

## PERFORMANCE AGREEMENT

This Performance Agreement has been executed pursuant to the **PERFORMANCE EVALUATION SYSTEM FOR THE GOCC SECTOR (GCG MC No. 2013-02 [Re-Issued])** between the –

**GOVERNANCE COMMISSION FOR GOCCs (GCG)**

- and -

**PHILIPPINE COCONUT AUTHORITY (PCA)**

**WHEREAS**, the Parties above entered into a Performance Agreement covering CY 2016;

**WITNESSETH: THAT –**

The Parties agree to the following terms:

1. **Period.** – This Agreement shall be effective beginning from the execution of this Agreement and ending upon the determination by the Governance Commission of the eligibility of PCA for the FY 2016 PBB and PBI.
2. **Mission and Vision.** – PCA's Mission, Vision and target breakthrough results for its vision year are as follows:

**Mission :** The Philippine Coconut Authority shall ensure the development and implementation of high value programs for the coconut and other palm oil industry carried out in transparent, responsible, and accountable manner and with utmost degree of professionalism and effectiveness.

**Vision :** A developed and globally competitive coconut and other palm oil industry that contributes to food security, improved income, and enhanced participation of all stakeholders by 2020.

The agreed Strategy Map for achieving the vision is attached hereto as **Annex A** which shall serve as the context of performance negotiations of annual targets between the Governance Commission and the Board of the PCA.

3. **Measurement of Performance.** – Performance for 2016 shall be measured based on the Performance Scorecard attached hereto as **Annex B**. It is understood that PCA must achieve a weighted-average of at least 90% based on the agreed targets for 2016 to be eligible to grant any Performance-Based Bonus.
4. **Strategic Initiatives.** – PCA hereby commits to undertake the following key programs and/or projects identified as having a significant impact on its Performance Scorecard (PES Form 2) attached hereto as **Annex C**, to wit:
  - (a) Strategic Initiative 1 – Document Tracking System;
  - (b) Strategic Initiative 2 – Human Resource Management Information System

- (c) Strategic Initiative 3 – Asset Valuation
- (d) Strategic Initiative 4 – Amendment to the Rationalization Plan
- (e) Strategic Initiative 5 – Coconut Research and Development

The Commitment herein includes obtaining all necessary approvals, if applicable, such as those for Major Development Projects under GCG MC No. 2013-03. PCA shall include updates on the foregoing Strategic Initiatives in its submission of quarterly monitoring reports to the GCG.

5. **Quarterly Submission of Performance Monitoring.** – PCA shall submit a quarterly monitoring report to the GCG within thirty (30) calendar days from the close of each quarter using the monitoring report attached hereto as **Annex D**.

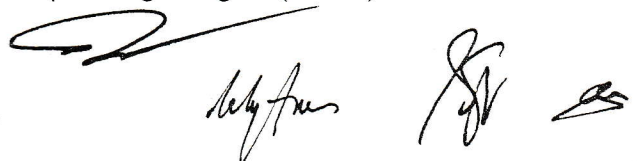
6. **Good Governance Conditions.** – In addition to the covered portions of the Performance Scorecard, PCA must fully comply with the Good Governance Conditions enumerated under GCG MC No. 2013-02 (Re-Issued), GCG MC No. 2014-02, and GCG MC No. 2014-03 namely:

6.1. *Conditions Common to National Government Agencies and GOCCs:*

- (a) Transparency Seal;
- (b) PhilGEPS Posting;
- (c) Cash Advance Liquidation;
- (d) Citizen's Charter or its equivalent; and
- (e) Compliance with the submission and review requirements covering Statement of Assets, Liabilities and Net Worth (SALN).

