

MINUTES OF THE CITEM BOARD OF GOVERNORS' MEETING
4th REGULAR BOARD MEETING
30 June 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

Mr. Thomas Benjamin B. Marcelo Ms. Paulina Suaco-Juan
Bangko Sentral ng Pilipinas CITEM

Mr. Elcid C. Pangilinan Ms. Elsa Asuncion – Lim
Land Bank of the Philippines National Food Authority

CITEM Officers

Ma. Lourdes D. Mediran Rowena Mendoza
Deputy Executive Director OIC DM, OG2

Charles Aames Bautista Wilma Dulay
Department Manager, CCSD Budget, Chief

Atty. Anna Grace I. Marpuri Jewel Udarbe
Corporate Board Secretary Corplan, ADC

Florence Buensalido Malerna C. Buyao
HRD, Chief Controllership, Chief

I. DETERMINATION OF EXISTENCE OF QUORUM

1. The Corporate Board Secretary determined the existence of Quorum.
2. Notice of Meeting and Board Paper materials were sent to Board Members on 16 June 2021.

II. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING (07 May 2021)

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

MATTERS	ACTION	MATTERS ARISING / ACTION
2020 FINANCIAL OPERATIONS REPORT	DULY NOTED BY THE BOARD	
2022 INITIAL COB AND WORKPLAN	APPROVED 2022 Proposed COB and WP in the amount of P504.684M based on NG subsidy of P398.352M, augmented by Corporate Funds of P106.332M	- Status of the Proposed 2022 Corporate Operating Budget and Work Plan
CANCELLATION OF PHYSICAL SHOWS FOR 2021 (MANILA FAME, IFEX, AND SSX)	APPROVED	- The decision to cancel was cascaded to to the respective BSOs and CITEM stakeholders - Ongoing Preparation of Digital Initiatives (MF, IFEX, SSX, and OTF digital participations.
BUSINESS MODEL REVIEW	Mentioned in the two (2) Board Meetings	- Work-in-Progress - Project will start in July 2021
APPROVAL ON THE 2020 PES 4Q MONITORING REPORT	APPROVED	- Submitted to the CCG - Report on the 1 st Semester PES accomplishments and its status

GRANT OF PRAISE INCENTIVES 2020	APPROVED	- Report on the result of CITEM's Discussion with CSC on grant of PRAISE incentive - PMT Discussion and Recommendations
RATIFICATION OF CONTRACTS	10 CONTRACTS RATIFIED 24 CONTRACTS PRESENTED FOR INFORMATION	- Submitted to the COA Auditor last June 2021
OTHER MATTERS	VACCINATION PROGRAM FOR CITEM EMPLOYEES	- To be reported

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2. It was mentioned that the discussion of the Board Meeting is focused on reporting of Matters Arising from the 07 May 2021 meeting, as well as action (s) taken by CITEM.

3. Having no further comments—

“RESOLVED, that the Minutes of the Previous 07 May 2021 Virtual Board Meeting, being in order, is hereby APPROVED.

(Res. No. BM 2021-06-01)

REPORTING

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III. STATUS OF THE PROPOSED 2022 CORPORATE OPERATING BUDGET AND WORK PLAN

1. Budget Officer Wilma Dulay discussed to the Board the updates on Corporate Operating Budget for FY 2021 and 2022.
2. For the year 2021, CITEM proposed a budget of PHP 250.560M. However, DBM recommended an amount of PHP 240.883M, attributed to the reduction in Personal Services (PS) -7.4%; and MOOE -1.7% from the proposed budget. According to DBM, the variance represents the deduction in the non-core items excess computations, based on the highest audited actual expenses from previous years.
3. For the 2022 Proposed Budget, the NG subsidy amounts to PHP 398.352M. However, DBM recommended an amount of PHP 141.885M for its Tier 1 budget ceiling, a similar level in 2021 resulting to a 64% NG subsidy reduction.
4. The Tier 2 proposed budget level amounting to PHP 256.467M is currently pending to the DBM for further evaluation.
5. Alternate Chairman inquired on the probable impact of CITEM's decrease in PS budget in relation to the manpower requirements under the scenario of COVID-19 pandemic.
6. Budget Officer Dulay replied that for 2021, despite of PS budget reduction, the approved budget for 2021 can still accommodate the required salary for all CITEM personnel (100 positions), based on the SSL4 T4 computation.
7. Alternate Chairman further asked for the specific projects covered by Tier 2 proposal in the 2022 Proposed Budget.
8. Ms. Wilma Dulay presented the list of nine (9) priority projects under Tier 2 with a total amount of PHP 256.467M. The list included allocation of budget for digital platforms, content amelioration program, renewal of outsource services for maintenance of digital platforms, and the renewal of the customer relations management systems. These projects focus on digital and hybrid format to meet international standards, continuation of digital programs, and continued participation in international hybrid shows.
9. Having no more comments—

