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MINUTES OF THE CITEM BOARD OF GOVERNORS' MEETING
5th REGULAR BOARD MEETING
18 August 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

Atty.Dennis Gamaya
Bangko Sentral ng Pilipinas

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

Romina Aurea Magno
Corporate Planning Division, Chief

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 12 August 2021.

II. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING (30 June 2021)

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

MATTERS	ACTION	MATTERS ARISING / ACTION
2022 INITIAL COB AND WORKPLAN	<u>07 MAY Board Meeting</u> The Board duly APPROVED the 2022 Proposed COB and WP in the amount of 504.684M based on NG subsidy of P398.352M, augmented by Corporate Funds of P106.332M <u>30 June Board Meeting</u> CITEM updated the Board on the Proposed FY2022 COB NG Subsidy of P398.352M: TIER 1 P 141.885M DBM recommended subsidy level TIER 2 256.467 Proposed Tier 2 for DBM evaluation <hr/> Total P398.353M	FOR APPROVAL on the REVISED 2022 COB and Revised Work Program based on the DBM recommended subsidy level
2021 SUBMITTED		

PERFORMANCE EVALUATION SYSTEM	Duly Noted by the Board	APPROVAL of the MODIFIED PES based on GCG recommendations
Grant of 2020 PRAISE Vaccination Program	Duly Noted by the Board	
BOARD ACTIONS APPROVED AND RATIFIED		
	Authorization on BIRD Electronic Filing System and Payments (EFPS)	APPROVED
	5 Contracts Ratified executed for the period May – June 2021	Submitted to the COA Auditor
VALUE FOOD INNOVATION PROGRAM INVITATION TO THE BAORD	DEFERRED Due to the imposed ECQ restriction in the NCR Plus	

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2. The Minutes of the 30 June 2021 meeting presented to the Board with minor comments from BSP Board Member were already incorporated.
 3. Having no further comments—

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“RESOLVED, that the Minutes of the Previous 30 June 2021 Virtual Board Meeting, being in order, is hereby APPROVED.

(Res. No. BM 2021-08-01)

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III. EXECUTIVE DIRECTOR'S REPORT

1. ED Pauline initially discussed updates on the Top line figures from January to July:

	TARGET	ACTUAL	% ACCOMPLISHMENT
EXPORT SALES	USD66.49M	USD22.926M	34%
EXHIBITORS	718	458	64%
INQUIRIES	5,691	5,260	92%
TRADE BUYERS	2,684	3,273	122%

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2. CITEM, generated a total of USD22.926M in reported export sales (booked and under negotiations) for the period January to July 2021. For lead generations, a total of 5,260 trade inquiries were generated for 458 MSMEs or companies from 3,273 local and international potential trade partners around the world.
 3. This Philippine Export Promotion Package project, commissioned by the DFA, is already in the final stages of delivery, a project in celebration of the quincentennial of the Philippines. CITEM engaged Angelo Comsti, a known writer to come up with a copy/story that will talk about the products, that be downloaded via QR code as well.
 4. The food baskets, containing cocoa products and rum, which are to be distributed to the different embassies and/or PH trade partners of the Philippines, were designed by Kenneth Cobonpue and manufactured by S.C Vizcara. The engagement of a courier services bid failed three (3) times because of the surge in shipping costs 5x from the time the project was conceptualized.
 5. PHX Tokyo, launched during the last FAME+ event in October2020, is a mentorship and product development program that aims to introduce the Philippine fashion brand into the Japanese market. Through a monthly mentorship engagement / meeting of the eight (8) chosen designers with the Japanese engaged mentors, H3O. The culmination of the products was showcased in Tokyo on July 7-9.
 6. The total sales reported at USD5955. The result for the on-site presentation was disappointing in terms of the sales for CITEM and for the exhibitors. However, the result was not unusual since Japanese buyers do not customarily place orders during the first season; and CITEM was successful in launching the mentees, since the Japanese have recognized the talent of these Filipino designers. To note, 22 buyers physically visited the show, given it was held in the middle of the lockdown in Tokyo. Less buyers turnout were noticed due to the strict health protocols in Japan wherein buyers from Nagoya and Osaka were not allowed to attend the physical show.

