



## PERFORMANCE AGREEMENT

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

**GOVERNANCE COMMISSION FOR GOCCs (GCG)**

- and -

**TOURISM PROMOTIONS BOARD (TPB)**

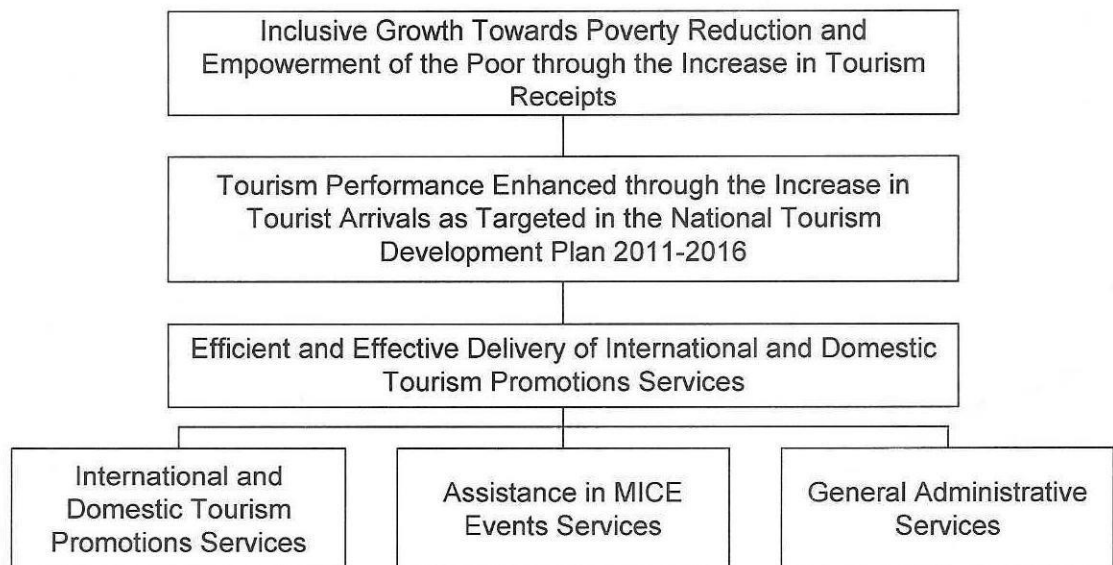
**WITNESSETH: THAT –**

The Parties agree to the following terms:

1. **Period.** – This Agreement shall be effective for a period of two (2) calendar years beginning from the execution of this Agreement and ending on 31 December 2014.
2. **Charter Statement and OPIF Logframe.** – TPB's Charter Statement and OPIF Logframe for the Period specified in Section 1 hereof, shall be as follows:

**Mission:** To market and promote the Philippines domestically and internationally as a world-class tourism and MICE destination, in strategic partnership with private and public stakeholders to deliver a unique high-value experience for visitors, significantly contributing to increased arrivals, receipts and investments to the country.

**Vision:** The Philippines is among the top destinations in the world by 2020.



3. **Measurement of Performance.** – Based on the Interim Performance Scorecard 2013-2014 attached hereto as **Annex A**, the TPB's Performance

for 2013-2014 shall be based on the following Measures/Performance Indicators and Annual Targets, to wit:

MFO	Performance Indicator	Weight		Baseline	Annual Targets	
		2013	2014	2012	2013	2014
MFO 1 – International and Domestic Tourism Promotions Services	Quantity 1: No. of international tourist arrivals based on TPB's market area	5%	5%	3.5 million	4.4 million	4.9 million
	Quantity 2: No. domestic travellers	5%	5%	37.5 million	41.63 million	45.75 million
	Quantity 3: No. marketing materials developed	5%	5%	a) Brochures – 2 Illustrated Maps and Omnibus Interim	a) Brochures and Print Collaterals-Primer, Reprint of Omnibus Interim – 10 kinds	a) Brochures and Print Collaterals-Primer, Reprint of Omnibus Interim – 10 kinds
				b) Advertising Materials (Print) – 4 Kinds	b) Posters – 10 kinds	b) Kit Folders – 2 kinds of design and configuration
Quantity 4: No. of Marketing Communications Placed	10%	10%	a) TV Spots – 6,299	a) TV Spots – 10,000 (1/10)	5% increase from 2013 total accomplishment	
			b) Digital Impressions: 412 Million Clicks: 741,000	b) Digital Impressions: 464.4 Million Clicks:		

