



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 -

PHILIPPINE FISHERIES DEVELOPMENT AUTHORITY (PFDA)

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.** – PFDA's Charter Statement and OPIF Logframe for the Period specified in Section 1 hereof, shall be as follows:

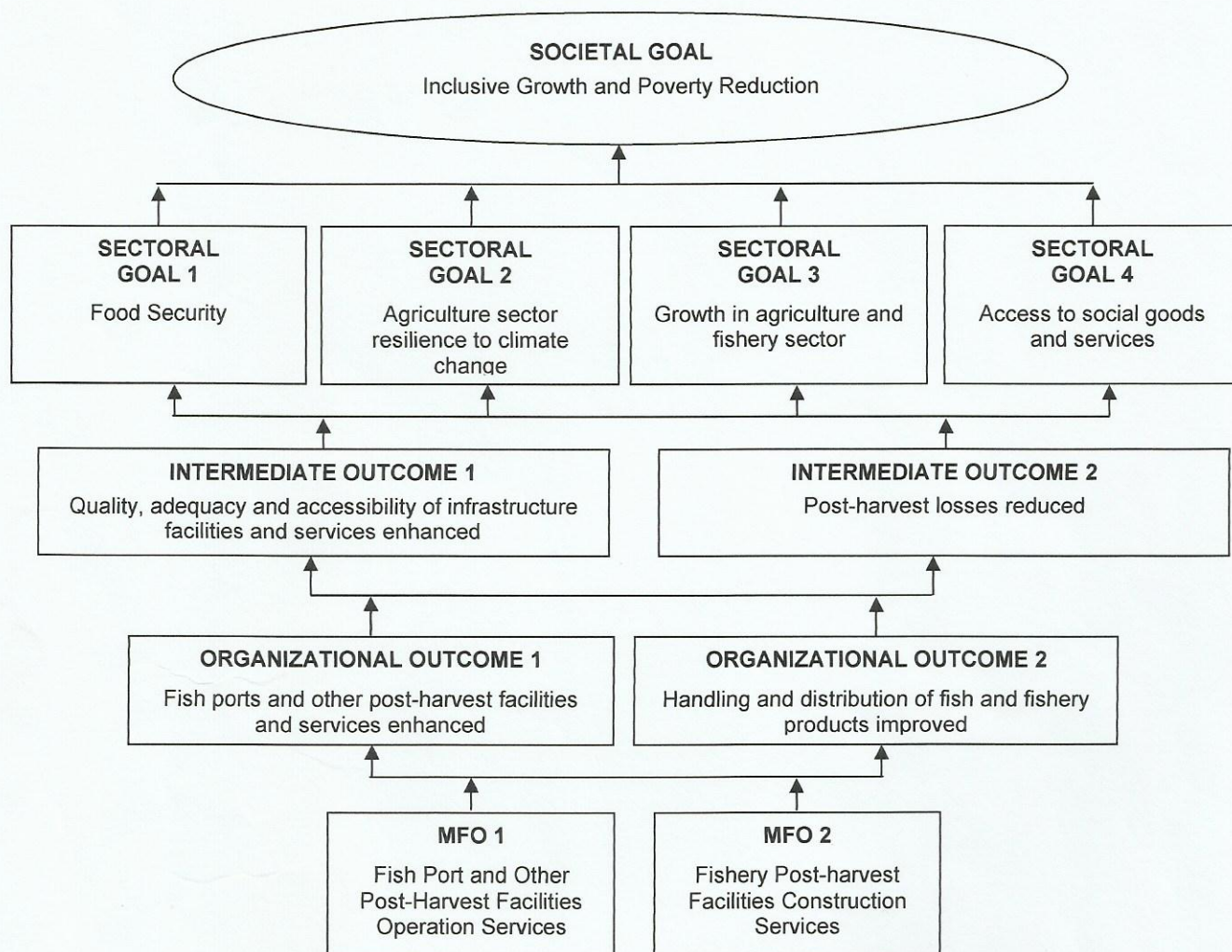
Mission:

- (i) To establish, operate and maintain strategic and globally competitive fishery post-harvest infrastructures and facilities, as well as provide market information and related services;
- (ii) To conduct operations prudently, providing viability and financial growth to assure continuous improvement of port facilities and delivery of service;
- (iii) To satisfy stakeholders' business needs with timely and quality service; and
- (iv) To work as a team with skill and dedication in an environment that ensures growth opportunities.