RESOLVED that the proposed Corporate Operating Budget and Work Program for FY 2021 and 2022 is hereby NOTED.

(Res. No. BM 2021-06-02)

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IV. CITEM PERFORMANCE SCORECARD 1ST SEMESTER STATUS

1. ADC Jewel Udarbe reported on the status of the 1st Semester CITEM Scorecard based on the proposed PES to the GCG. As to date, CITEM achieved a total score of 25.51% for the 1st Semester:

STRATEGIC OBJECTIVE	STRATEGIC MEASURE	WEIGHT	TARGET	JAN-JUNE 2021 ACCOMPLISHMENTS	VARIANCE	SCORE
FINANCIAL (30%)	SM1. Cost Recovery Ratio (CRR)	20%	20%	1.48%	-	1.48%
	SM2. Budget Utilization Rate (BUR)	10%	Not lower than 90%	21.57%	-	0%
STAKEHOLDERS (40%)	SM3a. % of Satisfied Customers – Signature Events (Exhibitors)	2.5%	90%	-	-	-
	SM3b. % of Satisfied Customers – Signature Events (Buyers)	2.5%	90%	-	-	-
	SM4. No. of Trade Buyers Attending	5%	3,569	1,819	1,750	2.55%
	SM5. Number of Website Visitors	5%	156,000	34,223	121,777	1.10%
	SM6. Increase in PR Value	5%	P250 M	P246.38 M	P3.62 M	4.93%
	SM7. No. of Companies Assisted through the Modified MTEDP	5%	-53 exporters under the Intensified Promotion activities - 70 exporters under the Learning Sessions / KSS Program	-Regular Exporters in New Markets - 48	75	1.95%
	SM8. No. of SME's Onboarded into Digital Trade Platforms	5%	545	382	163	3.50%
	SM9. Inc in Designs Developed	5%	152	298	-	5.00%
	SM10. No. of Creative Goods Promoted	5%	2,500	3,089	-	5.00%
	INTERNAL PROCESS (20%)	SM11. Completion of ISSP Commitments for FY 2021	10%	100% Attainment of ISSP2021 Deliverables	1) CRM (98%) 2) Content Management System (59%) 3) Records Management System (38%)	-
SM12. Improve Processes to Quality Management System		10%	Pass Surveillance Audit for ISO 9001:2015 Standards	- Conducted Internal audit for the following Divisions: HRMD, GSD, SMDD, Budget & Cash, and Controllership Divisions. - Audit reports submitted and acknowledged by the auditees	-	-
LEARNING & GROWTH (10%)	SM13. Increase Organization Competency Baseline Score	10%	Increase in Competency Score from Baseline Score	Ongoing implementation of training programs and other developmental activities	-	-
TOTAL						25.51%

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2. The Internal Process and Learning and Growth perspectives of the scorecard do not have a score yet because these indicators (SM11, SM12 & SM13) are long-gestating, and scores are to be reported before the end of the year.
3. The basis for the scorecard is from the proposed Performance Evaluation System (PES), and the GCG has not transmitted or have yet to release the GCG-Approved CITEM's FY 2021 Performance Evaluation System.

