



Executive Summary

DENR has a Herculean but very noble role – as stewards 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. Its institutional and organizational integrity therefore is critical if it is to effectively discharge its noble mandate.

The first part discusses the overview of the Integrity Development Review (IDR) Project. It presents the argument that corruption has two (2) faces, namely: individual (personal) and systemic. This part trumpets the Klitgaardian premise that corruption is not only a problem of bad people but primarily of bad systems. Project overview also made clear that the IDR Project is the response of the Office of the Ombudsman to its legal mandate on corruption prevention.

The second part provides snapshots of the DENR as an organization in illustrative fashion: its mission, vision, legal mandate, goals and objectives, roadmap, structure, budget and the bigger picture external challenges.

The third part gives discussion tidbits of the IDR Project's tools and methodologies and a tabular schedule of activities undertaken. The fourth part provides a generous discussion of the Project's first major tool, the Corruption Resistance Review (CRR) which assesses an agency's resistance level on matters of leadership, code of conduct, gifts policy, human resource management, performance management, procurement management, financial management, whistleblowing/internal reporting, corruption risk management and interface with external environment. CRR uses a scale of 0 to 5, with 5 as the highest level of corruption resistance. DENR's highest rating is scale 2 in leadership and interface with external environment and lowest rating of 0 on matters of gifts policy and whistleblowing/internal reporting on account of lacking written policies/guidelines on said dimensions. This part also provides recommendations which institutional systems and policies should be reinforced to make the agency more resistant to corruption.

The fourth part also provides a generous exposition of the findings of yet another tool of the Project – the survey of employees. The employee survey may be used to validate the representations made management and process owners' self-assessment in the CRR, but more importantly as a valid feedback on the matters discussed in the self-assessment in addition to perceived types of corruption in the agency and perceptions/attitudes on corruption reporting.

The fifth part generously presents the Project's second major tool, the Corruption Vulnerability Assessment (CVA) as applied in DENR's three (3) sector specific areas, namely: environmental compliance certificate (ECC) process for the environment sector; the integrated forest management agreement (IFMA) process for the forest sector and the foreshore area management (FAM) process for the land sector.

In broad strokes, the study articulates, among others, the following observations and recommendations:

- The Philippine Environmental Impact Statement (EIS) System is one of the advanced environmental management system in the region. However, in order to protect its integrity, close coordination with LGUs should be made to make ECC a pre-requisite of LGU license/permit issuance to development projects.
- Monitoring is the heart of the EIS system, hence capacity building in terms of additional monitors, as well as cascading monitoring templates to communities and orientation on how to use them deserves preferential attention.



- The very rich interface of timber management personnel with IFMA holders makes the working arrangement highly vulnerable to inappropriate conduct. This is also true with EMB case handlers. Positive values-driven customized code of conduct, with concrete examples of work situation dilemmas and solutions is an urgent need to ensure forest and environmental management integrity.
- The 80% foreshore survey failure and serious lack of FLA monitoring pose a very serious threat both to coastal resource environment and revenue generation. Also, a decisive and definitive approach to address LGU resistance is necessary to ensure the smooth management of foreshore areas and thus, realize the desired level of revenue generation/collection.
- Sustained leadership and management of external stakeholders dimensions as well as a large number of the work force satisfied with their job are potent drivers to institute internal policy/systems reforms, counter negative public perception and ensure mandate delivery integrity. Frequent changes in leadership and policies may affect the Agency's momentum in discharging its mandate.

The worst that can happen to this (IDR) Report is to be confined within the cold corners of the office steel cabinet, hence the last part provides a specific road map for the implementation of the Project's recommendations through an Action Plan, which can be divided into three (3) parts, namely: 1) capability enhancement and institutional strengthening; 2) improvement and promotion of policies, systems and control mechanisms; and 3) establishment of sector-specific monitoring mechanism. It is worthy to note that the Action Plan was crafted by the Participating Agency itself – the DENR, in consultation with the different offices, units and personnel who would play a critical role in ensuring its successful implementation. The cover letter dated 16 August 2007 of the Action Plan signed by the honorable Undersecretary Jose N. Ferrer Jr. of the IDR Agency Counterpart Team is most heartening. The early constitution of the integrity development committee or IDC as the agency-based monitoring unit as well as the venue for the scope expansion of the IDR study would definitely do well for the moving spirit and the mandate behind the Project.



Summary of IDA Ratings

| Dimension | Central Office | Region IVA | Region VII | Region XIII | Final Team Rating |
|---|----------------|--------------|--------------|--------------|-------------------|
| 1. Leadership | 2 30-40% | 2 50-60% | 2 100% | 2 70-80% | 2 |
| Validated Rating | 2 | 2 | 2 | 2 | |
| 2. Code of Conduct | 1 100% | 1 70-80% | 1 100% | 1 90-100% | 1 |
| Validated Rating | 1 | 1 | 1 | 1 | |
| 3. Gifts and Benefits Policy | 0 | 0 | 0 | 0 | 0 |
| Validated Rating | 0 | 0 | 0 | 0 | |
| 4. Human Resource Management | 2 70-80% | 1 90-100% | 2 70-80% | 1 90-100% | 1 |
| Validated Rating | 1 | 1 | 1 | 1 | |
| 5. Performance Management | 1 90-100% | 1 90-100% | 3 50-60% | 1 90-100% | 1 |
| Validated Rating | 1 | 1 | 1 | 1 | |
| 6. Procurement Management | 2 100% | 0 - | 1 50-60% | 1 90-100% | 1 |
| Validated Rating | 1 | 0 | 1 | 1 | |
| 7. Financial Management | 1 100% | 1 70-80% | 3 90-100% | 2 90-100% | 1 |
| Validated Rating | 1 | 1 | 1 | 2 | |
| 8. Whistleblowing, Internal Reporting and Investigation | 0 | 0 | 0 | 0 | 0 |
| Validated Rating | 0 | 0 | 0 | 0 | |
| 9. Corruption Risk Management | 1 0-10% | 0 - | 0 - | 1 70-80% | 1 |
| Validated Rating | 1 | 0 | 0 | 1 | |
| 10. Interface with External Environment | 2 80% | 2 50-60% | 2 90-100% | 2 90-100% | 2 |
| Validated Rating | 2 | 2 | 2 | 2 | |