MFO	Performance Indicator	Weight		Baseline	Annual Targets	
		2013	2014	2012	2013	2014
				Click Thru Rate: 0.18%	5.49 Million	
				c) Print Placement Inserts – 71	Click Thru Rate: 0.30% (5/10)	
				d) OOH (outdoor ads) – 177 sites	c) Print Placement Inserts – 167 (2/10)	
				e) Cinema with estimated viewership of 3.1 Million	d) OOH (outdoor ads) – 1.88 Million sites (1/10)	
					e) Cinema with estimated viewership of 7.5 Million (1/10)	
	<b>Quantity 5:</b> No. of international and domestic events (eg. roadshows, business events, travel fairs, and familiarization trips)	20%	20%	38	204	225
	<b>Quality 1:</b> Rank of the Philippines in the Top Destination in Asia Pacific	5%	5%	17 <sup>th</sup> place out of 43 countries	16 <sup>th</sup> place out of 43 countries	16 <sup>th</sup> place out of 43 countries
	<b>Quality 2:</b> Level of awareness within the TPB's priority market area	5%	5%		Establish awareness data in each of the 12 priority areas	2% increase in the total awareness level from the determined base in 2013
	<b>Timeliness:</b> No. of days from Board Approval, for the final project plan to be formally submitted to the	5%	5%	50 working days	90 calendar days	90 calendar days

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MFO	Performance Indicator	Weight		Baseline	Annual Targets	
		2013	2014	2012	2013	2014
	Board (specific for international and domestic events)					
<b>Subtotal of Weights:</b>		<b>60%</b>	<b>60%</b>			
MFO 2 – Assistance in MICE Events Services	<b>Quantity:</b> No. of international and local MICE events assisted, organized and/or supported	10%	10%	72	104	140
	<b>Quality 1:</b> Ranking of the Philippines as a MICE destination – Global ICCA	5%	5%	Rank 49 out of 104 countries	Rank 47 out of 104 countries	Rank 45 out of 104 countries
	<b>Quality 2:</b> Ranking of the Philippines as a MICE destination – Asia Pacific ICCA	10%	10%	Rank 13 out of 31 countries	Rank 12 out of 31 countries	Rank 11 out of 31 countries
	<b>Timeliness:</b> No. of days from receipt of formal request to evaluate and approve assistance to MICE events	5%	5%	50 working days	30 working days	30 working days
<b>Subtotal of Weights:</b>		<b>30%</b>	<b>30%</b>			
General Administrative Services	Ratio of Promotion and Marketing Activities Expenses to Total Tourism Promotions Fund Received for the year (i.e. NG Subsidy, Share of DFPC, International Airports & Seaports, and PAGCOR)	5%	5%		80% (P&M)	80% (P&M)
	ISO Certification	5%	5%		Core Processes Manualized (Admin and Marketing)	ISO Certified
<b>Subtotal of Weights:</b>		<b>10%</b>	<b>10%</b>			

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It is understood that the GOCC must achieve a weighted-average of at least 90% to be eligible to grant any Performance-Based Bonus.

4. **Quarterly Submission of Performance Monitoring.** – TPB 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 B**.
5. **Good Governance Conditions.** – In addition to the covered portions of the Performance Scorecard, the GOCC must fully comply with the Good Governance Conditions enumerated under GCG MC No. 2013-02, namely:
- 5.1. *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 Networth (SALN);<sup>1</sup>
- 5.2. *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 of the end of the applicable calendar year, whenever applicable. Liabilities that are still under dispute and there has been no final and executory judgment/decision as of the date of the release of the PBB by the GOCC shall be excluded for the purpose of this provision.
  - (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.
6. TPB hereby undertakes to have its Performance Scorecard rated by its customers and solicit feedback on how the same may be improved. TPB shall determine the most effective method for accomplishing the said purpose. Such information shall be reported to GCG together with the quarterly monitoring report. The rating shall not affect the performance indicators/measures in TPB's Performance Scorecard, and shall be used

<sup>1</sup> See CIVIL SERVICE COMMISSION MEMORANDUM CIRCULAR No. 3, s. 2013.

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solely as a reference by GCG and TPB during Performance Agreement Negotiations/Renegotiations

7. 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 2<sup>nd</sup> day of October 2013, in the City of Makati, Philippines.