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7. 4 out of the 8 brands will be showcased in September during the women's wear show in the H3O fashion bureau showroom in Tokyo. There were also proposals for pop-up stores in 4Q until 2nd Q2022 in the following department stores-- Isetan Shinjuku, Nagoya Mitsokoshi and Udayu Department Store.
 8. Two brands, Jill Lao and Feanne, have been invited by H3O to join its roster of brands, which is one of the objectives program to find representation in Tokyo for Filipino designers to get better access to promotions and network of buyers.
 9. FOOD EX TOKYO B2B was held last June 23 and 29, an online participation of CITEM's 10 exhibitors in the FOOD EX digital program. 60 meetings resulted with 25 Japanese buyers, and resulted USD 1.936M in reported negotiated export sales, as of 19 July.
 10. Business Matching activities in China were held on August 3 – 5, the CITEM's largest market for food.
 - a. The first leg connected 24 exhibitors with 26 buyers earning 81 trade inquiries. USD 1,398,702.40 was reported in export sales.
 - b. The second leg connected 50 exhibitors with 60 buyers which ran a total of 220 meetings and USD 800,000 were reported in export sales.
 11. The Alternate Chairman commended CITEM for its good performance despite the challenges of the pandemic. He asked on how much from the export sales are booked, negotiated and how does CITEM monitor those sales?
 12. ED Pauline clarified that there's no way in telling whether if the sales are booked or under negotiation because figures are reported by the exhibitors right after the event. It will take CITEM an effort to monitor if the negotiated sales will turn into fruition.
 13. For the China B2B, Alternate Chairman asked on the low turn-out of sales generated at USD800,000 for the 2nd leg B2B, despite there are many of exhibitors, buyers and meetings conducted. In reply, CITEM have not yet received the completed exhibitors' report, thus, this figure is an initial export sale realized.
- 124 IFEX CONNECT WEBSITE
14. FOOD Philippines.com is envisioned to be any foodies' entry point into the world of Philippine flavors and ingredients. The website will use stories about Filipino food to engage global audiences and will serve as an aggregator and distribution point for private sector and other government agencies who promote Filipino products.
 15. While IFEX Connect is a lead generation and promotions platform that provide access to exhibitors' profiles and business matching facilities to help enhance the comprehensive sourcing experience that CITEM offers online. It features a catalogue of suppliers from the various Philippine food sectors where buyers can arrange B2B meetings and directly communicate with companies that fit their requirements and interests.
 16. Content and user experience for FOOD Philippines.com and IFEX Connect are designed to provide a customer journey that are both engaging, and information driven, and purposely for community building. Both websites will offer content marketing and advertising opportunities.
 17. Both websites are now live on beta. CITEM started to on-boarded MSMEs stakeholders for these sites and are now facilitating the registration of both exhibitors and buyers on IFEX Connect. Exhibitors are being trained to navigate the platform. These sites will be launched to the public on September 23-25 at the first IFEX Philippines Digital Expo.
 18. A walk-through video, through CITEM's engaged web developer, Universal McCann, was presented to the Board to appreciate and experience the two websites.
 19. The Board was likewise encouraged to navigate and learn more about the sites on their leisure time. Likewise, everyone is encouraged to send their comments, feedback or any concerns encountered so that it can be addressed right away.
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152 20. Having no more comments—
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154 “RESOLVED, that the Executive Director’s report on the implemented
155 CITEM projects from January -July 2021; and the report on the IFEX
156 Philippines and Food Philippines websites, being in order, is hereby
157 NOTED.”
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(Res. No. BM 2021-08-02)

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161 **IV. CITEM FINANCIAL REPORTS as of 30 JUNE 2021 AND UPDATES ON ANTICIPATED REVENUE**
162 **AS OF AUGUST 2021**
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- 164 1. Ms. Erna Buyao from the Controllership Division reported the comparative financial performance 2020
165 vs 2021 as of June 30, 2021.
166

	2021	2020	Inc/(Dec)
CORPORATE REVENUE			
SERVICE INCOME / PARTICIPATION FEES	0.304	15.494	(98.04%)
TOTAL REVENUE	0.304	15.494	(98.04%)
LESS OPERATING EXPENSES			
PERSONAL SERVICES	34.444	34.233	0.10%
MOOE	15.131	46.932	(67.76%)
FINANCIAL EXPENSES	0.008	.118	(93.28%)
LOSS FROM OPERATIONS	(49.279)	(65.789)	(25.10%)
SUBSIDY	70.942	139.240	(49.05%)
GAINS/(LOSSES)		(0.003)	
NET SURPLUS	21.663	73.448	(70.50%)

