

MINUTES OF THE CITEM BOARD OF GOVERNORS' MEETING  
6<sup>th</sup> REGULAR BOARD MEETING  
25 November 2021, 9:30 am -12 noon  
VIRTUAL CONFERENCE

IN ATTENDANCE:

**BOARD MEMBERS**

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

Ms. Rosalina Tan  
Bangko Sentral ng Pilipinas

Ms. Paulina Suaco-Juan  
CITEM

Mr. Elcid C. Pangilinan  
Land Bank of the Philippines

Ms. Elsa Asuncion – Lim  
National Food Authority

**CITEM OFFICERS**

Ma. Lourdes D. Mediran  
Deputy Executive Director

Rowena Mendoza  
OIC DM, OG2

Charles Aames Bautista  
Department Manager, CCSD

Wilma Dulay  
Budget, Chief

Atty. Anna Grace I. Marpuri  
Corporate Board Secretary

Jewel Udarbe  
Corplan, ADC

Florence Buensalido  
HRD, Chief

Malerna C. Buyao  
Controllership, Chief

Romina Aurea Magno  
Corplan Officer

**I. PROOF OF DUE NOTICE AND DETERMINATION OF EXISTENCE OF QUORUM**

1. The Corporate Board Secretary determined the existence of Quorum. Notice of Meeting and Board Paper materials were sent to respective Board Members on 11 November 2021.

**II. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING (18 August 2021)**

1. Discussion of the Summary of Actions taken from the previous meeting:

AGENDA	MATTERS ARISING
EXECUTIVE DIRECTOR'S REPORT	DULY NOTED BY THE BOARD  TOTAL EXPORT SALES REPORT on the 2 <sup>ND</sup> LEG CHINA B2B (initial \$800THOUSAND was reported)
FINANCIAL REPORTS AS OF 30 JUNE 2021 AND UPDATES ON REVENUE as of AUGUST 2021	DULY NOTED BY THE BOARD  - Adjustment on the slide/ PPT (to reflect whether figures are in MILLIONS or thousands)  - Report on CITEM financial performance reflecting expected year-end result and BUR  - Justification on the increase in non-current asset for 2021  - Financial position/statements with aggregated accounts be separated from the presentation and serve as supporting/reference document.
	DEFERRED

2022 REVISED COB AND WORK PROGRAM BASED ON DBM-RECOMMENDED SUBSIDY LEVEL	<ul style="list-style-type: none"> <li>- Comparative matrix of 2022 original WP vs. revised WP based on the revised DBM recommended subsidy, to reflect projects that are prioritized, deferred or cancelled; those have available funding sources; need funding sources as well as projects that implemented through cost-sharing scheme with other partners.</li> <li>- Management to present on how the resources will have impact on the 2022 Revised WP</li> </ul>
2021 MODIFIED PERFORMANCE EVALUATION SYSTEM	<ul style="list-style-type: none"> <li>- Projected total score of PES / hurdle rate after modified PES</li> <li>- REMINDER AND INSTRUCTION TO MANAGEMENT ON ITS QUARTERLY MONITORING REPORT OF PES: <ul style="list-style-type: none"> <li>- CITEM can provide justification/ challenges on strategic metrics it finds difficult to achieve.</li> <li>- The Agency is not precluded from reminding the GCG, through its quarterly monitoring report, to report its performance, its challenges, and difficulties in achieving the target; as well as the reiteration to revise/recalibrate targets.</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>1 CONTRACT RATIFIED</li> <li>- 70 CONTRACTS PRESENTED FOR INFORMATION</li> <li>- Submitted to the COA Auditor</li> </ul>
NEWLY HIRED/ NEWLY PROMOTED EMPLOYEES	

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2. The Minutes of the 18 August 2021 meeting presented to the Board with minor comments from BSP Board Member were already incorporated.
3. Having no further comments—

“RESOLVED, that the REVISED Minutes of the Previous 18 August 2021 Virtual Board Meeting, incorporating comments from the Board Members, is hereby APPROVED”

*(Res. No. BM 2021-11-01)*

“RESOLVED FURTHER, that the Summary of Actions and Matters Arising From the 18 August 2021 Virtual Board Meeting, is hereby NOTED”

*(Res. No. BM 2021-11-02)*

**III. APPROVAL REVISED 2022 CORPORATE OPERATING BUDGET AND WORK PROGRAM BASED ON DBM-RECOMMENDED SUBSIDY LEVEL**

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1. On 04 June 2021, CITEM submitted to DBM its Budget Proposal for FY2022 amounting to P504.684M as approved by the Board during the 07May 2021 Board of Governors Meeting. Funding Sources of said amount are broken down into NG Subsidy of P398.352M and CITEM Funds in the amount of P106.332M.