**GOVERNANCE COMMISSION FOR  
GOVERNMENT-OWNED OR –  
CONTROLLED CORPORATIONS**

BY AUTHORITY OF THE COMMISSION:



**CESAR L. VILLANUEVA**  
Chairman




**MA ANGELA E. IGNACIO**  
Commissioner



**RAINIER B. BUTALID**  
Commissioner

**TOURISM PROMOTIONS BOARD**



**RAMON R. JIMENEZ, JR.**  
DOT Secretary and Chairperson

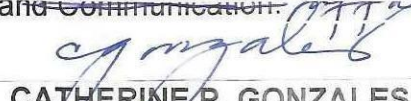


**DOMINGO RAMON C. ENERIO III**  
COO



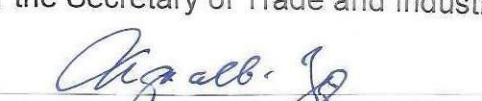
**LAURA Q. DEL ROSARIO**  
Undersecretary and  
Ex-Officio Board Member

For the Secretary of Foreign Affairs:  
and Communication: *Falegr*




**CATHERINE P. GONZALES**  
Undersecretary and  
Ex-Officio Board Member

For the Secretary of Trade and Industry:



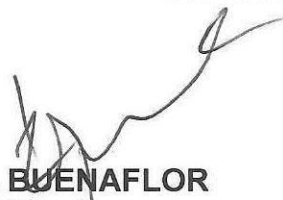
**FELICITAS AGONCILLO-REYES**  
Assistant Secretary and  
Ex-Officio Board Member



**MARK T. LAPID**  
TIEZA COO and Ex Offiio Board  
Member



**EDWIN VINCENT V. ORTIZ**  
Board Member



**ISAGANI G. BUENAFLOR**  
*Board Member*



**MA. MARGARITA F. VILLARICA**  
*Board Member*



**MARGARITA F. MUNSAYAC**  
*Board Member*



**MARIA MONTSERRAT I. HAMLIN**  
*Board Member*

## TOURISM PROMOTIONS BOARD

Description	Formula	Performance Measures		Rating System	Data Provider <i>if applicable</i>	Baseline Data <i>(if available)</i>			Targets	
		Weight				2010	2011	2012	2013	2014
		2013	2014							
<i>MFO 1 : International and Domestic Tourism Promotions Services</i>										
<b>Quantity 1:</b> No. international tourist arrivals based on TPB's market area	Absolute Number	5%	5%	(Actual/Target) x Weight		2.8 million	3.1 million	3.5 million	4.4 million	4.9 million
<b>Quantity 2:</b> No. domestic travellers	Absolute Number	5%	5%	(Actual/Target) x Weight			26.1 million	37.5 million	41.63 million	45.75 million
<b>Quantity 3:</b> No. marketing materials developed	Absolute Number	5%	5%	(Actual/Target) x Weight	BBDO Guerrero (Ad agency)			a) Brochures – 2 Illustrated Maps and Omnibus Interim  b) Advertising Materials (Print) – 4 Kinds	a) Brochures and Print Collaterals - Primer, Reprint of Omnibus Interim – 10 kinds  b) Posters – 10 kinds	a) Brochures and Print Collaterals-Primer, Reprint of Omnibus Interim – 10 kinds  b) Kit Folders – 2 kinds of design and configurati



Performance Measures					Baseline Data <i>(if available)</i>			Targets		
Description	Formula	Weight		Rating System	Data Provider <i>if applicable</i>	2010	2011	2012	2013	2014
		2013	2014							
									c) Destination Brochures – 6 kinds c) Calendars d) Calendars d) Thematic Brochures – 5 kinds e) Kit Folders – 1 e) Mailers – 1 kind f) Re-print of Destination Brochures and Primer g) Advertising Materials (Print) – 5 kinds	

Performance Measures					Baseline Data (if available)			Targets		
Description	Formula	Weight		Rating System	Data Provider if applicable	2010	2011	2012	2013	2014
		2013	2014							
<b>Quantity 4: No. of Marketing Communications Placed</b>	2013: Absolute Number  2014: 2013 total accomplishment + (5% x 2013 total accomplishment)	10%	10%	(Actual/Target) x Weight	Dentsu			a) TV Spots – 6,299  b) Digital Impressions : 412 Million  Clicks: 741,000  Click Thru Rate: 0.18%  c) Print Placement Inserts – 71  d) OOH (outdoor ads) – 177 sites	a) TV Spots – 10,000 (1/10)  b) Digital Impressions: 464.4 Million  Clicks: 5.49 Million  Click Thru Rate: 0.30%  (5/10)  c) Print Placement Inserts – 167 (2/10)	5% increase from 2013 total accomplishment