Vision: A dynamic and viable government corporation that provides services and contributes to the country's food security by supporting an environmentally sustainable and competitive fishing industry through technologically advanced post-harvest facilities and infrastructure.

Four handwritten signatures in blue ink, likely representing the representatives of the GCG and PFDA.

PFDA Logframe



3. **Measurement of Performance.** – Based on PFDA's Interim Performance Scorecard, attached hereto as **Annex A**, the evaluation of PFDA's performance for 2013-2014 shall be based on the following Measures/Performance Indicators and Annual Targets, to wit:

| | Performance Measures* | Weight | | Baseline | | | Annual Targets | |
|--|--|------------|------------|----------|-------|-------|----------------|-------|
| | | 2013 | 2014 | 2010 | 2011 | 2012 | 2013 | 2014 |
| MFO 1: Fish Port and Other Post-Harvest Facilities Operation Services | Quantity: No. of clients/port-users served | 10% | 10% | 4,902 | 5,021 | 5,963 | 6,500 | 7,000 |
| | Quality: Utilization of port facilities/assets | 35% | 35% | | | | | |
| | Landing quays/piers | 6% | 6% | 58% | 50% | 78% | 78% | 78% |
| | Market Hall | 6% | 6% | 80% | 82% | 81% | 81% | 83% |
| | Cold Storage | 6% | 6% | 77% | 45% | 68% | 52%** | 59%** |
| | Ice Making Plant | 8% | 8% | 62% | 66% | 74% | 88% | 89% |
| | Processing Areas | 4% | 4% | 50% | 56% | 60% | 60% | 60% |
| | Commercial/Industrial Areas | 5% | 5% | 42% | 45% | 49% | 49% | 49% |
| | Financial: Net income | 15% | 15% | 4.23 | 3.65 | 4.79 | 5.23 | 6.65 |
| Subtotal of Weights: | | 60% | 60% | | | | | |

| | | | | | | | | |
|---|---|------|----------|----------|----------|----------|----------|---------|
| MFO 2: Fishery Post-harvest Facilities Construction Services | Quantity 1: No. of construction projects | 15% | 15% | | | | | |
| | a) Started | 5% | 5% | 8 | 3 | 4 | 4 | 5 |
| | b) Completed | 10% | 10% | 13 | 4 | 4 | 6 | 5 |
| | Quantity 2: No. of project development studies conducted | 15% | 15% | | | | | |
| | a) Infra-assessment surveys | 5% | 5% | 28 | 86 | 36 | 50 | 70 |
| b) Feasibility Study | 10% | 10% | 3 | 4 | 12 | 18 | 21 | |
| Subtotal of Weights: | | 30% | 30% | | | | | |
| General Administration and Support Services (GASS) | Timeliness 1: Response time to project request/proposals | 4% | 4% | | | | | |
| | a) Letters, comments, etc. | 2% | 2% | 7 days | 7 days | 7 days | 5 days | 5 days |
| | b) Preliminary appraisal | 2% | 2% | 20 days | 20 days | 20 days | 15 days | 15 days |
| | Timeliness 2: Detailed Engineering studies completed on schedule*** | 6% | 6% | | | | | |
| | a) Less than P20M project cost | 3% | 3% | 105 days | 105 days | 105 days | 90 days | 90 days |
| b) More than P20M project cost | 3% | 3% | 145 days | 145 days | 145 days | 120 days | 120 days | |
| Subtotal of Weights: | | 10% | 10% | | | | | |
| | | 100% | 100% | | | | | |
| * See formulas and data provider on Annex B. | | | | | | | | |
| ** Decrease in targets in view of the on-going rehabilitation of the facilities | | | | | | | | |
| *** Measured in no. of days after fund transfer to PFDA | | | | | | | | |

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

4. **Strategic Initiatives.** – PFDA 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 B**, to wit:

- (a) Strategic Initiative 1 – Rehabilitation/Upgrading of the Navotas Fish Port Complex; and
- (b) Strategic Initiative 2 – Conversion of the Camaligan Fish Port (CFP) into a Satellite Port of a New Regional Fish Port Complex in Bicol Region.

