)

- 5.7 One of the outcome indicators of OSEC's Natural Resources Conservation and Development Program is the *percentage increase in forest cover* which has a target of 12% by the end of 2022. However, forest cover only increased by 3.03% during the period (*Table 11*).
- 5.8 The actual accomplishments for outcome indicators on *effective management of marine and terrestrial protected areas* are mixed. For example, in the protection of marine areas, areas under “fair” management conditions have improved. On the other hand, areas under “good” and “excellent” management conditions were not achieved. Note that there is a total of 2,726,717 hectares of marine protected areas under the National Integrated Protected Area System (NIPAS) that need to be effectively managed.

- 5.9 In terms of the output indicators, only the *number of hectares planted area maintained and protected* did not achieve its target which came short of 1,563 hectares. This output indicator is under the forest and watershed sub-program of the Natural Resources Conservation and Development Program.
- 5.10 For EMB's Environmental Regulations and Pollution Control Program, only outcome indicator *percentage of highly urbanized cities (HUCs) and major urban centers within ambient air quality guidelines/values* did not meet its goal, accomplishing just 32% versus the 55% target of localities within air quality standards. All output indicators for the program were achieved.

**TABLE 11**  
**PERFORMANCE INDICATORS OF MAJOR PROGRAMS, 2022-2024**

Program	2022		2023 Target	2024 Target		
	Target	Actual				
<b>Program 1: Natural Resources Conservation and Development Program</b>						
<b>Outcome Indicators</b>						
Indicator 1: Area of terrestrial protected area (including wetlands and caves) under the NIPAS effectively managed increased (in ha)	Poor - 0 ha Fair - 5,401.58 ha Good - 319,994.99 ha Excellent - 1,330,956.09 ha	Poor - 0 ha Fair - 64,168.29 ha Good - 1,257,049.47 ha Excellent - 335,134.89 ha	Poor - 0 ha Fair - 5,401.58 ha Good - 319,994.99 ha Excellent - 1,330,956.09 ha	Poor - 0 ha Fair - 114,089.87 ha Good - 1,257,049.47 ha Excellent - 335,134.89 ha		
Indicator 2: Area of marine protected areas under NIPAS effectively managed increased (ha)	Poor - 0 ha Fair - 0 ha Good - 1,439,448.20 ha Excellent - 1,287,266.08 ha	Poor - 0 ha Fair - 453,386.98 ha Good - 1,044,032.37 ha Excellent - 1,229,294.93 ha	Poor - 0 ha Fair - 0 ha Good - 1,439,448.20 ha Excellent - 1,287,266.08 ha	Poor - 0 ha Fair - 453,386.98 ha Good - 801,074.09 ha Excellent - 1,229,294.93 ha		
Indicator 3: Ownership of public alienable and disposable lands secured (2011-Present)	By the end of 2022, 360,000 residential and agricultural patents issued	1,172,779 patents (541,733 residential and 631,046 agricultural)	By the end of 2023, 1,198,373 residential and agricultural patents issued	By the end of 2024, 1,230,942 residential and agricultural patents issued		
Indicator 4: Percentage increases in forest cover	By the end of 2022, forest cover increased by 12%	Forest cover increased by 3.03%	By the end of 2023, forest cover increased by 3%	By the end of 2024, forest cover increased by 1.22%		
<b>Output Indicators</b>						
Indicator 1: Number of terrestrial protected areas/wetlands/caves established/conserved inland wetland caves	17 Inland wetlands  18 Caves	43 Inland wetlands  133 Caves	16 Inland wetland  13 Caves	12 Inland Wetlands  15 Caves		
Indicator 2: Number of critical habitats established and managed	2 established and 7 managed	13 established and 23 managed	2 established and 7 managed	2 established and 7 managed		
Indicator 3: Number of legislated NIPAS MPAS with water quality assessment monitoring conducted	31	31	35	35		
Indicator 4: Number of established Marine Protected Areas Network (within NIPAS MPA or with at least one NIPAS MPA component strengthened)	3	9	11	15		
Indicator 5: Number of residential free patents issued	21,268	24,927	13,000	14,831		
Indicator 6: Area of denuded and degraded forestlands/PAs decreased (in ha cumulatives)	45,706 ha	45,997 ha	13,565 ha	31,992 ha		
Indicator 7: Number of hectares planted area maintained and protected	192,645 ha	191,082 ha	158, 843 ha	95,406 ha		
Indicator 8: Percentage of annual survival rate of seeding planted	85%	87.75%	85%	85%		
<b>Program 2: Environmental Regulations and Pollution Control Program</b>						
<b>Outcome Indicators</b>						
Indicator 1: Percentage increase of LGUs complying with the Ecological Solid Waste Management Act	5% increase	5.32% increase	5% increase	5% increase		
Indicator 2: Percentage increase of industries complying with environmental standards	2% increase	5% increase	2% increase	2% increase		
Indicator 3: Percentage of HUCs and major urban centers within ambient air quality guidelines/values (PM 10/2.5)	55%	32%	55%	62%		
<b>Output Indicators</b>						
Indicator 1: Percentage of permits, clearances, and certificates issued within the prescribed timeframe	80%	96%	80%	80%		
Indicator 2: Number of sites/facilities or areas that have been inspected with report submitted	56,565	70,666	58,220	59,967		
Indicator 3: Percentage of cases/complaints acted upon within the prescribed timeframe	96%	100%	96%	96%		