Performance Measures					Baseline Data <i>(if available)</i>			Targets		
Description	Formula	Weight		Rating System	Data Provider <i>if applicable</i>	2010	2011	2012	2013	2014
		2013	2014							
								e) Cinema with estimated viewership of 3.1 Million	d) OOH (outdoor ads) – 1.88 Million sites (1/10)	
									e) Cinema with estimated viewership of 7.5 Million (1/10)	
<b>Quantity 5:</b> No. of international and domestic events (eg. roadshows, business events, travel fairs, and familiarization trips)	Absolute Number	20%	20%	(Actual/Target) x Weight				38	204	225



Performance Measures					Baseline Data <i>(if available)</i>			Targets		
Description	Formula	Weight		Rating System	Data Provider <i>if applicable</i>	2010	2011	2012	2013	2014
		2013	2014							
<b>Quality 1:</b> Rank of the Philippines in the Top Destination in Asia Pacific		5%	5%	(Actual/Target) x Weight	Pacific Asia Travel Association	17 <sup>th</sup> place out of 43 countries	17 <sup>th</sup> place out of 43 countries	17 <sup>th</sup> place out of 43 countries	16 <sup>th</sup> place out of 43 countries	16 <sup>th</sup> place out of 43 countries
<b>Quality 2:</b> Level of awareness within the TPB's priority market area		5%	5%	(Actual/Target) x Weight					Establish awareness data in each of the 12 priority areas	2% increase in the total awareness level from the determined base in 2013
<b>Timeliness:</b> No. of days from Board Approval, for the final project plan to be formally submitted to the Board (specific for international and domestic events)	Count of days	5%	5%	(Actual/Target) x Weight			60 working days	50 working days	90 calendar days	90 calendar days
<b>Sub-total of Weights:</b>		<b>60%</b>	<b>60%</b>							

Performance Measures					Baseline Data <i>(if available)</i>			Targets		
Description	Formula	Weight		Rating System	Data Provider <i>if applicable</i>	2010	2011	2012	2013	2014
		2013	2014							
<b>MFO 2: Assistance in MICE Events Services</b>										
<b>Quantity:</b> No. of international and local MICE events assisted, organized and/or supported	Absolute Number	10%	10%	(Actual/Target) x Weight		27	43	72	104	140
<b>Quality 1:</b> Ranking of the Philippines as a MICE destination – Global ICCA		5%	5%	(Actual/Target) x Weight	International Congress and Convention Association	Rank 64 out of 97 countries	Rank 54 out of 97 countries	Rank 49 out of 104 countries	Rank 47 out of 104 countries	Rank 45 out of 104 countries
<b>Quality 2:</b> Ranking of the Philippines as a MICE destination – Asia Pacific ICCA		10%	10%	(Actual/Target) x Weight	International Congress and Convention Association	Rank 14 out of 33 countries	Rank 13 out of 31 countries	Rank 13 out of 31 countries	Rank 12 out of 31 countries	Rank 11 out of 31 countries

Performance Measures					Baseline Data <i>(if available)</i>			Targets		
Description	Formula	Weight		Rating System	Data Provider <i>if applicable</i>	2010	2011	2012	2013	2014
		2013	2014							
<b>Timeliness:</b> No. of days from receipt of formal request to evaluate and approve assistance to MICE events		5%	5%				60 working days	50 working days	30 working days	30 working days
<b>Sub-total of Weights:</b>		<b>30%</b>	<b>30%</b>							
<b>General Administrative Services</b>										
Ratio of Promotion and Marketing Activities Expenses to Total Tourism Promotions Fund Received for the year (i.e. NG Subsidy, Share of DFPC, International Airports & Seaports, and PAGCOR)	Total expenses on promotion and marketing activities/ total Tourism Promotions Funds received for the year x 100	5%	5%	(Actual/Target) x Weight					80% (P&M)	80% (P&M)



Performance Measures					Baseline Data <i>(if available)</i>			Targets		
Description	Formula	Weight		Rating System	Data Provider <i>if applicable</i>	2010	2011	2012	2013	2014
		2013	2014							
ISO Certification		5%	5%	(Actual/Target) x Weight					Core Processes Manualized (Admin and Marketing)	ISO Certified
<b>Sub-total of Weights:</b>		<b>10%</b>	<b>10%</b>							
<b>TOTAL OF WEIGHTS:</b>		<b>100%</b>	<b>100%</b>							