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168 2. On revenue income, it generated Php304 thousand, a 98% decrease from FY2020, attributable to the
169 cancellation of shows in 2021; and the implementation of 3 international events in 1Q2020.
170
171 3. A 0.10% increase in PS budget or PHP34.444M. BM Elsa Asuncion – Lim asked whether the slight
172 increase in the PS was due to newly hired employees or adjustment in salaries?
173
174 4. In reply, the PS budget are based on actual PS expenses, and the increase in attributed to some
175 promoted personnel this year i.e hiring of a managerial position that contributed to the PS cost
176 increment.
177
178 5. For 2021 subsidy, CITEM received PHP70.942M compared to PHP139.240M received in 2020, which
179 is less 49.05%. Further, a net surplus of PHP21.663M for 2021 compared to PHP73.448M in 2020 ,
180 which is a decrease of 70.50%
181
182 6. On revenue updates as of August 2021, CITEM recorded PHP2.375M. An anticipated additional
183 PHP8M from the DFA Export promotion packaged earlier discussed will be recorded as revenue in the
184 last quarter 2021.
185
186 7. Atty. Dennis Gamaya asked for clarification whether the slides and Board paper being presented are in
187 thousands or in millions? Ms. Buyao said that figures on the slides and board paper are in Millions.
188 Atty. Dennis Gamaya proposed to revise/adjust the slides as well as the board paper. BM Elcid
189 Pangilinan has the same concern since the unit used in the slides are commas (,) rather than period
190 (.).
191
192 8. The STATEMENT OF FINANCIAL POSITION as of 30 June 2021 , was also reported to the Board:
193

	2021	2020	Inc/(Dec)
ASSETS			
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS	397.926	405.199	(1.79%)
RECEIVABLES	7.490	16.578	(54.82%)
INVENTORIES	1.231	2.029	(39.33%)
OTHER THAN CURRENT ASSETS	20.348	14.307	42.22%

TOTAL CURRENT ASSETS	426.995	438.113	(2.54%)
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	2021	2020	Inc/(Dec)
ASSETS			
NON-CURRENT ASSETS			
RECEIVABLES (NET)	3.780	0.861	339.53%
PROPERTY AND EQUIPMENT	22.997	24.142	(4.74%)
OTHER NON-CURRENT ASSETS	305.642	308.368	(0.88%)
TOTAL NON-CURRENT ASSETS	332.419	333.371	(0.28%)
TOTAL ASSETS	759.414	771.484	(1.56%)

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	2021	2020	Inc/(Dec)
LIABILITIES			
CURRENT LIABILITIES			
FINANCIAL LIABILITIES	143.961	36.470	294.74%
INTER-AGENCY PAYABLES	11.312	23.288	(51.42%)
TRUST LIABILITIES	5.206	2.776	87.53%
DEFERRED CREDITS	5.467	4.685	16.67%
OTHER PAYABLES	1.122	0.635	76.69%
TOTAL CURRENT LIABILITIES	167.068	67.854	146.22%

196

	2021	2020	Inc/(Dec)
LIABILITIES			
NON-CURRENT LIABILITIES			
FINANCIAL LIABILITIES		12.006	
TRUST LIABILITIES	1.275	1.275	0%
OTHER PAYABLES	4.974	4.974	0%
TOTAL CURRENT LIABILITIES	6.249	18.255	(65.77%)
TOTAL LIABILITIES	173.317	86.109	101.28%
TOTAL ASSETS LESS TOTAL LIABILITIES	586.097	685.375	(14.48%)

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	2021	2020	Inc/(Dec)
NET ASSETS / EQUITY			
GOVERNMENT EQUITY	41.222	41.222	0%
REVALUATION SURPLUS	5.054	5.054	0%
ACCUMULATED SURPLUS	518.158	565.651	(8.40%)
NET SURPLUS FOR THE PERIOD	21.663	73.448	(70.50%)
TOTAL	586.097	685.375	(14.48%)