The Commitment herein includes obtaining all necessary approvals, if applicable, such as those for Major Development Projects under GCG MC No. 2013-03. PFDA shall include updates on the foregoing Strategic Initiatives in its submission of quarterly monitoring reports (PES Form 3) to the GCG.

5. **Quarterly Submission of Performance Monitoring.** – PFDA 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 C**.
6. **Good Governance Conditions.** – In addition to the covered portions of the Performance Scorecard, PFDA must fully comply with the Good Governance Conditions enumerated under GCG MC No. 2013-02, namely:

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

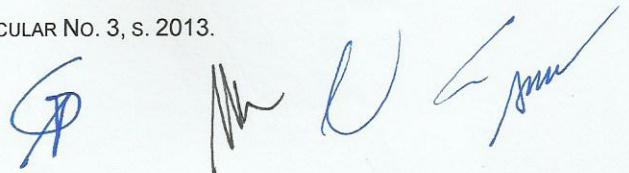
- (a) Transparency Seal;
- (b) PhilGEPS Posting;
- (c) Cash Advance Liquidation;
- (d) Citizen's Charter or its equivalent; and
- (e) Compliance with the submission and review requirements covering Statement of Assets, Liabilities and Net worth (SALN);¹

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 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.

7. PFDA hereby undertakes to have its Performance Scorecard rated by its customers and solicit feedback on how the same may be improved. PFDA 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 PFDA's Performance Scorecard, and shall be used solely as a reference by GCG and PFDA during Performance Agreement Negotiations/Renegotiations.

¹ See CIVIL SERVICE COMMISSION MEMORANDUM CIRCULAR NO. 3, s. 2013.



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 25 October 2013 in the City of Makati, Philippines.

**GOVERNANCE COMMISSION
FOR GOCCS**


BY AUTHORITY OF THE COMMISSION:


CESAR L. VILLANUEVA
Chairman

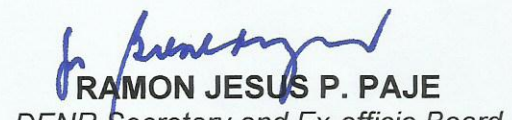

MA. ANGELA E. IGNACIO
Commissioner



RAINIER B. BUTALID
Commissioner

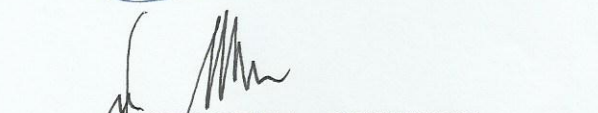
**PHILIPPINE FISHERIES
DEVELOPMENT AUTHORITY**

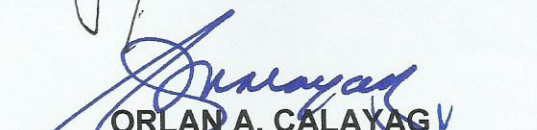

PROCESO J. ALCALA
DA Secretary and Ex-officio Chairman


EDUARDO M. CHU
General Manager


RAMON JESUS P. PAJE
DENR Secretary and Ex-officio Board Member


RAFAEL C. YABUT
Alternate of DPWH Secretary


GREGORY L. DOMINGO
DTI Secretary and Ex-officio Board Member


ORLAN A. CALAYAG
NFA Administrator and Ex-officio Board Member


ROBERTO N. DEL ROSARIO
Board Member

DEPARTMENT OF AGRICULTURE
in replying pls cite this code
For Signature: S-11-13-0455
Received : 11/29/2013 09:51 AM

