



05 August 2021

MR. RAMON M. LOPEZ

DTI Secretary and CITEM Chairman

MS. PAULINA SUACO-JUAN

Executive Director

**CENTER FOR INTERNATIONAL TRADE
EXPOSITIONS AND MISSIONS (CITEM)**

Golden Shell Pavilion, Roxas Boulevard cor.

Sen. Gil J. Puyat Avenue, Pasay City

**RE : REVALIDATION OF THE 2019 PERFORMANCE
SCORECARD OF CITEM**

Dear Secretary Lopez and Executive Director Suaco-Juan,

This is in reference to the letter of CITEM dated 14 January 2021,¹ requesting for reconsideration of *Strategic Measure 9: Percentage of Employees Meeting Required Competencies* under CITEM's validated 2019 Performance Scorecard.

As provided in the validation result,² the reported accomplishment was not accepted considering that the whole workforce was not subjected to the competency assessment conducted for the said year. In its request for reconsideration, CITEM emphasized that the variance between the year-end permanent workforce complement and the number of employees assessed³ was due to the exclusion of employees who are Executive Committee Members and are on seconded in other agencies. The CITEM further iterated that the exclusion was based on *exemptions* stated on the updated Competency Framework in 2018⁴, as provided below:

1. *Members of the Executive Committee⁵;*
2. *Newly hired employees with less than 4 months of service at the time of the pre-assessment;*
3. *Retirees within the next 6 months at the time of the assessment;*
4. *Consultants, allied personnel, non-permanent employees occupying clerical positions, and those belonging to trades and crafts (e.g. Aircon Technician, Electrician, Butler, Warehouseman, among others); and*

¹ Officially received by the Governance Commission on 25 January 2021.

² GCG letter dated 16 November 2020, officially received by CITEM on 24 November 2020

³ Barcode No. 2020-010789.

⁴ CITEM represents that the 2015 Competency Framework was updated, thus their submission of the 2018 Competency Framework version.

⁵ Based Workforce Complement List for 2018 and 2019, namely: Executive Director, Deputy Executive Director, Two (2) Department Manager III, Attorney V, and Supervising-Trade Industry Development Specialist (Seconded).

5. *Employees who were separated from CITEM (either resigned, seconded, retired, and reassigned, among others) at any time during the assessment period are excluded from the report.*

Further clarification on the exclusion of the members of the Executive Committee was requested wherein CITEM justified that such exclusions during the 2018 and 2019 Competency Assessments was based on the following:

- a. *“The top two (2) positions, namely Executive Director and Deputy Executive Director, [...] are Presidential Appointees whose assessment for executive leadership and management competence is subject to the rules provided under the Performance Evaluation for Directors (PED) of the GCG and the Enhanced Career Executive Service Performance Evaluation System (CESPES) of the Career Executive Service Board (CESB).*
- b. *Rubrics for the position Department Manager where assessment can be compared to has not been identified and defined yet in the framework. It was only in the last quarter of 2019 when competency profiles for the said position were included in the framework and took effect during the 2020 baseline assessment.”*

We take this opportunity to clarify that pursuant to GCG Memorandum Circular (M.C.) No. 2014-03 (4th Issue),⁶ the Performance Evaluation for Directors (PED) only cover all Appointive Directors of GOCCs. Per official records of the Governance Commission, while the Executive Director of CITEM is appointed by the President and is a member of the Board, the same is not true for the Deputy Executive Director. We noted the submission of a copy of the appointment paper of the Deputy Executive Director, however, it should be noted that the same is not an appointment as member of the Governing Board of CITEM, hence the incumbent of the said position is not covered by the PED as implemented by the Governance Commission. As to the explanation on the exclusion of the Department Manager positions, we noted that the said positions were included in the 2015 Board approved Competency Framework but were now excluded in the 2018 Competency Framework. Further, we noted the representation that the rubrics for the said position has not been identified and defined yet. Hence, it can be assumed that the said interim framework is not complete and final.