198

- 199 9. LBP BM Elcid Paniglinan inquired whether HR actions are within the mandate of the Board or the
200 Management? The Corporate Secretary replied that it is generally a Management function. THE
201 Executive Director is the appointing authority for all selection, hiring and promotion related
202 actions involving third level positions. However, the Board is informed by the actions taken by
203 the Management.
- 204
- 205 10. Alternate Chairman asked for the breakdown receivables amounting to PHP7.49M and if there
206 are expected revenues for the remaining months of 2021?
- 207
- 208 11. In reply, Chief Accountant Erna Buyao clarified that the PHP 7.49M receivables from local and
209 OTF participations, dues from government partner agencies; due from officers and employees
210 and interest receivables.
- 211
- 212 12. ED Pauline replied on the anticipated revenues for CITEM -- CIIE project at PHP1.5M from
213 participation fees; PHP500T from the Department of Agriculture and PHP1M from Foreign Trade
214 Service Core and additional revenue from the Federation of Filipino-Chinese chambers of
215 Commerce and Industry Inc.. Also, revenue is expected from FAME+, SSX and Creative Futures
216 participation packages.
- 217
- 218 13. Atty. Dennis Gamaya took note of the significant variation changes on the 2020 vs 2021 financial
219 items presented and appreciated its explanations. Given that this is a MIDTERM financial report,
220 he asked if CITEM expecting a better utilization rate by the end of the year. Further, in relation to
221 the above comment, LBP suggested to the Management to present in the next Board meeting
222 the CITEM's financial expected year-end performance.
- 223
- 224 14. Ms Erna Buyao replied that the BUR by the end of 2021 will improve given the projects are
225 ongoing and most of the projects will be implemented in 4Q2021, thus, reflecting significant

226 outstanding receivables as reported. Likewise, payments to suppliers and contracts are ongoing.
 227 It is expected that by the end of the year, BUR will increase as the accounts payables will
 228 decrease.

229
 230 15. In addition, Elsa inquired on the composition for the non-current assets since there's a significant
 231 increase as reported on receivables (net);
 232

233 16. Ms. Buyao reiterated replied that the non-current assets are long outstanding receivables and
 234 related charges from local and international projects. Likewise, the increase was due to the
 235 allowance for doubtful accounts amounting to PHP9.7M in 2020 vs PHP6.78M this year. Further
 236 details on this matter is to be presented in the next Board meeting.
 237

238 17. BP Elcid suggested that aggregated accounts in the financial statement or positions shall be a
 239 supporting document rather than part of the presentation and provided to the Board so that in
 240 case of queries, everyone can refer to those supporting documents.
 241

242
 243 18. Having no more comments—
 244

RESOLVED, that the CITEM financial reports as of JUNE 30,
 2021, and updates on revenue as of August 2021, is hereby
 NOTED.

(Res. No. BM 2021-08-03)

V. REVISED 2022 CORPORATE OPERATING BUDGET AND WORK PROGRAM BASED ON DBM-RECOMMENDED SUBSIDY

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 253 1. Budget Officer Wilma Dulay reported the updates on CITEM 2022 Corporate Operating Budget.
 254 a. The Board approved the CITEM initial subsidy proposal request amounting to Php
 255 398.352M last 07 May 2021 Board meeting.
 256 b. Following this, DBM issued National Budget Memorandum No. 140 issued to all
 257 departments and agencies of the government.
 258 c. Based on the list under the Budget Memorandum No. 140, DMB recommended CITEM a
 259 subsidy level at Php 141.885M at Tier 1 which was pegged at the same level of CITEM
 260 2021 COB.
 261 d. Additionally, DBM recommended Php 10.727M under Tier 2 for support operations based
 262 on a letter dated 15 June 2021 signed by DBM Secretary Wendel Avisado.
 263

- 264 2. In the DBM revised subsidy, it recommended a total of Php 152.612M for 2022 COB, a 61.7%
 265 reduction from the initial Php 398.3524M subsidy proposal.

Particulars	2022 Proposed C.O.B.	2022 Revised C.O.B.	Difference	% Increase (Decrease)
I. Funding Sources				
NG Subsidy	398.352	152.612	(254.740)	(62%)
Corporate Revenues	44.465	20.680	(23.785)	(53%)
Prior Year Savings / Cash drawdown	61.867	77.960	16.093	26%
TOTAL SOURCES	504.684	251.252	(253.432)	(50%)
II. Budgetary Requirements				
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	-	-
TOTAL BUDGET	504.684	251.252	(253.432)	(50%)

- 266
 267 3. Based on the DBM recommended subsidy of Php 152.612M, CITEM is requesting the Board to
 268 approve the Revised COB for FY 2022 amounting to Php251.252M.
 269 a. Notation on the decrease in subsidy PHP245.740M from the initial proposed budget
 270 at PHP398.352M or 62%
 271 b. In effect, the cash drawdown shall be increased to PHP77.960M from the initial
 272 proposal of PHP61.867M.

