

MINUTES OF THE CITEM BOARD OF GOVERNORS' MEETING

28 November 2019
OED Conference Room, CITEM
GSP Pavillon, Sen. Gil Puyat Ave. cor Roxas Blvd. Pasay City

IN ATTENDANCE:

Alternate Chairman

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

Board Members

Mr. Thomas Benjamin B. Marcelo
Bangko Sentral ng Pilipinas

Ms. Paulina Suaco-Juan
CITEM

Ms. Judy O. Kis-Ing
Land Bank of the Philippines

Ms. Maria Mercedes G. Yacapin
National Food Authority

CITEM Officials

Ms. Ma. Lourdes D. Mediran
Deputy Executive Director

Atty. Anna Grace I. Marpuri
Corporate Board Secretary

Katrina C. Pineda
Head, Business Development Unit

Wilma G. Dulay
Chief, Budget & Cash Division

Jewel H. Udarbe
Planning Officer IV

Malerna Buyao
Division Chief, Controllershship

Florence Pearl M. Buensalido
Chief, HRD

I. CALL TO ORDER AND DETERMINATION OF EXISTENCE OF QUORUM

1. The Corporate Board Secretary determined the existence of a quorum
2. The Alternate Chairman called the meeting to order at 10am.

II. APPROVAL AND ADOPTION OF THE AGENDA

III. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

IV. MATTERS ARISING FROM THE PREVIOUS MEETING

1. The Corporate Board Secretary summarized the Minutes of the 16 August 2019 Board Meeting; matters arising from the previous meeting; and actions taken by CITEM:

APPROVED BY THE BOARD

- A. Proposed 2020 Projects with a Budget of PHP214.512M
 - 2 Signature Events (MFO AND CREATEPH)
 - 21 Overseas Trade Fairs
 - Green Food Asia (Food show in Manila)

- B. Revised Medium Term Exhibitors Development Plan
- C. Graduation Subsidy Policy -- Matrix of Calculation
- D. Ratification of 33 Contracts for the period 18 November 2018 - 31 July 2019

DEFERRED

- A. Authority to charge Creative Services rates and Management Fee

2. The Board, having no more comments and discussion, motioned and seconded:

"RESOLVED, that the Minutes of the Previous 16 August 2019 Meeting, being in order, is hereby APPROVED.

(Res. No. BM 2019-11-01)

RESOLVED, that the Matters arising from the previous 16 August 2019 Board Meeting, is hereby NOTED.

(Res. No. BM 2019-11-02)

V. EXECUTIVE DIRECTOR'S 2019 ACCOMPLISHMENT REPORT

1. Executive Director Paulina Suaco-Juan reported on CITEM's January-November 2019 Accomplishments:

4 Signature Events

- a. 69th Manila FAME at World Trade Center Metro Manila on 19-21 April 2019
- b. 13th IFEX Philippines at World Trade Center Metro Manila on 24-26 May 2019
- c. 3rd Create Philippines on September 2019
- d. 70th Manila FAME on October 17-19, 2019

14 Overseas Trade Fairs

- a. Ambiente in Frankfurt, Germany
- b. Project Womens in Las Vegas, USA
- c. Winter Fancy Food Show in San Francisco, USA
- d. Gulfood in Dubai, UAE
- e. Foodex in Chiba, Japan
- f. Taipei International Food Show in Taipei, Taiwan
- g. Summer Fancy Food Show in New York, USA
- h. MIHAS in Kuala Lumpur, Malaysia
- i. Maison & Objet in Paris, France
- j. Index Dubai in the UAE
- k. Premiere Classe in Paris France
- l. 16th CAEXPO in Nanning China
- m. Anuga in Cologne, Germany
- n. China International Import Expo in Shanghai, China

2. The remaining project for the year is SIAL Abu Dhabi on 9-11 December 2019, timed with the launching of the upcoming participation of the Philippines in the Dubai 2020 Expo.