Source: NEP 2024

## VI. COA FINDINGS AND RECOMMENDATIONS

- 6.1 Based on the 2022 Annual Audit Report (AAR) of the Commission on Audit (COA), OSEC did not implement 41 or 65.1% of the 63 prior year's audit recommendations. The attached agencies did not implement over half of their prior year's audit recommendations.

**TABLE 12**  
**STATUS OF IMPLEMENTATION OF COA RECOMMENDATIONS**  
**(AS OF 31 DECEMBER 2022)**

Particulars	Total	Implemented		Not Implemented	
		Number	(%)	Number	(%)
OSEC	63	22	34.9	41	65.1
EMB	54	24	44.4	30	55.6
MGB	26	12	46.2	14	53.8
NAMRIA	29	12	41.4	17	58.6
NWRB	13	6	46.2	7	53.8

*Source: Annual Audit Reports 2022 (Part 3)*

### Delayed implementation of projects/suspended projects

- 6.2 Of the OSEC's P20.8 billion appropriation for CY 2022, P20.0 billion or 96.5% was obligated and P18.1 billion or 90.5% was disbursed as of December 31, 2022. Moreover, of the total cash allocation<sup>2</sup> of P20.9 billion, 97.8% or P20.4 billion was disbursed, leaving a balance of P468.3 million, of which P455.8 million was reverted to the Bureau of Treasury, thus projects targeted for implementation during the year were not immediately implemented.

### Lapses in operations / performance

- 6.3 In CY 2022, the Forestland Management Project (FMP) showed an overall utilization rate of 78.9% while the overall disbursement rate is only at 56.8%. FMP is a ten-year (2012-2022) project that aims to strengthen forestland management through the implementation of collaborative and comprehensive community-based forest management (CBFM) strategies. One of the objectives of the program is to rehabilitate degraded forestlands in three (3) critical river basins (Upper Magat and Cagayan, Upper Pampanga, and Jalaur). Of the nine targeted outputs of the program, two were not completed, specifically the Land Tenure Issuance (LTI) and Construction of Agroforestry Support Facilities (ASF) projects, due to various reasons, thus, attainment of the overall project's objective/purpose was delayed. Of the 149 established enterprises/livelihoods by the partner People's Organizations (POs), only 84 enterprises or 56% were operational. Thus, the project's goal to strengthen forestland management through

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<sup>2</sup> Cash authority issued quarterly by the DBM to central, regional, and provincial offices and operating units to cover the cash requirements of the agencies.

community-based management strategies on enterprise development for food security and income were not fully attained.

**Non-compliance with MOA / Agency Circular / Agency Policy/Covenants**

- 6.4 Out of the P288.3 million transferred to various LGUs for the establishment of Solid Waste Management System and Materials Recovery Facility from prior years, P88.7 million were liquidated leaving the amount of P199.6 million outstanding for over a year due to failure of EMB to compel the LGUs to submit the Report of Checks Issued and/or Report of Disbursements as required under the MOA by and between the EMB and LGUs and COA Circular No. 94-013 dated December 13, 1994.