- 273 c. On budgetary requirements, PS and CAPEX are funded by corporate revenues, while
 274 MOOE is sourced from NG subsidy.
 275 d. In total, the revised recommended budget ceiling for 2021 is PHP251.252M from the
 276 original proposal of PHP504.684M.
 277
- 278 4. Alternate Chairman asked how the revised DBM subsidy level will affect CITEM's manpower
 279 requirements and how will it impact the total operations. Ms. Dulay replied that Personal Services
 280 (PS) salaries are funded by corporate funds. It has no effect on CITEM subsidy, rather on cash
 281 drawdown.
 282
- 283 5. BM Elcid Pangilinan asked information on Tier 1 and Tier 2 of the subsidy for better appreciation.
 284 In reply, Tier 1 are regular projects such as the signature events and the overseas trade fairs. On
 285 the other hand, Tier 2 are new or enhanced projects and the support to operations such as digital
 286 promotions.
 287
- 288 6. BM Toby Marcelo asked for clarification whether the decrease in corporate revenue target was
 289 recommended by the DBM or based on CITEM's adjustment due to DBM recommended subsidy.
 290 Likewise, a clarification on the impact of reduced projected revenue due to the revised subsidy
 291 level.
 292
- 293 7. In reply, the target revenues are based on the projects to be implemented for the year. Likewise,
 294 guidelines from the GCG requires CITEM to have a cost recovery ratio (CRR) for every project
 295 implemented; and projected income and number of exhibitors are also considered. Hence,
 296 considering all these factors, CITEM came up with Php 20.680M equivalent to the project CRR
 297 for 2022.
 298
- 299 8. Corplan Officer Romina Magno presented the Proposed Work Program for 2022 based on DBM-
 300 Recommended subsidy level. The DBM recommended a subsidy level for FY 2022 amounting to
 301 Php 141.85M for Tier 1 and Php 10.727 for Tier 2 projects, or a total of Php 252.612M,
 302 distributed among MOOE at Php 90.012M for operations, and the rest are for STOs and admin
 303 services.
 304
- 305 9. The 2022WP shall cover four signature events and four overseas trade fair participations. The
 306 signature events include IFEX Philippines Hybrid Event, Manila FAME Digital Event, SSX Online-
 307 Digital Conference and Exhibition, and CREATE Philippines Digital Event. On the other hand,
 308 overseas trade fair participations are GULFOOD (Hybrid Participation), China International Import
 309 Expo (Hybrid Participation), Maison&Objet and More (Digital), and NY NOW (Digital).
 310
- 311 10. The mounting of IFEX Philippines physical component will depend on the available additional
 312 funds and improvement of COVID-19 situation in the country.
 313
- 314 11. Furthermore, CITEM continues to develop, enhance, and upgrade the digital platforms for the
 315 Home-Fashion Lifestyle, Food and Beverage, CreatePH and Sustainability sectors. These are
 316 FAME+, CREATE PH website, SSX website, Food Philippines website and IFEX Connect.
 317
- 318 12. Based on this 2022 WP, as submitted to the DBM, under the Program Expenditure Classification
 319 (PREXC) for commitment to FY 2022 and to be reflected in the Performance Information Section
 320 of the National Expenditure Program (NEP); CITEM targets shall be as follows:
 321

Organizational Outcomes	Performance Indicators	2022 Targets b/
	Outcome Indicators	
Increased Trade Promotion Activities	1. Percentage increase in number of companies participating in Export Promotion Activities	N/A c/
	2. Percentage of returning companies in Signature Events	47%
	3. Percentage increase in the amount of potential export orders	N/A c/
	Output Indicators	
Export/Trade Promotion Program	1. Total export orders (in million USD)	66.49 a/
	2. Number of companies participating in Export promotion activities	718 a/
	3. Number of Trade Inquiries in Export Promotion Events	5,691 a/
	4. Number of Trade Buyers attending Export Promotion Events (unique count)	2,684 a/