Particulars	2022 Proposed C.O.B.	2022 Revised C.O.B.	Difference	% Increase (Decrease)
<b>I. Funding Sources</b>				
NG Subsidy	398.352	152.612	(245.740)	(62%)
Corporate Revenues	44.465	20.680	( 23.785)	(53%)
Prior Year Savings / Cash drawdown	61.867	77.960	16.093	26%
<b>Total Sources</b>	504.684	251.252	(253.432)	(50%)
<b>II. Budgetary Requirements</b>				
Personal Services (PS)	102.733	95.041	( 7.692)	(7%)
Maintenance & Other Operating Expenses (MOOE)	398.352	152.612	(245.740)	(62%)
Capital Outlay (CO)	3.599	3.599	-	-
<b>Total Budget</b>	504.684	251.252	(253.432)	(50%)

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2. The proposed NG Subsidy of P398.352M was broken down into DBM- recommended Level of P141.885M for Tier 1, which is the same level as the Year 2021's Tier 1 subsidy and CITEM-proposed budget of P256.467M for Tier 2, which is for DBM evaluation.
3. Tier 1 PAPs composition, in the amount of P141.885M is broken down as follows:

<b>Export Promotional Projects</b>	<b>Budget - Operations (In Million Php)</b>
CITEM Signature Events to be held hybrid or in purely online/digital format* (FAME+, IFEX Philippines, CREATE Philippines, and SSX), two (2) hybrid Overseas Trade Fair (OTFs) and two (2) Digital Overseas Trade Fairs	46.122 (Direct Costs)
The maintenance or upgrading of its digital promotion platforms	43.890
<b>TOTAL, OPERATIONS</b>	<b>90.012</b>
Support to Operations (STO): To cover institutional management support services such as Corplan, PR & Marketing, and IT Services	<b>20.624</b>
General & Administrative Services (GAS): To cover Office Management & Maintenance expenses	<b>31.249</b>
<b>TOTAL TIER 1</b>	<b>141.885</b>

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\* Mounting of IFEX Philippines (physical event) is subject to the availability of additional funds and will depend on the improvement of the COVID19 situation in the country.

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4. In a letter dated 15 July 2021 signed by DBM Secretary Wendel Avisado, the DBM notified CITEM of its recommended subsidy level for FY2022 amounting to P152.612M for Tier 1 and Tier 2

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TIER 1	P 141.885M (for Operations, GAS, and STO)	TIER2	
	<u>10.727M</u> (for STO)		
Total	<u>P 152.612M</u>		

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5. Based on the DBM-recommended subsidy, CITEM's Revised WorkProgram for FY 2022 was proposed as follows:

<b>Priority Ranking</b>	<b>Proposed PAPs</b>	<b>Original Budget Request (In Million PhP)</b>	<b>Status</b>	<b>Revised WP 2022 (In Million PhP)</b>
<b>Tier 1</b>				
1	<b>Signature Events</b>	<b>46.122</b>		46.122
	Manila FAME / FAME+ Market Days	9.261	Prioritized	9.261
	IFEX Philippines	3.211	Prioritized	3.211
	Sustainability Solutions Exchange (SSX)	-0-	Prioritized	-0-
	Create Philippines	6.000	Prioritized	6.000
	<b>Overseas Trade Fairs (OTF)</b>			
	Gulfood 2022	9.850	Prioritized	9.850
	China International Import Expo (CIIE)	10.000	Prioritized	10.000
	MOM	4.500	Prioritized	4.500
	NY Now Digital Market	3.300	Prioritized	3.300
	<b>The maintenance or upgrading of digital promotion platforms</b>	<b>43.890</b>	Prioritized	<b>43.890</b>