PHILIPPINE FISHERIES DEVELOPMENT AUTHORITY

STRATEGIC INITIATIVES PROFILE

I. STRATEGIC INITIATIVE 1

1. Name of Project : Rehabilitation/Upgrading of the Navotas Fish Port Complex

**2. Contact Person/
Project Team Head** : Mr. Eduardo M. Chu, General Manager

3. Project Description : The project will rehabilitate and upgrade the aging facilities and equipment existing inside the Navotas Fish Port Complex (NFPC) in order to provide better service to its port users. At the same time, it will provide the needed/additional GMP-SSOP compliant fishery post-harvest infrastructure and facilities for the efficient handling, distribution and marketing, and preservation of fish and other agricultural products in support of the food security program of the National Government. Specifically, the project is aimed to establish an efficient fish port that provides technologically advanced post-harvest facilities infrastructures that will sustain business operation and become catalyst of growth for the fishing industry.

The PFDA will undertake the following activities:

- A. Establishment of Cold Storage;
- B. Rehabilitation of West Breakwater;
- C. Upgrading of Pier 4 & 5 and Provision of an area for other Fishery and Agri-based Industries;
- D. Upgrading of Port Facilities and Utilities:
 - > Construction of New South Market Hall
 - > Construction of New North Market Halls
 - > Upgrading of Major Road Network
- E. Upgrading and Strengthening of Landing Quay from South Market to Pier 1
- F. Installation of Waste Water Treatment Facility

It is anticipated that the project will benefit the major fish producers, fish dealers/brokers, fish buyer/sellers and other port users/clients, fuel depot operator, ice vendors operating inside and in the vicinity of NFPC including the general public.

The proposed project has a total estimated cost of about P 2.70 Billion or US\$ 61.30 Million and is proposed to be financed either by Overseas Development Assistance (ODA) or local funds.

4. Milestones

| Activities | Timeline (Target Duration) | Budget | Funding Source | Status |
|---|----------------------------------|--------|-------------------|---|
| 1. Re-Endorsement of the Project in the agenda to the NEDA Board for confirmation of ICC-TB and ICC-CB Approval | 3 weeks | N/A | N/A | Re-evaluation of the action taken by PFDA to the NEDA Board directives by the ICC Core Secretariat is on-going. |
| 2. NEDA Board Approval | 10 wd | N/A | N/A | |

If ODA Funding:

| | | | | |
|---|-----------------------|----------------------|------------------------|--|
| 3. Pre-Procurement, Bidding and Pre-Bid Conference | 90 cd | N/A | N/A | |
| 4. Evaluation of Bids | 18 wd | N/A | N/A | |
| 5. Approval of Award of Contract by PFDA Board and Issuance of Notice of Award | 5 wd | N/A | N/A | |
| 6. Submission of the following docs.: ➤ Credit Line or Cash Deposit ➤ Performance Security | 5 wd | N/A | N/A | |
| 7. Preparation of commercial contract | 5 wd | N/A | N/A | |
| 8. Approval/Signing of the Commercial Contract | 5 wd | N/A | N/A | |
| 9. Secure Full Powers from the Office of the President in the loan negotiation/signing of Individual Loan Agreement (ILA) and Monetary Board Approval | 10 wd | N/A | N/A | |
| 10. Endorsement of signed Commercial Contract to DOF to facilitate processing of ILA | 2 wd | N/A | N/A | |
| 11. Loan negotiation and approval/signing of ILA | 10 wd | N/A | N/A | |
| 12. Secure DOJ Legal Opinion on the ILA | 5 wd | N/A | N/A | |
| 13. Request for FOA & MYOA, SARO/NCA from DBM | 20 wd | N/A | N/A | |
| 14. Request processing of the 5% Down payment from DBM | 15 wd | N/A | N/A | |
| 15. Issuance of Notice to Proceed | 5 wd | N/A | N/A | |
| 16. Project Implementation: ➤ Detailed Engineering Design ➤ Construction | 8 months 36 months | ₱ 327.6 M ₱ 2.4 B | Local Fund ODA Fund | |