322

- 323 13. Alternate Chairman asked for plans or strategies to meet CITEM's target output indicators based
 324 on the four signature events and OTFs for 2022 and does CITEM foresee any challenges that will
 325 affect the target performance?
 326
- 327 14. Corplan Officer Magno replied that CITEM is looking forward to launch hybrid events, however
 328 this event is dependent on additional funding and covid situation. Thus. CTEM is strengthening
 329 and enhance digital initiatives and platforms to meet the targets for 2022.
 330
- 331 15. Additionally, the revenue target is 22% CRR. In the previous Board Meetings, CITEM mentioned
 332 about Business Model Review to help CITEM, through a series of workshops, how to monetize its
 333 digital assets and platforms currently available.
 334
- 335 16.NFA BM Elsa Asuncion-Lim asked for total project cost of the WP and further asked if additional
 336 funding to mount IFEX physical event shall be sourced from corporate revenue?
 337
- 338 17.In reply, Ms. Magno presented the proposed 2022 WP and budget allocation of Php 46.122M:
 339

PROJECT/EVENT	FORMAT	BUDGET (PHP)
Signature Events		
IFEX Philippines	Hybrid or Digital	P 3.211 M
Manila FAME	Digital	P 17.061 M
Sustainability Solutions Expo (SSX)	Digital	
CREATE Philippines	Digital	P 6.000 M
Overseas Trade Fairs (OTFs)		
GULFOOD	Hybrid + B2B	P 9.850M
CIE	Hybrid + Digital	P 10.000M
NYNOW	Digital	
MOM	Digital	
TOTAL BUDGET		P 46.122M

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- 341 18. On IFEX additional funding, in coordination with the Operations Group 2, CITEM is looking
 342 sources from the Senate, Congress, DTI, and other government and private partners –
 343 (PhilExport) that support MSMEs. ED Pauline confirmed that an additional funding is needed to
 344 mount a physical IFEX. To strategize, a cost-sharing mechanism shall be observed to mount
 345 physical event and fund the digital component as well.
 346
- 347 19.BM Toby asked for a comparative matrix of the 2022 proposed budget/workplan, and the
 348 adjusted work program based on the revised DBM recommended subsidy, to reflect projects that
 349 are prioritized, deferred or cancelled. Likewise, for better appreciation of the Board, the
 350 comparative matrix should also reflect projects that have funding sources; need funding sources
 351 as well as projects that implemented through cost-sharing scheme with other partners.
 352
- 353 20. Ms. Magno replied that the Tier 2 projects that were originally proposed for subsidy request were
 354 denied funding. The original Tier 2 projects include some overseas trade fairs, development
 355 program, merchandise development program, product development for Manila FAME and Value
 356 Food innovation, and the support to digital promotion activities. As for the Tier 1 projects, the
 357 physical components cannot be funded that is why CITEM is resorting to digital means.
 358
- 359 21.BM Elcid Pangilinan asked for clarification if this matter can be deferred due to pending queries
 360 by the Board. Likewise, the management should also present on how the resources will have
 361 impact on the 2022 programs and projects proposed to be implemented.
 362
- 363 22. BM Toby Marcelo asked if there is a timeline set by the DBM for this matter to be approved,
 364 otherwise, the Board can support the deferment. The Alternate Chairman likewise supported the
 365 motion due to the pending questions that need to be clarified.
 366
- 367 23.Atty. Marpuri suggested to advise the DBM that this matter is further subject to the discussion of
 368 the CITEM Board. BM Pangilinan, in reply, that if the Board may be allowed by DBM with
 369 continuation of the proposal and approval for the next Board Meeting, then the Board could give
 370 such response. On the other hand, ED Pauline suggested to coordinate to the DBM while the
 371 Board Meeting is ongoing.
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24. As feedback from the DBM, CITEM can still submit the CITEM 2022 Corporate Operating Budget to DBM by September 2021, thus can defer the approval on the 2022 revised COB and WP.

VI. 2021 MODIFIED PERFORMANCE EVALUATION SYSTEM

1. Corplan Officer Romina Magno presented the GCG-transmitted and modified CITEM Performance Evaluation System (Scorecard) for 2021