This being said, we inquired on whether the 2018 Competency Framework was approved by the Board. CITEM stated that it was only approved by the Deputy Executive Director and explained that the 2018 Competency Framework served as the **interim framework pending the planned full-scale enhancement** of the 2015 version. The enhanced and completed framework, coined as the 2019 Competency Framework, was approved by the Board only on 28 November 2019. It should be noted that the Competency Framework of CITEM was approved by its Governing Board in 2015. Since then, the said framework was used as basis in the evaluation of the said measure for years 2016 to 2018. Furthermore, the Governance Commission was informed of the interim 2018 Competency Framework only in 2020,⁷ when CITEM submitted its 2019 Accomplishment Report, the framework as one of the supporting documents. Notably, in its submitted proposed 2020 Performance Scorecard, CITEM proposed to target the establishment of organization baseline based on the new

⁶ Performance Evaluation for Directors (PED) in the GOCC Sector dated 02 May 2021.

⁷ CITEM letter dated 06 July 2020; officially received by the Governance Commission on 08 July 2020.

Competency Framework it developed in 2019.⁸ CITEM further represented that the enhancement of its Competency Framework is to reflect new business model and its digitalization strategy. Hence, the proposed target was approved and reflected in the GCG transmitted 2020 Performance Scorecard of CITEM.

Foregoing considered, the GCG-validated rating of **86.35%** is hereby **RETAINED**, Result of Revalidation of 2019 Performance Scorecard is attached as **Annex A**. The basis of the 2019 competency assessment, which is the 2018 Competency Framework cannot be accepted given that it is an interim framework approved only by the Deputy Executive Director. Please note that we do not intend to diminish the role, authority, and/or power vested to the Deputy Executive Director. However, it bears emphasis that as provided under GCG M.C. No. 2012-07,⁹ the Chief Executive Officer (CEO) shall refer to the highest-ranking corporate executive who heads Management. In the case of CITEM, the Executive Director is the highest-ranking executive officer and head of Management. As such, the interim 2018 Competency Framework remains not acceptable given that it is not approved by the Management. More importantly, the Competency Framework as a standard measure across GOCCs' performance scorecard, requires the approval of the Board in order for the same to be acceptable.

Finally, the Governance Commission formally transmits the Result of the Validation of Good Governance Conditions (GGCs), Support to Operations (STOs), General Administration and Support Services (GASS) and Other Cross-Cutting Requirements provided by the Inter-Agency Task Force (IATF) of the Harmonization of National Government Performance Monitoring, Information and Reporting Systems (**Annex B**) wherein CITEM was found to be non-compliant with one (1) of the Procurement Requirements, specifically on the FY 2019 APP Non-CSE Submission. Considering the retention of the validated score, CITEM remains to have failed to achieve the weighted-average score of at least 90% in the 2019 Performance Scorecard and thus, remains to be ineligible to grant the 2019 Performance-Based Bonus (PBB) to its officers and employees. We take this opportunity to inform the CITEM that the validated Performance Scorecard shall be posted in CITEM's website, in accordance with GCG M.C. No. 2012-07.

FOR CITEM'S INFORMATION AND GUIDANCE.

Very truly yours,

cc: COA Resident Auditor – CITEM

⁸ CITEM letters dated 25 September 2019 and 13 December 2019, officially received on 02 October 2019 and 17 December 2019, respectively. Barcode Nos. 2019-016169 and 2019-020808.

⁹ Code of Corporate Governance for GOCCs dated 28 November 2012.

**CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS (CITEM)
Revalidation Result of the 2019 Performance Scorecard**

Component					CITEM Submission ¹		GCG Validation		Supporting Documents	GCG Remarks		
Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating				
SO 1 Ensure Financial Sustainability												
FINANCIAL	SM 1	Cost Recovery Ratio	Total Revenue from Promotional Events / Total Project Cost	20%	(Actual / Target) x Weight If less than 40% = 0%	54%	46.70%	17.30%	46.56%	17.24%	2019 Quarterly Work Program with Cost Recovery Ration (CRR) and Budget Utilization Report (BUR) Computation 2019 COA Audited Financial Statements Budget Execution Document Budget and Financial Accountability Report 2019 Corporate Operating Budget 2019 Calendar of Events	Target not met. The CRR was computed using the total income from promotional events amounting to ₱100.267 Million and incurred project cost of ₱215.356 Million. The income from the National Exporters' Congress was excluded from the computation as the funds used for the project was not sourced from CITEM but was charged to the Department of Trade and Industry – Export Marketing Bureau.

¹ Based on CITEM's submission dated 06 July 2020. Officially received by the Governance Commission on 08 July 2020.