If Local Funding :

| Activities | Timeline (Target Duration) | Budget | Funding Source | Status |
|--|----------------------------------|----------|-------------------|--------|
| 3. Request from DBM for realignment of Fund from Foreign Fund to Local Fund | 20 wd | N/A | N/A | |
| 4. Request for release of Budget (SARO/NCA) from DBM | 20 wd | N/A | N/A | |
| 5. Pre-Procurement, Bidding and Pre-Bid Conference of Consultancy Services for the Project Eng'g Design | 90 cd | N/A | N/A | |
| 6. Evaluation of Bids | 18 wd | N/A | N/A | |
| 7. Approval of Award of Contract by PFDA Board and Issuance of Notice of Award | 5 wd | N/A | N/A | |
| 8. Implementation of the Detailed Engineering Design | 8 mos. | ₱ 83.0 M | Local Fund | |
| 9. Pre-Procurement, Bidding and Pre-Bid Conference of Consultancy Services for the Project Implementation | 90 cd | N/A | N/A | |
| 10. Evaluation of Bids | 18 wd | N/A | N/A | |
| 11. Approval of Award of Contract by PFDA Board and Issuance of Notice of Award | 5 wd | N/A | N/A | |
| 12. Issuance of Notice to Proceed | 5 cd | N/A | N/A | |
| 13. Implementation of Project Construction | 36 mos. | ₱ 2.1 B | Local Fund | |

II. STRATEGIC INITIATIVE 2

1. **Name of Project** : Conversion of the Camaligan Fish Port (CFP) into a Satellite Port of a New Regional Fish Port Complex in Bicol Region
2. **Contact Person/
Project Team Head** : Mr. Eduardo M. Chu, General Manager
3. **Project Description** : The Project was conceived as a result of the Post-Evaluation Study conducted for the CFP in 2008 that was revalidated after 5 years. The study revealed that after 22 year's of existence, the original CFP had partially achieved its envisioned objectives and its targeted effects and had

manifested little impact on the fishing industry of the landlocked municipality of Camaligan and to the local economy as a whole. Also, port operations were met by setbacks attributed to the peculiar location of the fish port (built about 23 kilometers upstream from the mouth of the Bicol river), high and unstable fuel and oil prices, depleting resources in the area and the like. The study further revealed that the financial position of the port was projected to be gloomy and would not improve given the abovementioned limitations and magnitude of port operation. This, therefore, calls for the downsizing of the CFP from a regional fish port into a satellite port of a new and viable regional fish port complex which is still to be identified in Region V.

4. Milestones

| Activities | Timeline | | Budget | Funding Source | Status |
|--|-----------------|-----------------|--------|--|---------|
| | Target Duration | | | | |
| 1. Conduct of Post-Evaluation Study | Jul 2013 | Mid-Dec 2013 | | Local Funds (DA/BFAR) | Ongoing |
| 2. Presentation of Study Results to Top Management | Mid-Dec 2013 | End of Dec 2013 | | | |
| 3. Presentation of Study Results to the PFDA Board for Approval | Jan 2014 | End of Jan 2014 | | | |
| 4. Preparation of Action Plan for Downsizing of CFP into a Satellite Fish Port | Feb 2014 | End of Feb 2014 | | | |
| 5. Implementation of Action Plan for the Conversion of CFP Into a Satellite Fish Port | Mar 2014 | End of Mar 2014 | | | |
| 6. Identification of New Regional Fish Port in the Bicol Region based on Assessment Studies conducted for Region 5 | Mar 2014 | End of Mar 2014 | | | |
| 7. Conduct of Feasibility Study for the New Regional Fish Port | 4months | | | Local Funds (DA/BFAR) | |
| 8. Preparation of Masterplan/Detailed Engineering Design | 90-120 days | | | | |
| 9. Conduct of Public Bidding/Awarding of contract | 6 months | | | | |
| 10. Construction of the Regional Fish Port | 1-2 years | | | To be included in the preparation of budget for 2015 | |
| 11. Pre-Operationalization of the New Regional Fish Port | 1-2 months | | | | |
| 12. Operation of the Regional Fish Port | | | | | |

