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MINUTES OF THE CITEM BOARD OF GOVERNORS' MEETING

28 August 2020, 10AM
VIRTUAL CONFERENCE

ATTENDANCE:

Alternate Chairman

Abdulgani M. Macatoman
Undersecretary for Special Concerns and Trade Promotions Group (TPG)

Board Members

Mr. Thomas Benjamin B. Marcelo Bangko Sentral ng Pilipinas	Ms. Paulina Suaco-Juan CITEM
Ms. Judy O. Kis-Ing Land Bank of the Philippines	Ms. Elsa Asuncion Lim National Food Authority

CITEM OFFICERS

A. Grace I. Marpuri Corporate Secretary	Ma. Lourdes D. Mediran Deputy Executive Director
Florence Buensalido HRD Chief	Wilma Dulay Budget, Chief
Jewel Udarbe Corporate Planning Division, ADC	Malerna C. Buyao Controllership, Chief

I. DETERMINATION OF EXISTENCE OF QUORUM

1. The Board Secretary determined the existence of Quorum.
2. Notice of Meeting and Board Paper materials were sent to Board Members on 20 and 22 August 2020, respectively.

II. APPROVAL OF THE PREVIOUS MEETING (24 JULY 2020)

1. The Corporate Secretary sent the Minutes of the Meeting to all CITEM Board Members on 30 July 2020.
2. Discussion of the Summary of Actions taken from the previous meeting:
3. Having no further comments—

“RESOLVED, that the Minutes of the Previous 24 July 2020
Virtual Board Meeting, being in order, is hereby APPROVED.
Res. No. BM 2020-08-01”

III. UPDATES ON 2020 REMAINING PROJECTS

1. The launching of FAME+, the Manila FAME's 24/7 digital platform will happen in October 2020, providing new format for Filipino artisans to the global audience. Preparation for this project is currently ongoing. Exhibitor campaign and buyer registration for FAME+ started on 24 and 31 August 2020, respectively.



- 66 2. Features of FAME+ are online catalogue, main events, digital content production subsidizing the
67 initial 100 exhibitors and digital content productions.
68
69 3. Maison et Objet and More (MOM), a digital platform, will run from 4-18 September, participated
70 by 13 companies, with 130 designs developed and 113 products selected. CITEM also showed to
71 the Board a short video promo material for social media platforms, showcasing the product
72 collections to be featured in the MOM.
73
74 4. On CIIE, the Philippine Pavillon is a 108sqm open (18mx6m), four sides open, located at 2.1H at
75 Food and Agricultural products Hall. Target number of exhibitors for this participation is 40.
76
77 5. The participation is in Partnership with different agencies, both from public and private sectors,
78 with a total financial commitment of PHP4.5M.
79
80 6. On CAEXPO participation, the event will be on 27-30 November 2020. The CAEXPO organizer
81 advised CITEM that a 14-day quarantine shall be imposed to travelers from the Philippines. Thus,
82 the CAEXPO secretariat further recommended that PH participating companies shall preferably
83 from those with existing subsidiaries in China.
84
85 7. On Digital initiatives, CITEM is currently procuring websites for the following: FoodPhilippines,
86 IFEX NxtFood Asia, SSX and Create Philippines projects.
87

88 "RESOLVED, that the Minutes of the Previous 24 July 2020
89 Virtual Board Meeting, being in order, is hereby APPROVED.

90 *Res. No. BM 2020-08-02*
91

92 **IV. AUTHORITY TO AUGMENT ADDITIONAL PHP2.8M BUDGET FOR CIFIT2020**
93

- 94 1. The China International Fair for Investment and Trade (CIFIT) is a fair approved by the State
95 Council of the People's Republic of China that takes place annually every 08-11 September in
96 Xiamen, China.
97
98 2. The Philippine participation in CIFIT 2020 as the Guest Country of Honor seeks to the establish
99 the country as a premier investment destination and business partner especially in a post-
100 pandemic scenario. It provides a strategic avenue to promote Philippine investment and trade
101 opportunities to a wide Chinese audience, global business leaders, international organizations,
102 foreign commercial associations, transnational corporations, and Fortune Global 500 companies.
103
104 3. By virtue of the DTI Department Order 20-64 s. 2020, dated 5 August 2020, the Board of
105 Investments (BOI), as the lead implementing agency has the authority to call on GOCCs to help
106 execute the project. In this case, the CITEM was commissioned to execute the CIFIT 2020. Thus,
107 this request from the CITEM Board to grant authority to CITEM to implement CIFIT 2020.
108
109 4. The project requires PHP8M budget. Fund sources will come from the DTI (PHP4M); while the
110 rest will be sourced from private sector participants and other DTI agencies. The private sector
111 share, which are considered participation fees, estimated at PHP5.1M, shall be collected by
112 CITEM to cover Management fee in the amount of PHP1.2M; and other incidental fees to be
113 incurred in implementing the project. Any excess amount to be collected shall be held in trust in
114 CITEM, and will purposely be utilized for the 2021 CIFIT participation.
115
116 5. Having no further comments,

117 "RESOLVED, that CITEM is given authority to implement the CIFIT 2020
118 participation by virtue of Sec. 2 f of DTI Department Order 20-64, being in
119 order, is hereby APPROVED"