	Web developmentrenewal -Maintenanceand Upgrade forFAME+, IFEX and FoodPH, Create Philippines, and SSX	14.500		14.500
	Customer Relationship Management System Renewal with Social Planning Tool	9.000		9.000
	Content Development Renewal for FAME+, IFEX, and FoodPH, Create Philippines, and SSX	18.608		18.608
	Web Server Hosting Renewal	0.750		0.750
	Hopin License Renewal	1.032		1.032
	<b>Total, Operations</b>	<b>90.012</b>		<b>90.012</b>
	<b>Support to Operations</b>	<b>20.624</b>	Prioritized	<b>20.624</b>
	<b>General Administrative and Services</b>	<b>31.249</b>	Prioritized	<b>31.249</b>
	<b>TOTAL - TIER 1</b>	<b>141.885</b>		<b>141.885</b>

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6. The DBM-recommended subsidy level of P152.612M will be allocated by type of Expense as follows:

<b>Expense Category</b>	<b>Budget</b>
<u>Operations</u> : Implementation of various export promotional projects that will assist local SME exporters, designers, and manufacturers in the global market and contribute to the attainment of inclusive economic growth;	P 90.012 M
<u>Support to Operations (STO)</u> : To cover institutional management support services such as Corplan, PR & Marketing, and IT Services, including the <i>Advertising and Digital Optimization of Events and Platforms Project</i>	31.351 M
<u>General &amp; Administrative Services (GAS)</u> : To cover Office Management & Maintenance expenses	31.249 M
<b>Total</b>	<b>P 152.612 M</b>

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<sup>1/</sup> Subject to funding support from DTI and other partners from government and the private sector.

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The Tier 2 subsidy of P10.727M will be allocated for the 'Advertising and Digital Optimization of Events and Platforms' as mentioned above.

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7. To summarize, CITEM shall prioritize the following projects in FY 2022 due to the following reasons:

Export Promotional Projects	Budget - Operations	Justifications
<p>Four (4) CITEM Signature Events to be held hybrid or in purely online/digital format* (FAME+, IFEX Philippines, CREATE Philippines, and SSX).</p> <p>Two (2) hybrid Overseas Trade Fair(OTFs): CIIE and Gulfood</p> <p>Two (2) Digital Overseas Trade Fairs: Maison et Objet and More (MOM) Digital Fair and NY Now Digital Market 2022</p>	<p>P 46.122 M</p>	<p>Signature events are flagship programs of CITEM, that have benefitted historically larger number of stakeholders vs other projects of the agency. Further, Signature Events carry more impact on our Performance Evaluation System (PES) Scorecard than other programs/projects of CITEM and hence are both strategic and important to the agency.</p> <p>The China International Import Expo (CIIE) is a political commitment of the DTI and hence is a priority project. On the other hand, PH participation in Gulfood 2022 is linked to the PH participation in Dubai Expo 2020; further, the agency has made pre- payments already for the event.</p> <p>PH participation in the MOM Digital Fair and NY Now Digital Market 2022 were deemed by the agency as both strategic and important for Philippine brands in the HFL sector. Both are trade fairs that have a large following/participants, high reputation in the HFL market, and because they are in digital platforms, will only require moderate budgetary support from the agency.</p>
<p>The maintenance and/or upgrading of CITEM digital promotion platforms</p>	<p>P 43.890 M</p>	<p>In FY2022, the agency will continue to develop, enhance, and upgrade the following digital platforms for the F&amp;B, HFL, Creative, and Sustainability sectors: FAME+, IFEXConnect, and FOOD Philippines, CREATE Philippines, and Sustainability Solutions Exchange (SSX) Websites. The agency will ensure that these platforms are updated and responsive to the needs of their respective stakeholders.</p>
<p><b>TOTAL OPERATIONS</b></p>	<p><b>P 90.012 M</b></p>	

\* Mounting of IFEX Philippines (physical event) subject to availability of additional funds and will depend on the improvement of the COVID19 situation in the country.

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111 8. Having no further comments—

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RESOLVED, that the Proposed FY 2022 Work Program of CITEM based on the DBM Recommended subsidy of PHP152.612M, being in order, is hereby APPROVED"

(Res. No. BM 2021-11-03)

"RESOLVED, that the Revised FY 2022 Corporate Operating Budget of CITEM in the amount of PHP251.252M based on the DBM Recommended subsidy of PHP152.612M, being in order, is hereby APPROVED"

(Res. No. BM 2021-11-04)