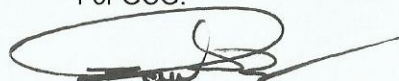
Philippine Fisheries Development Authority (PFDA)

Interim Performance Scorecard 2013-2014

| Performance Measures | | | | | Baseline Data | | | Targets | |
|--|--|---|--------|---------------------------------------|---------------|----------|----------|----------|----------|
| Description | | Formula | Weight | Data Provider | 2010 | 2011 | 2012 | 2013 | 2014 |
| MFO 1 : Fish Port and Other Post-Harvest Facilities Operation Services | | | | | | | | | |
| Quantity | Number of clients/port-users served | Σ Clients | 10% | PFDA Operating Units | 4,902 | 5,021 | 5,963 | 6,500 | 7,000 |
| Quality | Utilization of port facilities/assets | | 35% | | | | | | |
| | Landing quays/piers | Capacity used Actual Rated Capacity | 6% | PFDA Operating Units | 58% | 50% | 78% | 78% | 78% |
| | Market Hall | | 6% | | 80% | 82% | 81% | 81% | 83% |
| | Cold Storage | | 6% | | 77% | 45% | 68% | 52%* | 59%* |
| | Ice Making Plant | | 8% | | 62% | 66% | 74% | 88% | 89% |
| | Processing Areas | | 4% | | 50% | 56% | 60% | 60% | 60% |
| | Commercial/Industrial Areas | | 5% | | 42% | 45% | 49% | 49% | 49% |
| Financial | Net income | Gross Income – Total Expenses | 15% | PFDA Operating Units & Central Office | 4.23 | 3.65 | 4.79 | 5.23 | 6.65 |
| Subtotal of Weights: | | | 60% | | | | | | |
| MFO 2 : Fishery Post-harvest Facilities Construction Services | | | | | | | | | |
| Quantity 1 | Number of construction projects | Σ Projects started/ completed | 15% | PFDA Central Office | | | | | |
| | 1. Started | | 5% | | 8 | 3 | 4 | 4 | 5 |
| | 2. Completed | | 10% | | 13 | 4 | 4 | 6 | 5 |
| Quantity 2 | Number of project development studies conducted | Σ Projects development studies conducted | 15% | PFDA Central Office | | | | | |
| | 1. Infra-assessment surveys | | 5% | | 28 | 86 | 36 | 50 | 70 |
| | 2. Feasibility Study | | 10% | | 3 | 4 | 12 | 18 | 21 |
| Subtotal of Weights: | | | 30% | | | | | | |
| General Administration and Support Services (GASS) | | | | | | | | | |
| Timeliness 1 | Response time to project request/proposals | Average response time | 4% | PFDA Central Office | | | | | |
| | a) Letters, comments, etc. | | 2% | | 7 days | 7 days | 7 days | 5 days | 5 days |
| | b) Preliminary appraisal | | 2% | | 20 days | 20 days | 20 days | 15 days | 15 days |
| Timeliness 2 | Detailed Engineering studies completed on schedule (measured in no. of days after fund transfer to PFDA) | Average response time | 6% | PFDA Central Office | | | | | |
| | a) Less than P20 M project cost | | 3% | | 105 days | 105 days | 105 days | 90 days | 90 days |
| | b) More than P20 M project cost | | 3% | | 145 days | 145 days | 145 days | 120 days | 120 days |
| Subtotal of Weights: | | | 10% | | | | | | |
| TOTAL OF WEIGHTS: | | | 100% | | | | | | |

* Decrease in targets in view of the on-going rehabilitation of the facilities

For GCG:



RAINIER B. BUTALID
Commissioner, GCG

For PFDA:



EDUARDO M. CHU
General Manager, PFDA