



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 -

TOURISM PROMOTIONS BOARD (TPB)

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

WITNESSETH: THAT –

The Parties agree to the following terms:

- 1. Mission and Vision.** – TPB’s Mission, Vision and target breakthrough results for its vision year are 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

	2012	Baseline Year 2014	2020
<i>UNWTO Ranking on Receipts and Arrivals</i>	15 th in Receipts and 14 th in Arrivals	15 th in Receipts and 14 th in Arrivals	13 th in the Asia Pacific Region in Receipts and Arrivals

The agreed Strategy Map for achieving the vision is attached hereto as **Annex A**. The above breakthrough results shall serve as the context of performance negotiations of annual targets between the Governance Commission and the Board of the GOCC until the vision year.

- 2. Measurement of Performance.** – Performance for 2016 shall be measured based on the Performance Scorecard attached hereto as **Annex B**. It is understood that the GOCC must achieve a weighted-average of at least 90% based on the agreed targets for 2015-16 to be eligible to grant any Performance-Based Bonus.
- 3. Strategic Initiatives.** – TPB hereby commits to undertaking 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:

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- (a) Strategic Initiative 1 – Philippine Travel Exchange (PHITEX);
- (b) Strategic Initiative 2 – MICE Conference;
- (c) Strategic Initiative 3 – ASEAN Tourism Forum (ATF); and
- (d) Strategic Initiative 4 – Visit the Philippines Again (VPA) 2016

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

- 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.
- 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 (Re-Issued), GCG MC No. 2014-02, and GCG MC No. 2014-03 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);

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 cleared by the Department of Finance (DOF), 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

LOP/TPB

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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. 120 on "Budget Call for FY 2015;"
 - 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. 120.

6. TPB shall timely inform GCG of all audit observations and notices of disallowances within seven (7) working days from the time it receives the same from the Commission on Audit (COA) prior to the regular publication of the final annual audit report. Accordingly, TPB shall copy furnish the Governance Commission copies of all written communications between TPB 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 apply for the PBI, without prejudice to a further determination on the impact of the same on the GOCCs PBB application.

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 18th day of December 2015, in the City of Makati, Philippines.

**GOVERNANCE COMMISSION FOR
GOCCs**

BY AUTHORITY OF THE COMMISSION:

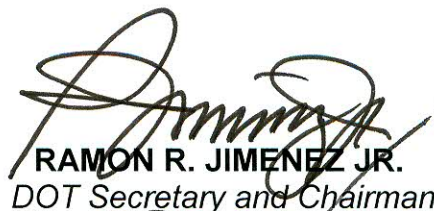


CESAR L. VILLANUEVA
Chairman




MA ANGELA E. IGNACIO
Commissioner

TOURISM PROMOTIONS BOARD



RAMON R. JIMENEZ JR.
DOT Secretary and Chairman



DOMINGO RAMON C. ENERIO III
Chief Operating Officer



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July





RAINIER B. BUTALID
Commissioner



for

ALBERT F. DEL ROSARIO
DFA Secretary and Ex Officio Board
Member



JOSEPH EMILIO A. ABAYA
DOTC Secretary and Ex Officio Board
Member



for:

