

2021 WORK PROGRAM AND CORPORATE OPERATING BUDGET BASED ON DBM RECOMMENDED SUBSIDY

1.0 OBJECTIVE:

To seek Board approval of CITEM 2021 Work Program and COB based on DBM recommended subsidy level.

2.0 FACTS:

- 2.1 On 01 June 2020, CITEM submitted to DBM its Budget Proposal for FY2021 totalling Php 514.724M which will be funded from NG Subsidy, Php 400.049M (TIER1 - Php 234.319M; TIER2 - Php165.730M); and Corporate Revenues, Php 114.675M.

Below is the summary of Original Proposed Corporate Operating Budget (C.O.B.) for FY 2021:

Particulars	2021 Proposed C.O.B. <i>(In Million Php)</i>
I. Funding Sources	
NG Subsidy	400.049
Corporate Revenues	114.675
Prior Year Savings	-
Total Sources	514.724
II. Budgetary Requirements	
Personal Services (PS)	97.795
Maintenance & Other Operating Expenses (MOOE)	410.049
Capital Outlay (CO)	6.880
Total Budget	514.724

- 2.2 On 17 July 2020, CITEM received a Confirmation Letter from DBM regarding recommended subsidy level for FY 2021.

The DBM recommended a total FY2021 Budget of Php141.885 Million, of which P46.873M is intended for operating requirements; and P95.012M for the implementation of various trade promotion programs of CITEM under Tier 1 level; and zero-budget level for Tier2.

TIER 1 Subsidy	PS	MOOE	CO
Gen. and Admin Services (GAS)		31.249	
Support to Operations (STO)		15.624	
Operations		95.012	
Total, NG Subsidy	-0-	141.885	-0-

- 2.3** According to the Confirmation Letter of DBM, the recommended amount shall be the final budget level to be submitted by DBM for Congressional review, and request for reconsideration in increasing the recommended budget level will not be considered by DBM due to limited resources for the budget year.
- 2.4** On same day, 17 July 2020, CITEM sent a letter to DBM confirming the recommended level of P141.885M. However, CITEM recommends to realign of P5.0Million from Operations budget to Support to Operations (STO).

The P5.0M will be used as additional fund for the requirements of Digital Trade Program.

FY 2021 DBM Recommended Level	Per DBM	Proposed Adjustment	Proposed Realignment
- Gen. Admin Services	31.249		31.249
- Support to Operations	15.624	5.000	20.624
- Operations	95.012	-5.000	90.012
Total Subsidy	141.885	0	141.885

- 2.5** Compared to the original budget proposal of P400.049M NG Subsidy (Tier1 P234.319M; and Tier2, P165.730M); 64.53% reduction or P258.164M as against the DBM recommended level of Subsidy of P141.885M.
- 2.6** Based on FY 2021 DBM recommended subsidy level, the revised Corporate Operating Budget is P250.560M:
- 2.7** CITEM budgeted P97.795M for PS to cover 100 plantilla positions based on Salary Standardization Law (SSL-5) rates. PS is not subsidized by the government; hence, to be sourced from the Corporate Revenues.
- 2.8** MOOE of P145.885M consists of direct costs of export promotion activities, as well as support services and administrative overhead expenses.

In Million Pesos

I. General & Administrative Services	31.249
II. Support to Operations	20.624
III. Operations	
Signature Events	94.012
Overseas Trade Fairs	-
TOTAL, Operations	145.885

CITEM proposed to undertake four (4) Signature events in Manila, with total budget of P94.012M:

- Manila Fame-October
- IFEX Philippines
- Sustainability Solutions Expo (SSX)
- Create Philippines

2.9 In addition, the Digital Trade Community Platform (DTCP) with P5.0M under Support to Operations will be budgeted as preparatory for CITEM's digital initiatives.

2.10 Capital Outlay (CO) budget amounting to Php6.880M is allotted for the acquisition of the following: IT equipment, Php3.880M; Genset replacement Php1.500M; and Motor Vehicle Php1.500M

2.11 Details of Corporate Operating Budget based on original submission, and the revised Corporate Operating Budget based on the DBM recommended budget level:

Particulars	2021 Original Proposed C.O.B. (In Million Php)	2021 Revised C.O.B. based on DBM Recom. (In Million Php)	Increase/ (Decrease)	% Increase/ (Decrease)
I. Funding Sources				
NG Subsidy	400.049	141.885	(258.164)	-64.53%
Corporate Revenues	114.675	18.802	(95.873)	-83.60%
Prior Year Savings/Cash Drawdown	-	89.873	89.873	
Total Sources	514.724	250.560	(264.164)	-51.32%
II. Budgetary Requirements				
Personal Services (PS)	97.795	97.795	-	
Maintenance & Other Operating Expenses (MOOE)	410.049	145.885	(264.164)	-64.42%
Capital Outlay (CO)	6.880	6.880	-	
Total Budget	514.724	250.560	(264.164)	-51.32%


2.12 The decrease in subsidy level from the original requested amount has huge impact on the work program and the target revenues for 2021.