STRATEGIC MEASURES (SMs)	Proposed FY 2021 PES		GCG-Transmitted FY 2021 PES		
	Formula	Target/Weight	Remarks	Formula	Target/Weight
SM1. Cost Recovery Ratio (CRR)	Total Revenue from Promotional Events / Total Project Cost	20% Weight:20%	Measure and Target Retained (Actual / Target) x Weight	Total Revenue from Promotional Events / Total Project Cost	20% Weight: 25%
SM2. Budget Utilization Rate	Total Obligations (Net of PS) / DBM-Approved Corporate Operating Budget (Net of PS)	Not lower than 90% but not exceeding 100% Weight:10%	Measure and Target Retained All or Nothing	Total Obligations (Net of PS) / Total DBM-Approved Corporate Operating Budget (Net of PS)	Not lower than 90% but not exceeding 100% Weight:10%
SM3. Percentage of Satisfied Customers					
SM3a. % of Satisfied Customers (Exhibitors) in Signature Events	Number of Respondents who gave a rating of at least Satisfactory / Total Number of Respondents	90% Weight: 2.5%	Measured changed to: SM3a. Physical Trade Fair Exhibitors (Actual/Target) x Weight If Below 80% = 0%	Number of Respondents Who Gave a Rating of At Least Satisfactory / Total Number of Respondents	90% Weight:2.5%
SM3b. % of Customers (Buyers) in Signature Events		90% Weight: 2.5%	Measured changed to: SM3b. Physical Trade Fair Buyers (Actual/Target) x Weight If Below 80% = 0%		90% Weight:2.5%
			New Measure SM3c. Digital Trade Fair Exhibitors (Actual/Target) x Weight If Below 80% = 0%	Number of Respondents Who Gave a Rating of At Least Satisfactory / Total Number of Respondents	90% Weight:2.5%
			New Measure SM3d. Digital Trade Fair Buyers (Actual/Target) x Weight If Below 80% = 0%		90% Weight:2.5%
SM4. No. of Trade Buyers Attending Export Promotion Events (Physical) and Registered in Digital Platforms	Actual Accomplishment	3,569 Weight:5%	New Measure SM4a. Number of Trade Buyers in Export Promotion Events (Physical) (Actual/Target) x Weight	Actual Accomplishment	2,684(Trade Buyers Only, Unique Count) Weight: 5%
			New Measure SM4b. Number of Trade Buyers in Export Promotion Events (Digital/Online) (Actual/Target) x Weight	Actual Accomplishment	3,569(Trade Buyers Only, Unique Count) Weight: 5%
SM5. Number of Website Visitors (to reflect Content Marketing Impact)	Actual Accomplishment	156,000 Website Visitors Weight: 5%	Measure replaced with: SM5. Establish a Board-Approved Medium Term Marketing Plan All or Nothing	Actual Accomplishment	Board-Approved Medium-Term (3-Year) Marketing Plan Weight: 5%
SM6. Increase PR Value	Total PR Value for CITEM's FY2021 Project	P250 M Weight: 5%	Measure and Target Retained (Actual / Target) x Weight	Total PR Value of CITEM's 2021 Projects	P250 M Weight: 5%
SM7. No. of Companies Assisted through Export Coaching Programs	Actual Accomplishment	No. of Companies Assisted Through the Modified MTEDP – 1) 53 exporters under the Intensified Promotion activities, and 2) 70 exporters under the Learning Sessions/KSS program. Weight: 5%	Measure removed by GCG		
SM8. No. of SMEs Onboarded into Digital Trade Platforms	Actual Accomplishment	545 Weight:5%	Measure replaced with:	Actual Accomplishment	718 Weight: 10%

SM9. No. of Designs Developed	Actual Accomplishment	152 Weight:5%	Measure removed by GCG		
SM10. No. of Creative Goods Promoted	Actual Accomplishment	2,500 Weight:5%	Measure removed by GCG		
SM11. Completion of the ISSP Commitments for FY2021	Number of Systems Fully Operational / Total Number of Target Commitments	100% Attainment of the following 2021 Deliverables (based on DICT-approved ISSP 2021-2023) of IT systems related to Export Promotion and Internal Processes 1) CRM. 2) Content Mgt System 3) Records Management System Weight: 10%	Measure replaced with: (Actual / Target) x Weight	Number of Deliverables Attained2/ Total Number of Deliverables	100% Attainment of 2021 Deliverables (Based on DICT-Endorsed/Approved ISSP) Weight: 10%
SM12. Improve Processes to Quality Management System	Actual Accomplishment	Pass Surveillance Audit for ISO 9001:2015 Standards Weight:10%	Measure and Target Retained All or Nothing	Actual Accomplishment	ISO 9001:2015 Recertification Weight: 5%
SM13. Increase Organization Competency Baseline Score	Actual Accomplishment	Increase Organization Competency Baseline Score Weight: 10%	Measured changed to: Improvement in the Competency Baseline of the Organization All or Nothing	Competency Baseline 2021 –Competency Baseline 2020	Improvement in the Competency Baseline of the Organization Weight:10%