		Component				CITEM Submission ¹		GCG Validation		Supporting Documents	GCG Remarks	
Objective/Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
	SM 2	Budget Utilization Rate	Total Disbursement (net of PS) / Total DBM Approved Corporate Operating Budget (net of PS)	10%	All or Nothing	Not lower than 90% but not exceeding 100%	97.92%	10%	94%	10%	2019 COA Audited Financial Statements 2019 DBM-approved Corporate Operating Budget	Target met. The BUR was computed using the total disbursements (net of PS) amounting to ₱276.276 Million and total DBM-approved COB (net of PS) of ₱293.74 Million.
			Sub-total	30%				27.30%		27.24%		
STAKEHOLDERS	SO 2	Improve Stakeholders Satisfaction										
	SM 3	Percentage of Returning SMEs (Exhibitors) in Signature Events	Returning Exhibitors / Total Exhibitors	10%	(Actual / Target) x Weight If less than 46% = 0%	50%	60.78% (For Manila FAME April, IFEX Philippines, and Manila FAME October)	10%	60.78%	10%	Summary Report on the Percentage of Returning SMEs (Exhibitors) in Signature Events Master List of Exhibitors for Manila FAME and IFEX	Target met. For 2019, total number of exhibitors in Signature Events reached 1,257, of which 764 were Returning Exhibitors.

Component					CITEM Submission ¹		GCG Validation		Supporting Documents	GCG Remarks	
Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
SM 4	Percentage of Satisfied Customers	Number of Respondents who gave a Rating of at least Satisfactory / Total Number of Respondents	10%	(Actual / Target) x Weight If less than 80% = 0%	95%	91.33% of respondents gave a rating of at least Satisfactory	9.61%	94.34%	9.93%	Customer Satisfaction Survey Report for Manila FAME and IFEX submitted by the Third Party Sample Accomplished Survey Forms from Exhibitors and Trade Buyers Clarifications provided by the Third Party	Target not met. The recomputed rating was based on the weighted average per event. The proportion of which was determined by the total number of customers instead of the total number of respondents (as submitted by CITEM).
SO 3	Increase Stakeholder Awareness										
SM 5	Number of Trade Buyers Attending Export Promotion Events	Number of Actual Trade Buyers Attendees	10%	(Actual / Target) x Weight	Minimum of 16,363 ²	15,373 ³	No rating provided	15,023	9.18%	2019 Trade Buyers from the Visitor Profile System QR Codes and Business Cards Post Event Reports of 2019 Projects Report on Status of CICA Funds	Target not met. The request to revise the rating scale is APPROVED . The variance in the CITEM-reported and GCG-validated accomplishment is detailed in Appendix A .
		Sub-total	30%				19.61%		29.11%		

² Based on 2019 National Expenditure Program

³ The figure was consolidated from various sources broken down into 1) traditional means of reporting through business cards collected and entries from trade booth logsheets, 2) Chinese social media and messaging platform WeChat QR Codes provided by Chinese trade buyers, and 3) business cards with Chinese characters provided by Chinese trade buyers

Component					CITEM Submission ¹		GCG Validation		Supporting Documents	GCG Remarks	
Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
INTERNAL PROCESS	SO 4	Institutionalize CITEM Program to Enable a Strong & Empowered SME Sector									
	SM 6	Implementation of the Subsidy Graduation Policy	Actual Accomplishment	10%	5% = Roll out and implementation 10% = Recommendation paper based on the result of roll out and consultations made	Submission of the Recommendation report, based on the result of roll out and consultations made, to the Board	The Subsidy Graduation Policy was rolled-out and implemented in 2019. Likewise, recommendation paper was approved by the Board (i.e., criteria for implementation, result of consultation)	10%	Recommendation Report based on the result of roll out and consultations made Board-approved Matrix of Calculation for Graduation Subsidy for Exhibitors	10%	Baseline Data for 2018 including Baseline Criteria Details on SGP Roll-out for Manila FAME April and IFEX 2019 Recommendation Report Board-approved Matrix of Calculation for Graduation Subsidy for Exhibitors

⁴ Process of incremental decrease over time in government support to exhibitors by means of CITEM's subsidized rates in its Signature Events.