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4. CITEM is proposing for a recalibration and renegotiation of FY 2021 PES given the cancellation of physical format of the major events.
 5. Alternate Chairman asked for the specific measures that CITEM will implement to reach the 20% target for the Cost Recovery Ratio (CRR).
 6. ADC Udarbe replied that CITEM would implement more than ten major projects, signature events, and OTF participation for the 3rd and 4th quarter of 2021. These events will deliver the target CRRs and BURs.
 7. ED Pauline further explained that projects that will contribute to the CRR are still not recorded. For instance, CITEM earned about a million from CREATE Philippines; and CITEM is yet to earn another P8M from the DFA on its Exports Promotions Package (EPP).
 8. The implementation of the EPP project is moved to August because the shipment cost, a component of the EPP, has significantly increased thus, a failure on procurement contributing to the delay in the project. Moreover, DFA moved the project in August, timed with the August history month—the National Heroes Day. Thus, when these projects are completed and recording in the CITEM books, this will create a significant progress on the CRR metric.
 9. BM Toby Marcelo inquired if the remaining target for the website visitors (SM5) is achievable by the end of the year considering that the target is 156,000 and the accomplishment so far is 30,000+? He further inquired on MSMEs assisted, if CITEM has indicator or sub-indicator to determine new firms/companies were assisted. On the learning and Growth, he inquired information as to the indicator used for Learning and Growth (SM13) since the Board will only be informed on its accomplishment later in the year.
 10. In response to the inquiry regarding the website visitors (SM5), CITEM anticipates the upcoming 14 projects to deliver the required number of website visitors. These projects include signature events and several OTFs that are in digital formats. DM Charles Bautista further replied that the numbers on the scorecard are organic accomplishments. CITEM is planning to run paid digital ads to generate more traffic to the website. Once the digital advertisements and paid ads will be in place, CITEM expects the achievement of the target website visitors.
 11. ADC Udarbe replied on new companies assisted, CITEM maintains a list of companies, both new and regular. It was noted that CITEM can indicate in the report as another indicator to reflect new companies assisted.
 12. On the Learning and Growth (SM13), HR Officer Buensalido replied that CITEM is required to measure improvement in the organizational baseline. CITEM was able to establish the baseline on the core and leadership competencies. In response to the requirement, CITEM is currently providing technical competency-based training for the employees, which a post-assessment for each individual shall be conducted to measure the organizational improvement, supported by assessment forms to be submitted to the GCG. This will contribute 10% of the PES weight.
 13. BM Toby Marcelo commended CITEM for achieving 100% accomplishment on other indicators or measures in the 1st Semester. He inquired whether CITEM is planning to continue to deliver these indicators despite of its full completion or accomplishment.
 14. In reply, ADC Jewel Udarbe answered that the accomplishments on the completed indicators are inevitable. CITEM will continue to deliver on those indicators as accomplishments are gathered.
 15. Alternate Chairman asked whether CITEM can achieve the 90% target for customer satisfaction considering the non-implementation of the physical tradeshows.
 16. The survey instruments prescribed by the GCG have a separate survey questionnaire for physical shows and digital shows. Since the physical shows are canceled, the concentration for the customer satisfaction survey would focus on the digital versions of CREATE Philippines, IFEX, Manila FAME, and SSX. Based on experience, CITEM is confident in the achievement of the target customer satisfaction.

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17. Alternate Chairman also asked whether CITEM can meet the target of 100% or at least the passing score of 90% in the scorecard by the end of the year in view of the 25.51% score from January to June.
18. CITEM is hopeful that it can achieve 90%, if not 100% PES. Implementation of the remaining 14 events for the 3rd and 4th quarter, which includes four signature events and several OTFs, are drivers of the target and measures in the commitment; and these are highly dependent on the implementation of the project. The projects will drive the measures on Financial and Stakeholders perspectives, website visitors, trade buyer attendance, PR value, CRR, and BUR.
19. On the Internal Process perspective with a given 20% weight, the ISO surveillance will be conducted in August which CITEM hopeful to achieve the recertification by an engaged 3rd partly auditor. On the ISSP, CRM is at 98% and CMS is at 59%. Hence, it is likely that the target indicator will be met.
20. BM Elcid Pangilinan recommended to indicate the expected activities that will redound to the achievement of the scorecard. He advised to put a column in the presentation showing the time and place of the activities. This will give assurance to the Board that the remaining indicators will be achieved.
21. BM Elcid Pangilinan also raised a question regarding the use of third-party for the customer satisfaction survey. There was no indication in the report that the services of a third party are already procured.
22. ADC Udarbe replied that the procurement of the third party service for customer satisfaction survey is completed the day before the Board Meeting.
23. Having no more comments—

RESOLVED THAT the CITEM's Performance Scorecard 1st Semester Status based on the proposed Performance Scorecard to the GCG, is hereby NOTED.