120 *(Res. No. BM 2020-08-03)*
121

122 "RESOLVED FURTHER, that CITEM is authorized to augment additional
123 PHP2.8M as working budget for the preparation of CIFIT 2020

124 *(Res. No. BM 2020-08-04)*
125

126 "RESOLVED FURTHERMORE, that CITEM is enter to enter into contract(s),
127 Memorandum of Agreement, or other engagements; and authorized to collect
128 fees and monies from private sector who are involved in the CIFIT
129 participation,

130 *(Res. No. BM 2020-08-05)*
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132



V. **APPROVAL ON THE GRANT OF COLLECTIVE NEGOTIATION AGREEMENT (CNA) INCENTIVE FOR THE FY2018**

1. In 2003, CITEM employees organized the Association of CITEM Employees (ACE), pursuant to E.O. No. 180, which provides guidelines for the exercise of the right to organize of government employees.
2. In 2017, CITEM Management entered into a Collective Negotiation Agreement (C.N.A.) with the CITEM employees association, effective for three (3) years from 14 July 2017 to 13 July 2020; and immediately registered before the Civil Service Commission under Registration Number 1284.
3. Pursuant to DBM Circular 2018-05 dated 14 November 2018, CNA incentive may be granted under the following conditions:
 - a. Valid and subsisting CNA executed between the Management and the employees' organization accredited by the CSC
 - b. Grant of CNA incentive must be stipulated in the CNA or supplements thereof
 - c. Accomplishment by 30 September 2018, at least an average of 70% of all the targets for all the organizational outcomes/performance indicators.
4. Further, fund source for the CNA incentive shall be solely from the allowable MOOE allotment in FY 2018, and such become available as a result of cost -cutting and system improvements measures undertaken collectively by the Agency , Management and its employees, based on the following conditions:

- a. Actual operating income for the period January 1 to September 30, 2018 shall, at least, meet the targeted operating income in the approved COB for the same period.

For GOCCs, which by the nature of their functions consistently incur losses, the current year's operating loss should have been minimized or reduced compared to or at most equal to that of the prior year's level. In the case of CITEM, Operating Loss for the CY 2018 was lower than the Operating Loss in CY 2017.

2017	VS.	2018
(PHP189.162M)		(PHP179.274M)

- b. Actual operating expenses are less than the DBM approved level of operating expenses in the COB in order to generate sufficient source of funds for the payment of CNA incentive. In this case, CITEM was able to generate savings of PHP5.580M, sourced solely from the allowable MOOE allotments in FY2018, as certified by Budget Division:

BUDGET -MOOE (allowable MOOE Items)	PHP 26.042M
ACTUAL COST	<u>20.462</u>
SAVINGS	PHP <u>5.580M</u>

- c. Further to the DBM rules, CNA incentive for the year shall be a one-time benefit to be granted not earlier than December 15, 2018. In the case of CITEM, it took time to receive validation/confirmation of its performance target result from GCG, which was released only on 11 March 2020.

5. Further, CITEM Attached are the following documents to support the request:
 - a. CNA between ACE and CTEM Management covering the period 2017-2020
 - b. DBM Budget Circular 2018-05 dated November 14, 2018
 - c. ACE and Management Board Resolution on adopting and approving the guidelines in the grant of CNA incentives to CITEM officials and employees for FY2018
 - d. Certification on the generated savings in the amount of PHP5.580M from the MOOE items for the year 2018
 - e. Certification on CITEM's 2018 operating loss was lower than the previous year
 - f. GCG Revalidation of the 2018 Performance Scorecard of CITEM
 - g. Certification from the HRD on the total of employees entitled for the CNA incentive
6. CITEM Management recommends pursuant to DBM Circular 2018-05, to the Board the grant of CNA incentive for FY2018 , in the maximum amount of P25,000 per qualified employee.

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7. Having no further comments,

“RESOLVED, that request to grant the CNA incentive to qualified CITEM employees, after complying all the conditions set under DBM 2018-05 s. 2018, being in order, is hereby APPROVED”

(Res. No. BM 2020-08-06)

“RESOLVED FURTHER, that qualified employee is entitled to receive the CNA incentive not to exceed PHP25,000.00

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

VI. RATIFICATION

1. Initially, on 28 June 2019 CITEM Board Members approved CITEM’s Corporate Operating Budget (COB) and Work Program for FY2020 amounting to Php397.974M.

Below Summary of Board-approved COB for FY 2020:

2. Having no more comments—

“RESOLVED, that the 108sqm CIIE Contract executed bt Management, being in order, is hereby RATIFIED

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

VII. OTHER MATTERS AND DISCUSSION OF NEXT BOARD MEETING

1. The Board Instructed the Board Committee TWGs to report on the following in the next schedule Board Meeting:

- a. Risk Management and Audit Committee – Remote Audit to be conducted by the outsourced External auditors
- b. Nomination Committee – Status and progress of interview of applicants
- c. Executive Committee – Status of preparation of FAME

VIII. ADJOURNMENT

Prepared by:

ATTY. ANNA GRACE I. MARPURI
Corporate Secretary