Component					CITEM Submission ¹		GCG Validation		Supporting Documents	GCG Remarks	
Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
SM 7	Enhanced Integrated Approach to Export Promotion	Actual Accomplishment	15%	All or Nothing	Implemented 100% of the deliverables in the Medium-Term Exhibitors' Development Plan	CITEM was able to assist 393 companies under the MTEDP, with 252 companies undergoing Market Readiness capability-building activities, 100 companies for Merchandise Development, and 41 companies for Brand Development	15%	100% of Deliverables in the Medium-Term Exhibitors' Development Plan (MTEDP) Implemented	15%	Final Reports on Programs Implemented	Target met. The deliverables for 2019 include Phase 1: Export Coaching, Phase 2: Export Merchandise Development and Phase 3: Brand Development. Overall, CITEM was able to assist 393 companies under their MTEDP.
Sub-total		25%					25%		25%		
LEARNING & GROWTH	SO 5 Improve Organizational Efficiency										
	SM 8	Improve Processes to Quality Management System	Actual Accomplishment	5%	All or Nothing	Pass Surveillance Audit for ISO 9001:2015 Standards	Certification maintenance under the ISO 9001:2015 standards was recommended by SOCOTEC after conduct of the 2 nd Surveillance Audit	5%	Passed Surveillance Audit for ISO 9001:2015 Standards	5%	Audit Report of SOCOTEC Certification International

Component					CITEM Submission ¹		GCG Validation		Supporting Documents	GCG Remarks	
Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
SO 6 Enhance the Competencies of the CITEM Workforce											
SM 9	Percentage of Employees Meeting Required Competencies	Actual Accomplishment	10%	All or Nothing	Improvement in the Competency Baseline of the Organization	The Post-Assessment obtained an organization competency score of 1.41, resulting in an increase of 0.11 from the organization baseline.	10%	<u>Result not acceptable</u>	0%	Competency Assessment Results for 2018 and 2019 Computation of Competency Scores Summary of Training Programs participated Copies of Training Certificates Baseline and Post-Assessment Forms <u>2015 Board-approved Competency Framework.</u> <u>2018 Interim Competency Framework</u> <u>2019 Board-approved Enhanced Competency Framework</u>	<u>Request for reconsideration DENIED.</u> <u>The interim 2018 Competency Framework used as basis for the competency assessment was not approved by the Management and the Board of Directors.</u>
		Sub-total	15%				15%		5%		
		TOTAL	100%				86.91%		86.35%		



**INTER-AGENCY TASK FORCE ON THE HARMONIZATION OF
NATIONAL GOVERNMENT PERFORMANCE MONITORING, INFORMATION AND REPORTING SYSTEMS**
(Administrative Order No. 25 S. 2011)

Annex A

Summary of GOCCs under R.A. 10149 that may be Eligible for the grant of FY 2019 PBB

Compliant to all Requirements
1. Development Bank of the Philippines
2. Land Bank of the Philippines
3. LBP Insurance Brokerage, Inc.
4. National Development Company
5. National Home Mortgage Finance Corporation
6. Philippine Deposit Insurance Corporation
7. Small Business Corporation
8. Occupational Safety and Health Center
9. Government Service Insurance System
10. Clark Development Corporation
11. John Hay Management Corporation
12. Development Academy of the Philippines
13. Philippine Amusement and Gaming Corporation
14. National Electrification Administration
15. National Transmission Corporation
16. Philippine National Oil Company
17. Power Sector Assets and Liabilities Management Corporation
18. PNOC Exploration Corporation
19. Mactan-Cebu international Airport Authority
20. Metropolitan Waterworks and Sewerage System – CO

Note: May be eligible provided the GOCCs meet the other criteria of GCG.

Non-Compliant to one (1) Requirement	Condition
1. Philippine Crop Insurance Corporation	APP non-CSE
2. Employees Compensation Commission	APP non-CSE
3. Social Security System	Sustained Compliance to Audit Findings
4. Center for International Trade Expositions and Missions	APP non-CSE
5. Bases Conversion Development Authority	APP non-CSE, APCPI
6. Poro Point Management Corporation	APP non-CSE
7. Philippine Retirement Authority	APP non-CSE
8. National Power Corporation	PhilGEPS posting
9. Philippine Fisheries Development Authority	APP non-CSE, EPA
10. Cebu Port Authority	APP non-CSE
11. Local Water Utilities Administration	APP non-CSE, Indicative APP non-CSE, EPA
12. Metropolitan Waterworks and Sewerage System – RO	APCPI
13. Philippine Ports Authority	APP non-CSE, APCPI

Note: May be eligible provided the GOCCs meet the other criteria of GCG and must isolate individual/unit most responsible for not meeting the deficient condition.