3. In the implementation of signature and overseas trade fairs, CITEM has accomplished and generated the following:

- a. 1,532 assisted companies (local SMEs), 115% of target
- b. 5,998 local and foreign buyers,
- c. PHP 254.549M domestic sales, or 49% of target
- d. USD 555.83M export sales, 165% of target
- e. 10,005 both foreign and local trade buyers connected
- f. 17,463 trade inquiries

4. The Board was likewise informed that while CITEM is completing its 2019 projects, it has commenced parallel prework for its 1Q 2020 overseas projects:

- a. Ambiente in Frankfurt,
- b. Biofach in Nuremberg Germany
- c. Chocoa Chocolate Festival and Business Events in Amsterdam, Netherlands
- d. Gulfood in UAE
- e. Food Hotel Asia in Singapore
- f. Foodex in Japan
- g. South by Southwest in Austin Texas, USA

5. Preparation of the Philippines Participation in the Dubai 2020 Expo was reported to the Board, in summary:

- a. The DTI was the designated Chairman and Commissioner General of the Philippines Expo Task Force. Other members of the Expo task force are DOT, DFA, DOST, DENR and others;

- b. CITEM is task to head the Trade Exhibitions component of the Expo, while other DTI agencies--Export Marketing Bureau, Board of Investment, shall be responsible for the Business events and investment missions, respectively;
- c. The Philippines participation in the Expo 2020 Dubai is through the creative direction of its engaged Creative Team Arch. Royal Pineda and Ms. Marian Pastor Roces.
- d. The Philippines Pavillon, under the sustainability theme –BANGKOTA, an ancient tagalog word for "coral reef". It was explained that the Philippines is a coral reef, where the Filipinos are polyps that grow into colonies spread out all over the world, connected by travel, migration and technology.
6. Executive Director Suaco-Juan likewise reported that CITEM will have its maiden signature event in May 2020—the Sustainability Solutions Expo. This project was previously named as Green Food Asia, also duly approved by the Board in the last Board Meeting (16 August).
7. The Sustainability Expo is intended to be a biennial global expo and conference featuring a diverse range of sustainable solutions on food production and packaging, as well as eco-friendly products and allied services, to address requirements for a sustainable environment and responsible consumption
8. It is also a key B2B converging place of leading international organizations, influential figures of the green industry, and key player in the food and health and wellness sectors.
9. The objectives of the Sustainability Solutions Expo are as follows:
- a. To access and take advantage of the USD 9.5 Trillion food and beverages market; the USD 3 Trillion global market for environmental goods, and the USD 400-800 Billion LOHAS market.
 - b. To present and offer sustainable food manufacturing solutions, products, and services to increase productivity, efficiency and optimize their market potentials
 - c. To encourage and support innovation
 - d. To provide a environmentally responsible trade platform that will enable the food industry key players increase their participation in the global value chain
10. Ms. Yacapin and the rest of the Board Members gave appreciation to CITEM's tedious and extensive effort in putting up a good trade exhibition platform for the key export players, designers, LGUs, counterpart agencies and to the MSMEs; delivering tangible and measurable results, and delivering quality service expected from a government.
11. Undersecretary Macatoman also commented that despite of the good performance results by CITEM, it is unfortunate that its Board Members have not yet given an opportunity to visit one of its overseas trade participations. Through this learning, Board members can fully appreciate the mandate of CITEM, and how policies and projects are executed and implemented.
12. It is proposed to the body, that if any by chance, CITEM is encouraged to consider inviting the members of the Board to visit one of its overseas trade participations. The idea was welcomed by the Board.
13. Ms Yacapin further shared to the body that that she is a frequent visitor of both IFEX and Manila FAME. In one of her visits to MFame, she met one of the world-renowned designers, Kenneth Cobonpue. Likewise, she was able to talk to one of CITEM's engaged creative director, Detlef Klatt. An industry exposure is a much-welcomed approach, giving the principals of a government corporation new learnings and appreciation that will help them craft policies.
14. Likewise, CITEM proposed to organize an out of town Board Meeting cum industry exposure for appreciation and to get to know more the CITEM direct stakeholders.
15. Undersecretary Macatorman further commented that since CITEM delivered good results for 2019, its workforce should be likewise rewarded or be given incentives, in accordance however, with applicable government rules and regulations.
16. The Board, having no more comments and discussion, motioned and seconded:
- "RESOLVED, that the Executive Director's Report for the FIRST SEMESTER 2019 Accomplishment Report is hereby NOTED."