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2. BM Elcid Pangilinan asked on identified challenges in achieving the modified targets considering that it is already August. In reply, the main challenge is on the physical event-related metrics as it covered both digital and physical event due to CITEM's initial proposal of implementing hybrid events. However, it did not materialize due to COVID 19 situation, thus CITEM pursued on digital iteration of signature shows. Thus, CITEM will appeal to disregard the physical event-related metrics.
3. Likewise, the 3 IP Systems originally proposed, it was modified into delivering all the IT projects mentioned in the CITEM ISSP program for 2021 submitted to the DICT.
4. For other metrics, CITEM can achieve the targets. On the change of metrics from number of website visitors to medium-term (3year) marketing plan, it is advantageous for CITEM, being forward looking and will help in its marketing strategy plans in the midterm.
5. BM Elcid Pangilinan asked for a projected total weight measure after identifying all the challenges mentioned viz hurdle rate on achieving PBB and PBI incentives for the employees and Board members, respectively.
6. Corplan Officer Magno answered that the agency has to achieve 90% to grant PBB incentive for the employees. Further, the PBB has two components—PES and the good governance measures. Likewise, initial semester performance on targets was reported to the Board prior to submission to the GCG. Further, CITEM will present the forecast for the 2nd Semester performance to the Board.
7. Atty. Marpuri also informed the Board on the importance of the participation of the CITEM Employees Association, a collective effort between the Management and the employees in achieving all these metrics, as it will translate into incentives if the targets are achieved.
8. Corplan Officer Magno reported that that in the GCG will not allow renegotiations to let agencies to try achieving its proposed targets and assess /report afterwards. This will be the basis of GCG in validating the reasons why some of the measures are not achieved
9. BM Elcid reminded CITEM that it can always provide justification in its performance. 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 targets. Ms. Magno noted the comment of LBP member, and recommendations will be included in its quarterly monitoring report.
10. Further, it is incumbent upon the Board to instruct the Management to manage the GCG-modified PES. The action for this agenda is not an approval of the modified PES. Rather, he recommended communicating with the GCG on CITEM'S difficulties and challenges in achieving the modified measures for 2021. Since CITEM already has the 1st Semester Performance, CITEM can communicate with the GCG to reconsider and, in their later evaluation, they can validate, and reconsider given the difficulties and challenges encountered.

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11. Corplan Officer Magno gave confirmation that these requests will be included in the monitoring report for the 1st Semester.
 12. BM Toby commented that the GCG modifications on the strategic measures and input indicators are more outcome-oriented in terms of the benefits derived by the trade fair participants.
 13. Likewise, he also asked to refresh the Board on the similar actions taken in 2020 when CITEM asked for modification given its targets were affected due to pandemic. He suggested that CITEM can do similar justifications for 2021 considering CITEM proposed in 2020 hybrid, physical, and digital projects despite of the risks in cancelling the physical components of pthe project given COVID 19 situation. Likewise, a reminder to the GCG on the ongoing impact of pandemic and lockdowns that affect CITEM's operations can add to the justification.
 14. With the above discussion, BM Elcid proposed that instead to approve this matter, the Board should only note this report. Further, the Management is instructed to include in its response and report to the GCG on the reiteration of the request for further revision of targets given the challenges identified for 2021.
 15. Having no further comments—

"RESOLVED that the 2021 CITEM Modified Performance Evaluation System, is hereby DULY NOTED."

(Res. No. BM 2021-08-05)

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449 **VII. RATIFICATION OF ACTS OF MANAGEMENT (July to August 2021)**

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1. As a matter of policy, Contracts executed by Management with amounts PHP1M and above shall be presented to the Board for RATIFICATION.
 2. One (1) contract is subject for Ratification, while the other 70 contracts presented are for information of the Board, covering the period July - August 2021.
 3. The contract presented is a Contract of Services with ODV Creative Media Inc. as the multimedia content provider for the Digital Trade Community Platforms of IFEX Phil. and Food Phil.
 4. Having no further comments—

"RESOLVED that the Acts of Management for the period July to August this year, is hereby RATIFIED."

(Res. No. BM 2021-08-07)

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464 **VIII. OTHER MATTERS**

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1. HR Officer Florence Buensalido updated the Board on the recruitment status of CITEM promotion and hiring as of August 2021.

469 **IX. ADJOURNMENT. 18 August 2021. CITEM, Pasay City, Philippines.**

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ATTY. ANNA GRACE I. MARPURI
Corporate Secretary