(Res. No. BM 2021-06-03)

V. GRANT OF 2020 PRAISE INCENTIVES TO CITEM EMPLOYEES

1. HR Officer Buensalido reported to the Board on its instruction to seek clarification with the Civil Service Commission on the mechanics, guidelines, rules and threshold on the grant of Program on Awards and Incentives for Service Excellence (PRAISE) incentive to CITEM Employees.
2. As reported, the CSC clarified that there is no provision under PRAISE on the threshold on the grant of incentives to individual employees, to a group or a team. The CSC further cleared that PRAISE guidelines provide either in a form of monetary or non-monetary incentives or awards to employees, group or team, that should not exceed the 20% of savings generated by the Agency in a year.
3. The CITEM PRAISE covers both monetary and non-monetary awards and incentives, aiming to recognize and award CITEM official employees for innovative ideas and superior accomplishments that contribute to the efficiency, economy and improvement in the management and operations of CITEM.
4. With this, the CITEM-PMT will consider and identify the non-monetary incentives for employees with exemplary performance amidst the lockdown and the Covid19 pandemic. The incentive will be based on the employee's performance on the given period.
5. Alternate Chairman fully supports the grant of 2020 PRAISE incentives to CITEM employees since it was based on merit and performance; motivate and encourage employees to strive and work harder in the performance of their duties and responsibilities.

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6. Then the Alternate Chairman asked who are eligible to be granted PRAISE incentives.
7. HR Officer Buensalido head on to clarify that based on PRAISE guidelines, only permanent CITEM employees are entitled to receive monetary incentives. However, non- monetary incentives are extended to non-permanent CITEM employees, e.g., laptop or gadgets to help aid in delivering their work from home duties.
8. The Board, resolved:

“RESOLVED, that the report on the Grant of 2020 PRAISE Incentive to CITEM Employees in consultation with the CSC, is hereby NOTED”

(Res. No. BM 2021-06-04)

VI. UPDATES ON THE CITEM EMPLOYEE VACCINATION PROGRAM

1. On employees COVID vaccination, the aim is for the agency is to have 90 - 100% of the employees be vaccinated. Based on the CITEM Risk Assessment form responses, as of June 28, 2021, there are about 49 employees or 30% of the total population were already vaccinated with first dose, while 39 employees or 24% of the total population were fully vaccinated.

Employment Status	Total #	Count	% of Vaccinated Employees (w/ 1st Dose)	Count (with 2nd Dose)	% of Fully Vaccinated Employees
Permanent	84	32	38%	25	30%
SP	50	11	22%	10	20%
DBP	10	2	20%	1	10%
COA	3	1	33%	1	33%
Guards	12	1	8%	0	0%
Utility	6	2	33%	2	33%
Total	165	49	30%	39	24%

2. To achieve the goal, CITEM initiated to coordinate with the Pasay LGU Barangay 76, where CITEM is located, to accommodate the 58 employees to be inoculated --

Category	Number
A2 (all senior citizens)	4
A3 (persons with comorbidities)	5
A4 (essential workers, front liners in national government offices and uniformed personnel)	49
Total	58

3. Further, about 39 employees were also enlisted to DTI for vaccination.
4. CITEM Management approved a one-day off to security guards and utility workers to encourage them to get vaccinated since they cannot afford to be absent with no work no pay policy.

VII. REQUEST AUTHORIZATION REGARDING BIR ELECTRONIC FILING AND PAYMENT SYSTEM (EFPS)

- 272 1. Chief Accountant Erna Buyao from the Controllershship Division discussed to the Board the request for
 273 approval and authorization on the BIR Electronic Filing and Payment System.
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- 275 2. As background, CITEM is classified as a Taxpayer Account Management Program (TAMP) by the BIR
 276 - Revenue District Office (RDO), which Taxpayers under TAMP are mandated to use the BIR EFPS
 277 (Revenue Regulation No. 10-2014
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- 279 3. Further, Land Bank of the Philippines (LBP) is the depository bank of CITEM's corporate income and
 280 subsidy accounts, which sources of funding/budget for the payment of taxes are from the corporate
 281 income and subsidy.
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- 283 4. Recommendations:
 284 a. Approval of CITEM's enrollment in the BIR - Electronic Filing and
 285 Payment System and LBP eTax Payment System.
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 287 b. Approval of the enrollment of CITEM's designated authorizer and
 288 users in the LBP E -TPS online facility.
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 290 c. Authorize LBP Century Park (Harrison Plaza) to debit the
 291 designated deposit accounts for the purpose of paying the agency's taxes.
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 293 d. Approval of the designation of the following CITEM officers as
 294 authorizer for the auto debiting of CITEM nominated deposit accounts for
 295 the payment of taxes in the LBP e-TPS. Authorization of any two of said
 296 officers shall suffice.
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Name	Designation
Paulina Suaco-Juan	Executive Director
Ma. Lourdes D. Mediran	Deputy Executive Director
Atty. Anna Grace I. Marpuri	OIC-DM-CSD / OIC-DM, OG1
Rowena G. Mendoza	OIC-DM, OG2
Charles Aames Bautista	Department Manager