(Res. No. BM 2019-06-03)

RESOLVED, CITEM Management is given commendation and appreciation in delivering projects; tangible outputs and for successfully implementing approved projects that are of international standards.

(Res. No. BM 2019-06-04)

VI. CITEM 2019 JANUARY – OCTOBER 2019 FINANCIAL REPORT

1. CITEM Deputy Executive Director Ma. Lourdes D. Mediran presented to the Board the CITEM financial report for the period January -October 2019.

2. CITEM financial performance as of 31 October 2019

	2019	2018
Corporate Revenue	P 89,970	P 87,454
Service and Business Income (/1)		
Less: Operating Expenses		
Personnel Services	58,356	47,390
MOOE	173,495	130,104
Financial Expenses	381	402
Surplus/(Deficit) from Operations	P (142,261)	P (90,442)
Net Financial Assistance/Subsidy from NG	218,779	128,200
Net Gains (Losses)	(50)	(3)
Net Surplus/(Deficit)	P 76,417	P 37,755

3. The allocated budget for CAPEX has not been substantially utilized awaiting DBM authority and clearance. However, CITEM commenced procurement of CAPEX requirements short of a notice of award.
4. The Board, having no more comments, motioned and seconded:

"RESOLVED, that the CITEM Financial Report for January-October 2019 is hereby NOTED."

(Res. No. BM 2019-11-05)

VII. CITEM 2020 CITEM PERFORMANCE AGREEMENT (BALANCED SCORECARD)

1. Executive Director Suaco-Juan reported the result of the Technical Panel Meeting conducted with the GCG on the 2020 Proposed Balanced Scorecard.
2. During the Technical Panel Meeting, the GCG commented the following:
 - a. CITEM was the first agency to volunteer to the GCG that it is changing its business model in order to be attuned to the current market and international practice
 - b. That CITEM takes opportunity of the digitalization as a trend and disruptor at the same time, thus the existing business models and the norms of some government agencies are outdated.
 - c. That it is recommended that ENHANCEMENT of CITEM work competencies shall be given focused and be included in the thrusts and direction of CITEM
3. On the Cost Recovery Ratio under the 1st Strategic Measure of Ensuring Financial Stability, it was presented to the Board that the GCG-approved Target is 54%, as against the Board-approved

Proposed Target of 46.27%. The Board was then informed that the CITEM Management is currently negotiating with the GCG to lower down its targets to at least 49%.

4. On the Percentage of Satisfied Customers under the 2nd Strategic Measure of Improving Stakeholders Satisfaction, as required by GCG, a third-party company shall conduct surveys for CITEM.
5. A proposal to remove the Subsidy Graduation Policy strategic measure with a percentage weight of 10%, and its assigned points be distributed to other measures, for the following reasons:
 - a. For 2019, there are projects that are new and need to campaign to the exhibitors
 - b. There are developmental projects that need intervention and support from the government or through CITEM
 - c. Assessment wise, exhibitors from CITEM signature events need to be heavily provided/ supported on capacity building, which programs like product development, coaching seminars, etc.
6. Under the learning and growth, a Board Approved Enhanced Competency Framework contributing 10% on the scorecard.
7. An ISO recertification for 2020 will be given 10% weight, to be conducted by a 3rd party provider on the 3Q or 4Q of 2020.
8. The Board, having no more comments, motioned and seconded:

"RESOLVED, that Proposed CITEM 2020 Performance Negotiation Agreement and Balanced Scorecard, being in order, is hereby APPROVED"

(Res. No. BM 2019-11-06)

"RESOLVED, that CITEM Management is hereby granted authority to negotiate, re-negotiate; and to sign PES with the GCG, being in order is hereby APPROVED"

(Res. No. BM 2019-11-07)

VIII. CREATIVE SERVICES AND MANAGEMENT FEE

1. The core competency of CITEM is project management and its competitive advantage rests on having the resources as a GOCC and the capacity to provide a full suite of creative services performed by highly creative individuals. Further, the agency is recognized for delivering impactful events and presentation, as well as skillfully crafted creative concepts and materials.
2. There is an increasing demand from external stakeholders for CITEM assistance in mounting trade events, content creation, conceptualization, design and production of promotional and marketing materials. There is likewise emerging interest from private sector big brands and business support organizations to work with CITEM for their respective events or creative requirements.
3. To effectively mobilize manpower and stewardship of resources, the agency needs to strike a good balance in managing its resources in implementing its projects while having the opportunity to service its stakeholders. Hence, CITEM seeks approval from the Board of Governors to charge fees for creative and management services for external clients.
4. A proposed guideline for charging fees to external clients and some parameters/considerations in accepting external projects:
 - a. Menu of services will include Communications Management, Exhibition Design, Visual Design and Event Management. Web Marketing Services will not be included in the meantime for the agency to focus on the Digital Trade Show.
 - b. Important factors to consider when accepting external projects:

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- i. CITEM shall ensure that the external projects to be undertaken are aligned with the organizational strategy. Therefore, CITEM shall prioritize projects that are relevant to trade promotions.
 - ii. CITEM may accept projects from external clients with priority given to other DTI agencies, then to other government agencies, exporters and business support organizations.
 - iii. CITEM shall evaluate the resources available at hand (people, time or budget) and ensure that there are sufficient resources to accomplish the project efficiently and successfully.
 - iv. CITEM shall ensure that its Signature events and company-led overseas trade fairs shall take precedence over all projects of external clients.
 - v. External project proposals shall be handled by the Operations Units and/or the Business Development Unit. Client-servicing and coordination with internal support teams shall likewise be handled by the said units.
5. Other considerations
- a. CITEM shall ensure that before commencement of the project, a signed contract or agreement is in place, and if necessary, together with a signed Certificate of Availability of Funds for government projects.
 - b. CITEM will have a published rate matrix that shall be posted in conspicuous places and in the CITEM website.
 - c. Package rates will be available upon request.
 - d. Clients will be oriented on production lead times, responsibility lists and approval processes.
6. On the determination of fees: the rates of fees and charges shall be based on just and reasonable rates sufficient to recover the cost of services rendered while taking into consideration the agency's revenue generation/enhancement objective. (DBM Memo No. 31 Sec. 6.71 dated 30 December 2010).
7. The Board, having no more comments, motioned and seconded:

"RESOLVED, that CITEM Management is hereby
authorized to charge creative and management
services fee, being in order is hereby
APPROVED"

(Res. No. BM 2019-11-08)

IX. ENHANCED CITEM COMPETENCY FRAMEWORK

1. CITEM through its HR Chief, Florence Pearl Buensalido, would like to seek approval from the Board on its Enhanced Competency Framework. As proposed, this competency framework is one of the commitments and strategic measures of CITEM's 2020 Balanced scorecard.
2. As background, CITEM has developed and passed its first Competency Framework covering Core, Leadership and Functional Competencies. The 2015 competency framework has been used in key human resource initiatives to include 2015 baseline competency assessment, administration of related learning and development intervention, conduct of competency-based/behavioral interviews and post-intervention competency assessments for 2017, 2018 and 2019.
3. The 2015 competency framework includes four (4) organizational, three (3) leadership and managerial and twenty-one (21) technical or functional competencies.
4. In 2018, CITEM has planned for the development and enhancement of its existing framework, to update the competencies for all positions and the subsequent formulation of the competency-based job description. This is in line with CITEM's intention to strengthen its organizational capability and obtain higher-level accreditation with the CSC's Program to Institutionalize Meritocracy in Human Resource Management (PRIME HRM).
5. The updating and enhancement of the current competency framework is also in response to the recommendations of the GCG and the new strategic plan and direction of CITEM towards digitalization.