124 **IV. MEDIUM TERM MARKETING PLAN FOR 2022-2024**

- 125 1. OBJECTIVE: To seek Board approval for the Medium-Term Marketing Plan for 2022 – 2024 as  
126 required by the Governance Commission for GOCC's
- 127 2. Last 04 August 2021, the Governance Commission for GOCC's (GCG) transmitted the modified  
128 CITEM's Performance Scorecard.
- 129 2.1 Strategic Measure 5 was modified from website unique users to the submission of a board-  
130 approved medium term marketing plan covering the period of 2022-2024, which represents  
131 5% of our total compliance.
- 132 2.2 In compliance with the GCG requirement, attached is the marketing plan drafted by CITEM  
133 for the board's approval. (see attachment)
- 134 2.3 Given the uncertainty of the pandemic and fluctuating budget allocation for the agency,  
135 CITEM has drafted a general three-year integrated marketing strategy that has the flexibility  
136 to adapt to any increase or decrease of subsidy levels or projects to be implemented.
- 137 3. For the Board to approve the Medium – Term Marketing Plan for 2022-2024
- 138 4. The Board gave instruction to the Management to conduct a periodic review/report on the  
139 proposed Medium Term Marketing Plan.
- 140 5. Having no more comments ---

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146 "RESOLVED, that the CITEM MEDIUM TERM MARKETING PLAN  
147 2022-2024, being in order, is hereby APPROVED

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149 (Res. No. BM 2021-11-05)

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151 **V. ENDORSEMENT OF THE PROPOSED CITEM 2022 PERFORMANCE SCORECARD (PES)**

- 152 1. CITEM management decided to incorporate a more inclusive growth framework for SMEs in the  
153 2017-2023 Strategy Map. CITEM envisions that by 2023 CITEM is a globally recognized export  
154 promotion agency that is well-reputed for bringing the best the Philippines has to offer in the priority  
155 markets indicated by the Philippine government.
- 156 2. The theme for the 2017-2023 Strategy Map is **I CaRe: Innovate. Capacitate. Resonate.**
- 157 **2.2.1 INNOVATE.** CITEM aims to champion innovation both for internal and  
158 external stakeholders. Externally, to service more sectors, CITEM aims to  
159 innovate by creating new flagship trade platforms and events such as  
160 CREATE Philippines and the Sustainability Solutions Expo, expanding its  
161 portfolio into more sectors in the creative economy and into the sustainability  
162 solutions/circular economy sector covering the food, beverage, and lifestyle  
163 enterprises. Following the success of FAME+, CITEM launched a similar  
164 platform for the Food and Beverage (F&B) sector called IFEXConnect  
165 ([www.ifexconnect.com](http://www.ifexconnect.com)) in 2021. This platform features online product  
166 catalogs and provide opportunities for B2B interaction between exhibitors and  
167 buyers through the features that make it easy to connect, request quotation,  
168 present products, receive inquiries virtually. Internally, CITEM has continually  
169 forayed into improving its internal processes to assist SMEs more effectively  
170 through capital investments in state-of-the-art information technology (IT)  
171 systems.
- 172 **2.2.2 CAPACITATE.** CITEM, as a government instrumentality, wants to add value  
173 to its promotional activities by equipping the SMEs with the right skills and  
174 tools to make them global players and help them succeed in international  
175 markets. CITEM's goal is to internationalize SMEs and help bring business  
176 growth for the companies and all its stakeholders across their respective  
177 value chains.
- 178 **2.2.3 RESONATE.** CITEM aims to resonate with its stakeholders and clients by  
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elevating the Philippines as a top sourcing destination of choice through its various programs, activities, and projects. For FY2021, CITEM strengthened its efforts in content marketing and promotions through the Digital Trade and Community Platform (DTCP) for Manila FAME called FAME+ which was launched in October 2020, its Touchpoint website for the HFL sector, and through participation in both local and international digital trade fair or digital promotion platforms. Through these initiatives, Philippine export products and brands acquire greater visibility in the international sourcing market through targeted, strategic messaging that highlight the quality, beauty, craftsmanship, and value of Philippine products and services, and focus on the important role Philippine enterprises play in the global trade of these products and services.