GREGORY L. DOMINGO
DTI Secretary and Ex Officio Board
Member



EDWIN VINCENT V. ORTIZ
Board Member



ISAGANI G. BUENAFLOR
Board Member



MA. MARGARITA F. VILLARICA
Board Member

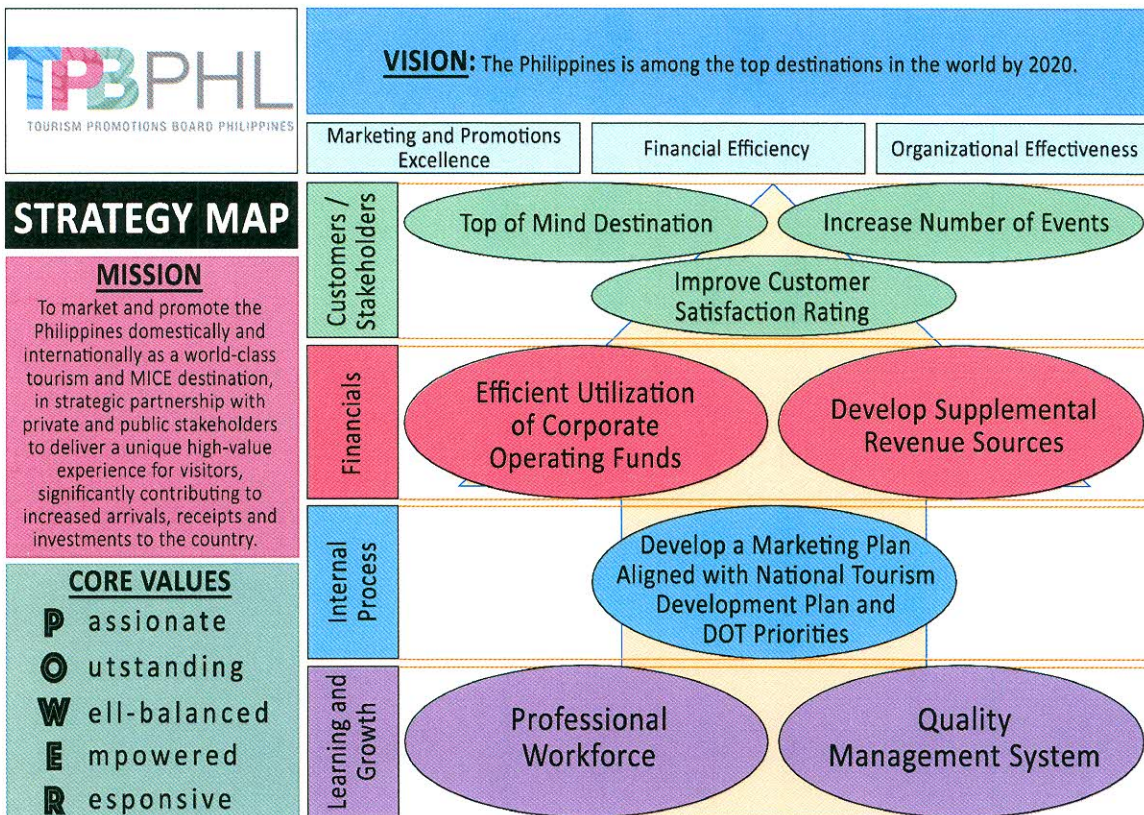


MARGARITA F. MUNSAYAC
Board Member



PAMELA D. PASCUAL
Board Member

TOURISM PROMOTIONS BOARD



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TOURISM PROMOTIONS BOARD

		Component			Baseline			Target
		Objective/Measure	Formula	Weight	Rating System	2013	2014	
SO 1	Top of Mind Destination							
SM 1	International Visitors from the TPB Key Markets (12 Key Markets plus Overseas Filipino Markets)	Absolute number	10%	4.7 million = 10% 4.6 million = 9% 4.5 million = 8% 4.3 million = 5% Below 4.3 million = 0%	4 million	4.5 million	4.9 million	5.2 million
SM 2	Number of TPB-assisted domestic and international events held in the Philippines including won bids	Absolute number	10%	Actual/Target x Weight	273	n/a	399	418
SM 3	Click thru Rate of Digital Campaigns			Actual/Target x Weight	1.70%	1.87%	2.06%	Removed
SM 4	Return on marketing investment (ROMI) of TPB domestic and international marketing and promotions projects	(Benefit-Cost)/Cost ¹	10%	Actual/Target x Weight	n/a	n/a	125%	125%

Customer/Stakeholder

¹ Where: Benefit = values generated out of sales (eg. Tour packages sold, etc.); i.e. but does not include private sector participation fees paid to TPB)