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6. On June 2019, CITEM embarked on the project Competency Modelling, Profiling and Assessment. An updated and refined sets of competencies were developed covering the core, technical and leadership competencies for all positions across all functional groups.
 7. The proposed 2019 CITEM Enhanced Competency Framework includes six (6) organizational, four (4) leadership and managerial and one-hundred sixteen (116) technical or functional competencies covering all the positions in the different units of CITEM.
 8. The proposed Enhanced Competency Framework also includes Competency Dictionary, competency-based job descriptions with competency profiles (CSC prescribed format).
 9. On discussion, Landbank Board Member Judy Kis-Ing asked how CITEM is categorized under the HR Prime level.
 10. Ms.Buensalido replied, that recently, CITEM was recognized and awarded by the CSC as HR Prime Level 2, and will soon vie for HR Prime Level 4
 11. Having no more comments and clarifications and upon motion duly made and seconded, it was---

"RESOLVED, that the CITEM ENHANCED COMPETENCY FRAMEWORK, being in order is hereby APPROVED.

(Res. No. BM 2019-11- 09)

"RESOLVED, that the CITEM Management is hereby granted authority to conduct baseline competency assessment based on the approved ENHANCED COMPETENCY FRAMEWORK.

(Res. No. BM 2019-11- 10)

"RESOLVED, that the CITEM Development of a three-year learning and development plan for CITEM for the period covered 2020-2022 based on the results of the assessment.

(Res. No. BM 2019-11- 11)

X. REVISED CITIZEN'S CHARTER

1. RA 11032, enacted 28 May 2018, mandates all government agencies to streamline and simplify processes, fastract projects and programs and streamline transaction process to improve government service delivery.
2. The Office of Ease of Doing Business issued Memorandum Circular 201-02 dated 13 August 2019, Guidelines on the implementation of the citizen's charter in compliance with RA 11032, containing all the government services that the government agencies offer to ensure the efficient, transparent and accountable deliver of government service;
3. CITEM, in compliance with Memo Circular 2019-02 crafted its revised citizens charter, an official document that will communicate in simple terms, the service standards of pledge of each divisions services being provided to its stakeholders
4. Further, the revised Citizen's Charter shall be submitted to the ARTA Authority on or before 06 December 2019.
5. Having no more comments and clarifications and upon motion duly made and seconded, it was---

"RESOLVED, that the CITEM REVISED CITIZEN'S
CHARTED, being in order, is hereby APPROVED"

(Res. No. BM 2019-11- 12)

XI. ACTS OF MANAGEMENT

1. As a matter of policy, Contracts executed by Management with amounts PHP1M and above shall be presented to the Board for RATIFICATION.
2. For the period 01 August – 15 November 2019, there are 11 Contracts that have been identified, duly signed and implemented by Management with amounts PHP 1M and above.
3. Having no more comments and clarifications and upon motion duly made and seconded, it was---

"RESOLVED, that the Contracts executed
by CITEM Management for the period 01
August-15 November, being in order, is hereby
RATIFIED"

(Res. No. BM 2019-11- 13)

I. OTHER MATTERS

1. UPDATES ON THE CONSTRUCTION IN THE PHILTRADE AREA

XII. ADJOURNMENT

The meeting was adjourned at 1PM.

This 28th day of November 2019, at the CITEM OED Boardroom. Pasay City, Philippines

Prepared by:



ATTY. ANNA GRACE I. MARPURI
Corporate Board Secretary