6.2. *Conditions Specific to GOCCs Covered by R.A. No. 10149:*

- (a) Satisfaction of all statutory liabilities, including the payment of all taxes due to the Government, and declaration and payment of all dividends to the State as cleared by the Department of Finance, whenever applicable.
- (b) Submission and execution of concrete and time bound action plans for addressing Notices of Disallowances and Audit Observation Memoranda from the Commission on Audit (COA), if any.
- (c) Adoption of a "Manual of Corporate Governance" pursuant to Section 42 of the **CODE OF CORPORATE GOVERNANCE FOR GOCCs (GCG MC No. 2012-07)** that is approved by GCG and uploaded on the GOCC's website.
- (d) Compliance with posting on the GOCC's website the information enumerated under Section 43 of GCG MC No. 2012-07.
- (e) Adoption of a **NO GIFT POLICY** approved by the GCG and uploaded on the GOCC's website pursuant to Section 29 of GCG MC No. 2012-07.
- (f) Compliance with the deadlines and submission of reports through the Integrated Corporate Reporting System (ICRS) pursuant to GCG MC No. 2014-02.
- (g) Compliance by all members of the Governing Board with the submission of all required forms for the Director Performance Review (DPR) pursuant to GCG MC. No. 2014-03 and implementing issuances pursuant thereto.
- (h) Submission of Corporate Operating Budgets (COBs):





- i. For GOCCs receiving national government budgetary support, COBs shall be submitted to the Department of Budget and Management (DBM) for review and approval on or before the deadline indicated in DBM National Budget Memorandum No. 123 on "Budget Call for FY 2016;"
  - ii. For GOCCs without national government budgetary support, COBs shall be submitted to the Governance Commission using the same deadline as provided in DBM National Budget Memorandum No. 123.
- (i) Where required, timely submission of complete reportorial requirements to the Department of Finance (DOF):
- i. Monthly Cash and Incentive Balance;
  - ii. Quarterly submission of Financial Statement, Cash Surplus/Deficit, Domestic and Foreign Liabilities Schedule, and Capital Outlay;
  - iii. Yearly Audited Financial Statement and Plans and Programs;
  - iv. Other data needed for evaluation or as required by DOF, DBM, BTr, and/or Senate/Congress.
7. PCA shall timely inform GCG of all audit observations and notices of disallowances within seven (7) working days from the time it receives it receives the same from the Commission on Audit (COA) prior to the regular publication of the final annual audit report. Accordingly, PCA shall copy furnish the Governance Commission copies of all written communications between PCA and COA on such matters, inform GCG of the schedule of its exit interview with COA seven (7) working days before the schedule or as soon as practicable, and other efficient means of inter-agency coordination.
- Failure to timely disclose such matters to the Governance Commission prior to the same becoming public information or the submission of the application for the Performance-Based Bonus (PBB) or Performance-Based Incentive (PBI) may be considered as non-compliance with the Good Governance Condition of submitting Concrete and Time Bound Action Plans on findings of COA, rendering the Governing Board **INELIGIBLE** to the PBI, without prejudice to a further determination on the impact of the same on PCA's PBB application.
8. Nothing herein shall be construed as limiting the authority of GCG to initiate renegotiations and/or revoke Performance Agreements in accordance with existing laws, rules and regulations.

**DONE**, this 16<sup>th</sup> day of May 2016, in the City of Makati, Philippines.

**GOVERNANCE COMMISSION  
FOR GOCCs**

**PHILIPPINE COCONUT AUTHORITY**

BY AUTHORITY OF THE COMMISSION:

  
**CESAR L. VILLANUEVA**  
Chairman

  
**FREDELITA C. GUIZA**  
Chairperson



**MA. ANGELA E. IGNACIO**  
*Commissioner*



**GLENN B. SANTOS**  
*OIC-Administrator*



**RAINIER B. BUTALID**  
*Commissioner*



**ABUNDO EDICIO G. DELA TORRE**  
*Board Member*

**OSCAR G. GARIN**  
*Board Member*



**RAFAEL P. SARUCAM**  
*Board Member*



**DANILO A. ANTONIO**  
*Board Member*



**PONCIANO A. BATUGAL**  
*Board Member*



PERFORMANCE SCORECARD 2016 (Annex B)