Cost = project fund expended by TPB

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Component				Baseline			Target
Objective/Measure	Formula	Weight	Rating System	2013	2014	2015	2016
SM 5	Return on marketing investment (ROMI) of TPB marketing communications projects	Media Values/Media Spent ²	10%	Actual/Target x Weight	151%	n/a	130%
SO 2	Increase Number of Events						
SM 6	Implementation of Programmed Events based on the Board-approved Work Program		10%	Actual/Target x Weight	n/a	n/a	Average 90% achievement of all targets in the planned events
SO 3	Improve Customer Satisfaction Rating (electronic)						
SM 7	Satisfactory Rating (third party)		10%	Below Satisfactory = 0%	n/a	n/a	Satisfactory or its equivalent
	Sub-total		60%				
SO 4	Efficient Utilization of Corporate Operating Funds						
SM 8	Utilization of Corporate Operating Funds		10%	Actual/Target x Weight	84%	96%	90%
SO 5	Develop Supplemental Revenue Sources						
Financial							

² Where: Media values = impression, reach, etc. Media spent = cost paid for placements, etc.

		Component				Baseline				Target
	Objective/Measure	Formula	Weight	Rating System	2013	2014	2015	2016		
	SM 9	Revenues from TPB Business Development Initiatives	10%	Actual/Target x Weight	n/a	n/a	90% of targets	35% growth rate		
		Sub-total	20%							
Internal Process										
	SO 6	Develop a Marketing Plan Aligned with National Tourism Development Plan and DOT Priorities								
	SM 10	Board Approved Marketing Framework for 2016	10%	All or nothing	n/a	n/a	Board approved marketing framework	Establish and implement a monitoring and reporting system		
		Sub-total	10%							
Learning and Growth										
	SO 7	Professional Work Force								
	SM 11	Competency Profile of Positions	5%	Actual/Target x Weight	n/a	n/a	150 positions	Establish baseline		
	SO 8	Quality Management System								
	SM 12	ISO Certification	5%	All or nothing	n/a	n/a	ISO Certification	Maintain ISO Certification		
		Sub-total	10%							
			100%							

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Strategy Initiatives Profile (Annex C)

TOURISM PROMOTIONS BOARD

STRATEGIC INITIATIVES PROFILE

I. STRATEGIC INITIATIVE PROFILE I

1. **Name of Project:** Philippine Travel Exchange (PHITEX)
2. **Contact Person/Project Team Head:** Office of the Chief Operating Officer
3. **Project Description:** The Philippine Travel Exchange (PHITEX) is an annual trade event that is mainly characterized by business appointments between Philippine sellers and international buyers of travel products. For ten straight years, the TPB has been organizing the PHITEX in partnership with the Philippine Tour Operators Association, the Hotel Sales and Marketing Association, and airlines.
4. **Project Milestones:**

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Arrival of Buyer Participants	Sept. 1		₱4,350,000	Corporate Operating Budget	Programmed for 2016
Pre-Event Tours (Buyers only)			FOC		
Educational Seminar Plenary Session (Sellers only)			₱3,335,000		
Opening Ceremony of Travel Exchange (TRAVEX)			₱750,000		
Travel Exchange Session (B2B)			₱3,335,000		
Social Events			₱4,230,000		
Post-Event Tours (Buyers only)		Sept. 4	c/o Market Teams		
Total			₱16,000,000		

5. Measures Affected:

SM 1: International Visitors from the TPB Key Markets (12 key markets plus Overseas Filipinos)

SM 3: Implementation of Programmed Events based on the Board-approved Corporate Operating Budget and Work Program

SM 4: Satisfactory Rating (third party)

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SM 5: Utilization of Corporate Operating Budget (utilization = obligated treated as expense although no cash)

SM 6: ROMI of TPB domestic and international marketing and promotions projects

SM 7: ROMI of TPB marketing communications projects

SM 8: Revenues from TPB business development initiatives

SM 11: Functional Strategic Performance Management System (SPMS)

II. STRATEGIC INITIATIVE PROFILE II

1. Name of Project: MICE Conference (MICECON)

2. Contact Person/Project Team Head: Office of the Chief Operating Officer

3. Project Description: The TPB’s MICE Conference (MICECON) consolidates and strengthens all sectors involved in the M.I.C.E. industry as it provides the ideal platform for a comprehensive educational and trade program for Philippine M.I.C.E. and tourism practitioners.