Thus, a cash drawdown amounting to Php 89.873M is needed to fully fund Personal Services, Capital Outlay, and travelling expenses of P4.0M for the year.

3.0 RECOMMENDATION:

For the Board to approve the Corporate Operating Budget for FY 2021 in the total amount of Php250.560M based on NG Subsidy of Php141.885M, augmented by Corporate Revenue of Php18.802M, and Cash Drawdown of P89.873M.

Recommending approval:


MA. LOURDES D. MEDIRAN
Deputy Executive Director


ATTY. ANNA GRACE T. MARPURI
Legal Officer V


PAULINA SUACO-JUAN
Executive Director

APPROVED BY THE CITEM BOARD:

SECRETARY RAMON M. LOPEZ
Chairman
DEPARTMENT OF TRADE AND INDUSTRY

APPROVED
VIRTUAL BOARD MEETING 24 JULY 2020
UNDERSECRETARY ABDULGANI M. MACATOMAN
Alternate Chairman
DEPARTMENT OF TRADE AND INDUSTRY

MS. CECILIA C. BORROMEO
Land Bank of the Philippines

APPROVED
VIRTUAL BOARD MEETING 24 JULY 2020
JUDY O. KIS-KING
Land Bank of the Philippines

MS. EDNA C. VILLA
Bangko Sentral ng Pilipinas

APPROVED
VIRTUAL BOARD MEETING 24 JULY 2020
THOMAS BENJAMIN B. MARCELO
Bangko Sentral ng Pilipinas

ATTY. JUDY CAROL L. DANSAL
National Food Authority

APPROVED
VIRTUAL BOARD MEETING 24 JULY 2020
ELSA ASUNCION LIM
National Food Authority

APPROVED
VIRTUAL BOARD MEETING 24 JULY 2020
PAULINA SUACO-JUAN
CITEM

SECRETARY'S CERTIFICATE

KNOW ALL MEN BY THESE PRESENTS:

I, ATTY. ANNA GRACE I. MARPURI, Filipino, of legal age, and with office address at the Center for International Trade Expositions and Missions, Sen. Gil J. Puyat cor. Roxas Boulevard, Pasay City, Philippines, do hereby certify that:

1. I am the Corporate Board Secretary of the Center For International Trade Expositions and Missions (CITEM), a national government instrumentality attached to the Department of Trade & Industry, with office address at Golden Shell Pavilion, Sen. Gil J. Puyat Avenue cor. Roxas Boulevard, Pasay City, Philippines;
2. At a Virtual Board Meeting of the CITEM Board of Governors held on 24 July 2020, with a quorum was present, the Board unanimously passed the following resolution:

"RESOLVED, that 2021 CITEM Wok Program is hereby APPROVED"

(Res. No. BM 2020-07-07)

"RESOLVED, that CITEM 2021 Corporate Operating Budget in the amount of PHP250.560M based on the NG Subsidy level of PHP141.885M , augmented by Corporate Operating Budget of PHP 18.802m, being in order, is hereby APPROVED"

(Res. No. BM 2020-07-08)

IN WITNESS WHEREOF, I have affixed my signature on this 24TH day of July 2020 at Pasay City, Philippines.

ATTY. ANNA GRACE I. MARPURI
Corporate Board Secretary

AUG 17 2020

SUBSCRIBED AND SWORN to before me this _____, affiant exhibiting to me her competent evidence of identity IBP Roll No. 48441, valid until date.

ATTY. ROGELIO J. SOLIYAR
 NOTARY PUBLIC IN QUEZON CITY
 AM Adm. Not. Com. No. N124-112-19 until 12-31-2020
 IEP O.R. No. 055255 Jan. 2019 & IGP O.R. No. 055255 Jan. 2020
 PTR O.R. No. 9332194 E 1-3-2020 / Roll No. 33832 / TIN: 009 871-009
 ATLE No. VI-0029583 valid from 12/16/2019 until 84/16/22
 Address: 31-F Harvard St./Cubao, B.C.

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