PHILIPPINE COCONUT AUTHORITY

STAKEHOLDERS / SOCIAL IMPACT	Component					Baseline Data			Target
	Objective/Measure	Formula	Wt. <sup>a/</sup>	Rating System	Data Provider	2013	2014	2015 <sup>b/</sup>	2016
SO 1	Increased Coconut Farm Productivity and Income								
SM 1	Increase in average annual (gross) income of the farmers from a base figure of ₱20,000	Average Income of KEDP farmers	10%	Actual/Target x Weight	OB	₱10,000	₱10,000	₱20,000	₱20,000
SM 2	Percentage of palms planted/replanted vis-à-vis total palms to be planted	No. of palms planted or replanted / total palms to be planted	10%	Actual/Target x Weight	OB	18% 20.7 M trees	22% 25.3 M trees	24% 27.6 M trees	20% 23M trees
SM 3	Number of seedlings that survived in the last three (3) years	Number of seedlings which survived / Total number of seedlings planted in the last three (3) years	5%	Actual/Target x Weight	OB	18,181,760 (80% survival rate)	24,798,461 (85% survival rate)	32,247,266 (85% survival rate)	35 Million (85% survival rate)
SM 4	Number of coconut hubs operationalized	Absolute Number	10%	Actual/Target x Weight	OB	N/A	N/A	N/A	25 <sup>d/</sup>
SM 5	Groundwork for the implementation of Coco Levy Law	Milestone	5%	All or Nothing	N/A	N/A	N/A	N/A	Submission of the proposed: 1. Coco Levy IRR; 2. 5-year Roadmap; 3. Inclusive consultation processes

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		Component				Data	Baseline Data			Target
		Objective/Measure	Formula	Wt. <sup>a/</sup>	Rating System	Provider	2013	2014	2015 <sup>b/</sup>	2016
STAKEHOLDERS / SOCIAL IMPACT	SO 2	Empowered Community								
	SM 6	Number of consolidated / federated KANIB SCFOs / Cooperative at the provincial level	Absolute Number	3%	Actual/Target x Weight	OB	N/A	N/A	N/A	34 <sup>d/</sup>
	SM 7	No. of KANIB SCFOs/ Cooperative generating own revenue (village level)	Absolute Number	4%	Actual/Target x Weight	OB	N/A	N/A	N/A	240
	SM 8	Number of community-based nurseries established	Absolute Number	5%	Actual/Target x Weight	OB	N/A	N/A	N/A	500 <sup>e/</sup>
	SM 9	Number of coconut farmers assisted / capacitated in the Yolanda affected areas (Regions VI-VIII) in all interventions	Absolute Number	5%	Actual/Target x Weight	OB	N/A	46,000	50,000	100,000 <sup>f/</sup>
	SM 10	Average satisfaction rating of PCA services	Average Rating of All Respondents	3%	Rating Scale: r > 4.0 = 100% of weight 4.0 > r > 3.0 = (r - 3.0)*5.0% r < 3.0 = 0%	OB	N/A	N/A	N/A	Average rating of 4.0
		Sub-total:		60%						
INTERNAL PROCESS	SO 3	Intensify IPM to Control and Contain Pest Outbreaks								
	SM 11	Percentage of CSI-infested coconut trees recovered after treatment	Number of treated trees which recovered / Total no. of treated trees	4%	Actual/Target x Weight	OB	N/A	90%	92%	60% <sup>g/</sup>