**Unremitted/uncollected income/accounts receivables**

- 6.5 Overall, the NAMRIA's fund utilization/obligation of P1.40 billion is 98.8% compared to its appropriations of P1.42 billion, of which P1.2 billion or 85.8% pertain to its major program, the Mapping and Resources Information Program (MRIP), which registered a 98.7% utilization rate. The unutilized fund of P17.1 million pertains to unbilled contracts.

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Department of Environment and Natural Resources. Transparency Seal, FAR 1  
Environmental Management Bureau. Transparency Seal, FAR 1  
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**ANNEX**  
**EXPENDITURE PROGRAM BY GENERAL EXPENSE CLASS, 2022-2024**  
**(AMOUNTS IN MILLION PESOS)**

Particulars	2022					2023					2024				
	PS	MOOE	CO	FinEx	TOTAL	PS	MOOE	CO	FinEx	TOTAL	PS	MOOE	CO	FinEx	TOTAL
OSEC	8,978.1	7,196.1	3,862.4	0.0	20,036.6	8,223.1	7,388.1	3,180.4	0.0	18,791.6	8,146.3	8,201.2	2,962.5	0.0	19,309.9
EMB	1,208.5	1,261.4	698.9	0.0	3,168.7	1,177.2	1,129.0	160.2	0.0	2,466.3	1,172.7	1,265.8	278.4	0.0	2,716.9
MGB	890.7	578.5	104.6	0.0	1,573.8	833.7	518.9	48.1	0.0	1,400.6	819.9	696.7	166.3	0.0	1,682.9
NAMRIA	556.5	818.7	2.4	0.0	1,377.6	524.2	891.9	0.0	0.0	1,416.1	512.7	1,079.3	36.8	0.0	1,628.8
NWRB	85.2	48.6	7.5	0.0	141.3	83.4	50.0	16.0	0.0	149.4	84.2	106.4	27.4	0.0	218.0
PCSDS	62.7	58.2	6.7	0.0	127.6	59.9	49.7	0.0	0.0	109.6	55.7	59.6	0.8	0.0	116.1
<b>Total</b>	<b>11,781.6</b>	<b>9,961.5</b>	<b>4,682.4</b>	<b>0.0</b>	<b>26,425.5</b>	<b>10,901.5</b>	<b>10,027.6</b>	<b>3,404.6</b>	<b>0.0</b>	<b>24,333.7</b>	<b>10,791.5</b>	<b>11,408.9</b>	<b>3,472.1</b>	<b>0.0</b>	<b>25,672.5</b>

Source: FY 2024 BESF

**EXPENDITURE PROGRAM BY GENERAL EXPENSE CLASS, 2022-2024**  
**(AS PERCENT TO TOTAL AGENCY)**

Particulars	2022					2023					2024				
	PS	MOOE	CO	FinEx	TOTAL	PS	MOOE	CO	FinEx	TOTAL	PS	MOOE	CO	FinEx	TOTAL
OSEC	44.8	35.9	19.3	0.0	100.0	43.8	39.3	16.9	0.0	100.0	42.2	42.5	15.3	0.0	100.0
EMB	38.1	39.8	22.1	0.0	100.0	47.7	45.8	6.5	0.0	100.0	43.2	46.6	10.2	0.0	100.0
MGB	56.6	36.8	6.6	0.0	100.0	59.5	37.0	3.4	0.0	100.0	48.7	41.4	9.9	0.0	100.0
NAMRIA	40.4	59.4	0.2	0.0	100.0	37.0	63.0	0.0	0.0	100.0	31.5	66.3	2.3	0.0	100.0
NWRB	60.3	34.4	5.3	0.0	100.0	55.8	33.5	10.7	0.0	100.0	38.6	48.8	12.6	0.0	100.0
PCSDS	49.1	45.6	5.2	0.0	100.0	54.6	45.4	0.0	0.0	100.0	48.0	51.3	0.6	0.0	100.0
<b>Total</b>	<b>44.6</b>	<b>37.7</b>	<b>17.7</b>	<b>0.0</b>	<b>100.0</b>	<b>44.8</b>	<b>41.2</b>	<b>14.0</b>	<b>0.0</b>	<b>100.0</b>	<b>42.0</b>	<b>44.4</b>	<b>13.5</b>	<b>0.0</b>	<b>100.0</b>

Source: FY 2024 BESF