- 3. CITEM submitted its proposed FY 2022 PES on 19 November 2021. For FY2022, the proposed Strategic Objectives and Strategic Measures in CITEM’s PES aim to capture CITEM’s efforts across the 4 pillars of Finance, Stakeholder/Social Impact, Internal Process, and Human Resource Development.
- 4. The proposed CITEM FY 2022 Performance Evaluation System (PES) has no change in its Charter Statement - Vision, Mission and Core Values (VMV) as compared to the 2021 Charter Statement. CITEM priority markets are identified in FY2022 as follows: for Food and Beverage (F&B) sector— IFEX PH Hybrid Event (subject to fund availability), Gulfood, and CIIE; Home, Fashion, Lifestyle (HFL) sector—Manila FAME Digital Event, Maison&Objet and More (MOM), and NY NOW; Creative sector—Create PH; Sustainability sector—Sustainability Solutions Exchange (SSX) Digital Event, while priority geographical markets across these sectors are: US, European Union (EU), China and the Middle East. These priority markets are reflected in the proposed CITEM Work Program FY2022 is provided below:

4.1 CITEM Signature Events, FY2022

PROJECT	VENUE	DATE
<b>IFEX PHILIPPINES</b> (Hybrid Event)*	Online and Manila Philippines	September 2022
<b>MANILA FAME</b> Digital Event	Digital	19-21 October 2022
<b>Sustainability Solutions Exchange (SSX)</b> Digital Event	Online/Digital	March 2022
<b>CREATE PHILIPPINES</b> Digital Event	Digital	TBA

*\*Mounting of IFEX Philippines (physical event) subject to availability of additional funds and will depend on the improvement of the COVID19 situation in the country.*

4.2 CITEM Overseas Events, FY2022

PROJECT	VENUE	DATE
<b>GULFOOD</b> (Hybrid participation)	Online and Dubai, UAE	13-17 February 2022
China International Import Expo (Hybrid participation)	Online and Shanghai, China	04-10 November 2022
Maison & Objet and More (MOM)	Digital	January – September 2022
NY NOW Digital	Digital	July-December 2022

- 5. For its 2022 PES Scorecard, CITEM included the following ‘new’ Strategic Measures: a) Number of Website visitors (to reflect content Marketing Impact) under the Strategic Objective Increase Stakeholder Awareness. All other metrics/measures were retained from the FY2021 PES Scorecard

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234 6. Having no more comments --  
235 "RESOLVED, that the Proposed Performance Evaluation System FY  
236 2022, is hereby APPROVED

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238 (Res. No. BM 2021-11-06)  
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240 "RESOLVED FURTHER, that the CITEM Management is hereby  
241 granted authority to represent before the GCG in the conduct of the  
242 Technical Panel Meeting and discussion on the Proposed Performance  
243 Evaluation System FY 2022

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245 (Res. No. BM 2021-11-07)  
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247 "RESOLVED FURTHER, that the CITEM Management is hereby given  
248 authority to submit periodic report, request negotiation; conduct  
249 renegotiation with the GCG in relation to the said 2022 PES.

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251 (Res. No. BM 2021-11-08)  
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253 **VI. RATIFICATION OF ACTS OF MANAGEMENT (15 August – November 2021)**  
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256 1. It was resolved by the CITEM Board, during its previous Board Meeting on 04 November 2015 that  
257 expense contracts amounting to P1.0M and above shall be presented to the Board for Ratification  
258 and other Agreement entered into by CITEM shall be ratified by the Board.  
259 2. The following are contracts and agreements for Board Ratification and/or Information executed for  
260 the period.

- 261 a. For Board Ratification 7 Contracts  
262 Contracts involving financial considerations of PHP 1.0 MILLION and above.  
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264 b. For Board Information 92 Contracts  
265 Expense Contracts less than P 1.0M (International projects, Local projects,  
266 Contract of Services, Travel Contracts, Other Contracts).  
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- 268 3. That that CITEM Management exercised due diligence and Complete Staff Work (CSW) in the  
269 review of the attached contracts, and strictly observed accounting rules and regulations, and other  
270 government rules particularly the Government Procurement Act (RA9184).  
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- 272 4. Having no more comments--  
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274 "RESOLVED, that ACTS OF MANAGEMENT executed (7 contracts)  
275 from August-15 November, is hereby RATIFIED

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277 (Res. No. BM 2021-11-09)  
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280 **VII. OTHER MATTERS**

- 281 1. Proposed Board Meeting Calendar FY2022  
282 2. Proposed Alternative Working Arrangement for 2022  
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284 **VIII. COMMITTEE MEETINGS**  
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286 **IX. ADJOURNMENT. 25 November 2021. CITEM, Pasay City, Philippines.**  
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288 Prepared by:  
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292 ATTY. ALINA GRACE I. MARPURI  
293 Corporate Secretary  
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