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	Component				Data Provider	Baseline Data			Target
	Objective/Measure	Formula	Wt. <sup>a/</sup>	Rating System		2013	2014	2015 <sup>b/</sup>	2016
INTERNAL PROCESS	<b>SO 4 Intensify Research and Development</b>								
	SM 12 Number of technologies and scientific information generated / disseminated	Absolute Number	5%	Actual/Target x Weight	RDB	N/A	N/A	N/A	10 <sup>h/</sup>
	<b>SO 5 Enhance Trade &amp; Market Development</b>								
	SM 13 Number of coconut-based new investments facilitated and secured (P3 Million and above)	Absolute Number	6%	Actual/Target x Weight	TMDD	N/A	N/A	N/A	20
	<b>Sub-total:</b>		<b>15%</b>						
FINANCE	<b>SO 6 Improve Budget Utilization and Income Generation</b>								
	SM 14 Budget Utilization Rate	Utilized amount / Total Budget	5%	Actual/Target x Weight	FD	62%	32%	90%	90%
	SM 15 Increase in internally-generated revenue (in P'000)	Actual Operating Revenue of the present year minus Actual Operating Revenue of the preceding year	3%	Actual/Target x Weight	FD		-33,321	7,775	3,966
	SM 16 Submission of a financial viability strategy to ensure operational sustainability through significant cost recovery programs among others	Milestone	3%	All or Nothing	AFB	N/A	N/A	N/A	Board-approved financial viability strategy by March 2016 (ten-year plan)
	SM 17 Financial Management Information System	Milestone	4%	All or Nothing	FD	N/A	N/A	N/A	Encoding of 50% of 5-year data (2011-2016)
	<b>Sub-total</b>		<b>15%</b>						

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Component						Baseline Data			Target	
Objective/Measure	Formula	Wt. <sup>a/</sup>	Rating System	Data Provider	2013	2014	2015 <sup>b/</sup>	2016		
LEARNING AND GROWTH	SO 7	Strengthen Employees' Capability and Streamline Processes								
	SM 18	ISO 9001:2015 Certification	Milestone	5%	All or Nothing	AFB	N/A	N/A	Training of core team	Certified
	SM 19	Competency framework	Milestone	5%	All or Nothing	AFB	N/A	N/A	Board-Approved Competency Framework	Established competency baseline
		Sub-total		10%						
		TOTAL		100%						

a/ But not to exceed the weight assigned per indicator.

b/ Subject to GCG validation.

c/ "Operational" with operating facilities and utilities.

d/ Provincial federations registered with DOLE.

e/ 1/5 ha nursery covers 100 ha to be planted/replanted. 2016 established nurseries to cover 12,500 ha (12.5M seedlings)

f/ Total of 200,000 Yolanda affected farmers. ₱2 B remaining Yolanda Fund.

g/ Population: 1M infected trees in Basilan.

h/ Means of verification: publications, presentation to fora.

## PHILIPPINE COCONUT AUTHORITY

## I. STRATEGIC INITIATIVE 1

1. **Name of Project:** Document Tracking System
2. **Project Team:** Mr. Hernani S. Yap, Manager, Administrative and General Services Department
3. **Project Description:** To hasten the processing of documents, enable efficient monitoring, searching, tracing, receiving, releasing, safe keeping, and archiving of documents relative to the implementation of the ISO.
4. **Project Milestone:**

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Digitization of records (resolutions, special orders, etc.)	Jan 2016	Dec 2016	₱50,000	Corporate funds	
Development and proposal of document coding	Jan 2016	Jan 2016			
Setup of networked tracking in coordination with external consultants	Jan 2016	Dec 2016			
User training and system adjustments	2017				

## II. STRATEGIC INITIATIVE 2

1. **Name of Project:** Human Resource Management Information System
2. **Project Team:** Mr. Hernani S. Yap, Manager, Administrative and General Services Department
3. **Project Description:** System to aid in recruitment, attendance, employee self-service, organizational charts, the administration of benefits, succession planning, rapid report production, tracking of employee training, and other relevant components necessary for the strategic performance management system
4. **Project Milestone:**

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Review of existing HR procedures and records	Jan 2016	Feb 2016	₱1M	Corporate funds	
Digitization of personnel records (201 files, leave cards, service records, PDS, etc.)	Feb 2016	Dec 2016			
Development of HR IT system in coordination with external consultants	Feb 2016	Dec 2016			



User training and system adjustments	2017				
Roll-out	2017				

### III. STRATEGIC INITIATIVE 3

- Name of Project:** Asset Valuation
- Project Team Head:** Mr. Edgardo Q. Del Rosario, Chief, Property Division
- Project Description:** Determination and appraisal of PCA real properties including its areas, boundaries, uses, ownership, current market values, tenurial arrangements, occupants, contracts of lease, and other vital information
- Project Milestone:**