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 300 e. Approval of the designation of the following CITEM employees as users
 301 and/or transaction creator in BIR EFPS and LBP ETPS respectively:
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Name	Designation	Duty
Malerna C. Buyao	Chief Accountant	BIR EFPS user and LBP ETPS transaction creator
Mitchelle Tablazon	Accounting Clerk	Accounting Clerk BIR EFPS user
John Michael Vinas	Trade Industry Dev't. Analyst	BIR EFPS user

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 305 f. For the Board to approve the automatic debiting of the below named
 306 CITEM deposit accounts through the authorization of any two of the
 307 designated authorizers for the payment of CITEM's taxes.
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 309 Name of Bank: Land Bank of the Philippines
 310 Branch: Century Park HP Branch
 311 Current Account No.: 1772-1038-63 and 1772-1021-82
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313 8. Having no further comments—

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“RESOLVED that the Approval of CITEM’s enrollment in the BIR - Electronic Filing and Payment System and LBP eTax Payment System, enrollment of CITEM’s designated authorizer and users in the LBP E - TPS online facility, the authorization of LBP Century Park to debit the designated deposit accounts for the purpose of paying the agency’s taxes and the that the designation of the following CITEM officers as authorizer for the auto debiting of CITEM, is hereby APPROVED.”

(Res. No. BM 2021-06-05)

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325 **VIII. RATIFICATION OF ACTS OF MANAGEMENT (May to June 2021)**

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1. Atty. Marpuri presented in detail the summary of contracts amounting to P1M and above to the Board for ratification.
2. 5 Contracts were executed and 71 contracts for the information of the board from May to June of this year.
3. The 5 contracts were Partnership agreement, MOA, AND contract of services. Contracts presented were in the nature of support in implementing the CITEM projects, or partnership with other government agency which CITEM shall provide, which in return, payment shall be treated as income to CITEM.
4. The fifth contract is the Narrative and Content Creator for Philippine Export Promotion Package
5. Other 71 contracts were likewise presented for the information of the board.
6. BSP Thomas Marcelo clarified on the period covered proposed for ratification by the Board to align on the period covered stated in the Board paper. Atty. Grace Marpuri that it was indeed May to June 2021.

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7. Having no further comments—

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“RESOLVED that the Acts of Management for the period May to June this year, is hereby RATIFIED.”

(Res. No. BM 2021-06-06)

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352 **IX. OTHER MATTERS**

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1. CITEM Board is invited to an exclusive Product Taste Test Activity of CITEM’s Value Food Innovation Program (VFIP) to be part of this exclusive VIFP Activity, as panelists, together with CITEM ExCom and other special guests.
2. The Value Food Innovation Program (VFIP) is a comprehensive and integrated assistance program of CITEM for the development and promotion of Philippine food products of SMEs in their recovery process, as they move towards the New Normal. This includes R&D, standard and product testing, labeling and packaging development, market testing, and content marketing and promotion.
3. Around 20 new and innovative products shall be launched during IFEX 2021
4. Objectives of VIFP:
 - a. Be adaptive to the new shift in consumer preference.
 - b. Improve access to market of Philippine MSMEs.
 - c. Facilitate capacity-building with technology and knowledge transfer.
 - d. Grow the market and be globally- competitive.
 - e. Generate higher economic activity.
5. Part 1. August 6 (tentative), 12 noon to 3pm Part 2. (TBA) | CITEM Board Meeting cum Taste Test Activity.

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378 X. ADJOURNMENT
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380 The next CITEM Board Meeting is tentatively scheduled on 12 August 2021.
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382 30 June 2021. CITEM, Pasay City, Philippines.

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385 Prepared by:

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ATTY. ANNA GRACE I. MARPURI
Corporate Secretary

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