4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Selection of Host Destination and/or Securing of Sponsorship/Partnership with Industry Stakeholders and Other Concerned Entities	March 2016		₱15,000,000	Corporate Operating Budget	Programmed for 2016
MICE Conference*	September 2016				
Total			₱15,000,000		

**Subject to confirmation of commitments from Host Destination and/or Partners.*

5. Measures Affected:

SM 1: International Visitors from the TPB Key Markets (12 key markets plus Overseas Filipinos)

SM 3: Implementation of Programmed Events based on the Board-approved Corporate Operating Budget and Work Program

SM 4: Satisfactory Rating (third party)

SM 5: Utilization of Corporate Operating Budget (utilization = obligated treated as expense although no cash)

SM 6: ROMI of TPB domestic and international marketing and promotions projects

SM 7: ROMI of TPB marketing communications projects

SM 8: Revenues from TPB business development initiatives

SM 11: Functional Strategic Performance Management System (SPMS)

III. STRATEGIC INITIATIVE PROFILE III

1. **Name of Project:** ASEAN Tourism Forum (ATF) 2016
2. **Contact Person/Project Team Head:** Office of the Chief Operating Officer
3. **Project Description:** ATF is a cooperative regional effort to promote the Association of Southeast Asian Nations (ASEAN) region as one tourist destination where Asian hospitality and cultural diversity are at its best. This annual event involves all the tourism industry sectors of ten (10) member nations of ASEAN. ATF also provides a platform for the selling and buying of regional individual tourism products of ASEAN member countries through the three-day TRAVEX event.

4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
ASEAN Tourism Conference and Investment Fair	20 January 2015		₱16,000,000	Corporate Operating Budget	Programmed for 2016
Government Meetings	18 to 20 January 2015				
Travel Exchange (TRAVEX)	20 to 22 January 2015				
Post-Tours	23 to 25 January 2015				
Total			₱16,000,000		

5. Measures Affected:

SM 1: International Visitors from the TPB Key Markets (12 key markets plus Overseas Filipinos)

SM 3: Implementation of Programmed Events based on the Board-approved Corporate Operating Budget and Work Program

SM 4: Satisfactory Rating (third party)

SM 5: Utilization of Corporate Operating Budget (utilization = obligated treated as expense although no cash)

SM 6: ROMI of TPB domestic and international marketing and promotions projects

SM 7: ROMI of TPB marketing communications projects

SM 8: Revenues from TPB business development initiatives

SM 11: Functional Strategic Performance Management System (SPMS)

IV. STRATEGIC INITIATIVE PROFILE IV

1. **Name of Project:** Visit the Philippines Again (VPA) 2016
2. **Contact Person/Project Team Head:** Milo S. Oropeza
3. **Project Description:** A retail-based campaign and communications handle for the country in 2016 to drive urgency & excitement among foreign travelers to visit the Philippines. It will feature various events/attractions in 2016 to push the country's tourism. It will also feature a rewards system for repeat-visitors that offers discounts in flights, accommodations, tours, packages upon presenting proof of previous visit. VPA 2016 will position the Philippines to deliver fun and unique travel experiences that will entice visitors to make them visit again.

4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Roadshows, Domestic Events, VPA 2016 Calendar of Events	Year-round		₱61,542,332	Corporate Operating Budget	Programmed for 2016
Total			₱61,542,332		

5. Measures Affected:

- SM 1:** International Visitors from the TPB Key Markets (12 key markets plus Overseas Filipinos)
- SM 2:** Number of TPB-assisted domestic and international activities held in the Philippines including won bids
- SM 3:** Implementation of Programmed Events based on the Board-approved Corporate Operating Budget and Work Program
- SM 4:** Satisfactory Rating (third party)
- SM 5:** Utilization of Corporate Operating Budget (utilization = obligated treated as expense although no cash)
- SM 6:** ROMI of TPB domestic and international marketing and promotions projects
- SM 7:** ROMI of TPB marketing communications projects
- SM 8:** Revenues from TPB business development initiatives
- SM 11:** Functional Strategic Performance Management System (SPMS)

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