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Secure/Review of certificates of ownership e.g. land titles, appropriate laws, and pertinent materials governing PCA properties	Jan 2016	Dec 2016		Corporate funds	
Procure services of geodetic engineers to establish/re-establish property boundaries	April 2016	Dec 2016			
Determine existing uses of said properties and its occupants/leases	April 2016	June 2016			
Evaluate/Review existing contracts with occupants and/or existing tenurial relationship with same	April 2016	June 2016			
Prepare appraisal of current market value of properties	July 2016	June 2017			
Determine possibility and feasibility of leasing properties to other interested parties	July 2016	June 2017			

### IV. STRATEGIC INITIATIVE 4

- Name of Project:** Amendment to the Rationalization Plan
- Project Team Head:** Mr. Glenn B. Santos, Deputy Administrator, Administrative and Finance Branch
- Project Description:** Amendment to the approved PCA Rationalization Plan, which covers changes in the structure, functions, plantilla positions, nomenclature, as well as the upgrading of qualifications and salary grades of key positions
- Project Milestone:**



Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Submission to GCG of the Board-approved ARP Proposal	Dec 2015	Dec 2015			
Deliberation and Approval of the ARP Proposal	Jan 2016	March 2016			
Implementation and Adoption of the Amended Rationalization Plan	April 2016	Onwards	P423.2M	Corporate Funds	

## V. STRATEGIC INITIATIVE 5

- Name of Project:** Coconut Research and Development
- Project Team Head:** Mr. Ramon L. Rivera, Officer-In-Charge, Research and Development Branch
- Project Description:** Coconut Research and Development Program, composed of programs, projects, and activities, aims to generate new knowledge and technologies on the following R&D-based programs: 1) Varietal Improvement; 2) Crop Nutrition, Agronomy and Farming Systems; 3) Biotechnology (agricultural & industrial); 4) Integrated Crop Protection; and 5) Product Development (food and non-food) as well as 6) Laboratory Technical Advisory & Services. New technologies/ scientific information generated will be disseminated to the coconut industry stakeholders and scientific community. The R&D Branch will also be instrumental in the establishment/ management of seed gardens/seed farms as well as in the production of recommended hybrids and improved cultivars for the planting/replanting program.
- Project Milestone:**

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Implementation of on-going projects/ studies/activities at Albay, Davao and Zamboanga Research Centers	Jan 2016	Dec 2016	P125M (locally-funded)P50M Subsidy	Locally funded / Trust Fund (DOST-PCAARRD, DA-BAR, Bioversity Int'l)	
Preparation of IEC materials	April 2016	Dec 2016			
Establishment/ management of seed gardens /seed farms and production of recommended hybrids and cultivars	Jan 2016	Dec 2016			
Preparation of financial viability strategies for the sustainability of seed gardens and research centers	Jan 2016	Dec 2016			

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**PHILIPPINE COCONUT AUTHORITY  
MONITORING REPORT OF PERFORMANCE TARGETS**

STAKEHOLDERS / SOCIAL IMPACT	Component					Baseline	1st Quarter		2nd Quarter		2016	3rd Quarter		4th Quarter	
	Objective/Measure	Formula	Wt.	Rating System	2015	Target	Actual	Target	Actual	Revised Full Year Target	Target	Actual	Target	Actual	
	SO 1	Increased Coconut Farm Productivity and Income													
	SM 1	Increase in average annual (gross) income of the farmers from base figure to P 20,000	Average income of KEDP farmers	10%	(Actual / Target) x Weight	P 20,000								P20,000	
	SM 2	Percentage of palms planted/replanted vis-à-vis total palms to be planted	No .of palms planted/replanted / total palms to be planted	10%	(Actual / Target) x Weight	24			4.75%			4.75%		9.50%	
	SM 3	No. of seedlings that survived in the last three (3) years	Number of seedlings which survived / Total number of seedlings planted in the last three (3) years	5%	(Actual / Target) x Weight	32 M (85% survival rate)			16M					16M	
	SM 4	No. of coconut hubs operationalized	Absolute Number	10%	(Actual / Target) x Weight	N/A	3		5			10		7	
	SM 5	Groundwork for the implementation of the Coco Levy Law	Milestone	5%	All or Nothing	N/A									



	Component				Baseline	1st Quarter		2nd Quarter		2016	3rd Quarter		4th Quarter	
	Objective/Measure	Formula	Wt.	Rating System	2015	Target	Actual	Target	Actual	Revised Full Year Target	Target	Actual	Target	Actual
STAKEHOLDERS / SOCIAL IMPACT	SO 2	Empowered Community												
	SM 6	No. of consolidated / federated KANIB SCFOs/Cooperative at the provincial level	Absolute Number	3%	(Actual / Target) x Weight	N/A	5		10			14		5
	SM 7	No. of KANIB SCFOs/Cooperative generating own revenue	Absolute Number	4%	(Actual / Target) x Weight	N/A	20		70			100		50
	SM 8	No. of community-based nurseries established	Absolute Number	5%	(Actual / Target) x Weight	N/A	125		125			125		125
	SM 9	No. of coconut farmers assisted/capacitated in the Yolanda affected areas (Regions VI-VIII) in all interventions	Absolute Number	5%	(Actual / Target) x Weight	50,000	25,000		25,000			25,000		25,000
	SM 10	Average Satisfaction Rating of PCA services	Average rating of all respondents	3%	Rating Scale: r > 4.0 = 100% of weight 4.0 > r > 3.0 = (r - 3.0)*5.0% r < 3.0 = 0%	N/A								

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Component					Baseline	1st Quarter		2nd Quarter		2016	3rd Quarter		4th Quarter	
Objective/Measure	Formula	Wt.	Rating System	2015	Target	Actual	Target	Actual	Revised Full Year Target	Target	Actual	Target	Actual	
INTERNAL PROCESS	SO 3 Intensify IPM to Control and Contain Pest Outbreaks													
	SM 11	Percentage of CSI-infested coconut palms which recovered after treatment	Number of treated palms which recovered / Total no. of treated palms	4%	(Actual / Target) x Weight	92%			15%			15%		30%
	SO 4 Intensify Research and Development													
	SM 12	No. of technologies and scientific information generated / disseminated	Absolute Number	5%	(Actual / Target) x Weight	N/A			3			3		4
	SO 5 Enhance Market Development													
SM 13	No. of coconut-based investments facilitated and secured (P3 M and above	Absolute Number	3%	(Actual / Target) x Weight	N/A									
FINANCE	SO 6 Improve Budget Utilization and Income Generation													
	SM 14	Budget Utilization Rate	Utilized amount / Total Budget	5%	(Actual/Target) x Weight	90.0%	22.5%		22.5%			22.5%		22.5%
	SM 16	Increase in internally-generated revenue (in thousand pesos)	Actual operating revenue of the present year minus actual operating revenue of the preceding year	3%	(Actual / Target) x Weight	7,775	-		-			-		3,996

		Component				Baseline	1st Quarter		2nd Quarter		2016 Revised Full Year Target	3rd Quarter		4th Quarter	
		Objective/Measure	Formula	Wt.	Rating System	2015	Target	Actual	Target	Actual		Target	Actual	Target	Actual
FINANCE	SM 17	Submission of a financial viability strategy to ensure operational sustainability	Milestone	3%	All or Nothing	N/A									
	SM 18	Financial Management Information System	Milestone	4%	All or Nothing	N/A									
LEARNING & GROWTH	SO 7	Strengthen Employees' Capability and Streamline Processes													
	SM 19	ISO 9001:2015 Certification	Milestone	5%	All or Nothing	Training of core team									
	SM 20	Competency Framework	Milestone	5%	All or Nothing	Board-Approved competency framework									
			Sub-total	10%											
			TOTAL	100%											

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