



14 September 2020

ATTY. ARTHUR P. TUGADE

Chairman and DOTr Secretary

CAPT. JIM C. SYDIONGCO

Director General (DG)

CIVIL AVIATION AUTHORITY OF THE PHILIPPINES (CAAP)

MIA Road cor. Ninoy Aquino Avenue

**RE : VALIDATION RESULT OF CAAP'S
2019 PERFORMANCE SCORECARD**

Dear Sec. Tugade and DG Sydiongco,

This is to formally transmit the validation result of CAAP's 2019 Performance Scorecard. Based on the Governance Commission's validation of the GOCC's documentary submissions, CAAP gained an overall score of **79.67%** (See **Annex A**). The same is to be posted in CAAP's website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.¹

In relation to the grant of 2019 PBB to eligible officers and employees, CAAP fails to satisfy the requirements of GCG M.C. No. 2019-02,² particularly the achievement of a weighted-average score of at least 90% in its 2019 Performance Scorecard. In this regard, the Board is reminded that any unilateral action to release the PBB will be considered as a violation of the Board's fiduciary duty to protect the assets of the GOCC as provided under Section 19 of Republic Act No. 10149.³

Consequently, pursuant to GCG M.C. No. 2018-04,⁴ failure to qualify for the PBB means that the Appointive Members of the Governing Board of CAAP shall not be qualified to receive the Performance-Based Incentive (PBI).

FOR CAAP'S INFORMATION AND GUIDANCE.

Very truly yours,

SAMUEL G. DAGPIN, JR.

Chairman

MICHAEL P. CLORIBEL

Commissioner

MARITES C. DORAL

Commissioner

cc: COA Resident Auditor – CAAP

¹ Code of Corporate Governance for GOCCS, dated 28 November 2012.

² Interim Performance-Based Bonus (PBB).

³ GOCC Governance Act of 2011.

⁴ Interim Performance-Based Incentive (PBI) System for Appointive Directors of GOCCs covered by GCG for 2016 and for the Years Thereafter.

CIVIL AVIATION AUTHORITY OF THE PHILIPPINES (CAAP)
Validated 2019 Performance Scorecard

		Component				CAAP Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure		Formula	Rating Scale ^{a/}	Weight	Target	Actual	Rating	Actual	Rating			
SOCIAL IMPACT	SO 1	Aviation Safety and Security										
		<i>International Civil Aviation Organization (ICAO) Standards Maintained</i>										
		a. Enhance Safety Oversight Capability to Achieve a Universal Safety Oversight Audit Programme (USOAP) - Effective Implementation (E.I.) Score higher or equal to the Global Average by 2022	Actual Accomplishment	Actual/Target x Weight	5%	Higher than the Global Average as of 31 December 2019	E.I. Score: 70.52% Global Average: 67.83%	-	E.I. Score: 70.52% Global Average: 68.78%	5%	- State Safety Briefing (SSB) Report for the Philippines in Regional Aviation Safety Groups – Asia Pacific (RASG-APAC) [automatically Generated by ICAO/ANB] accessed by CAAP on 19 June 2020.	The Global Average E.I. increased from 67.83% to 68.78% as of end of 2019. The Philippines' E.I. Score of 70.52% is still higher than the Global Average, thereby achieving the target for the year.
	SM 1	b. Implement an Effective State Safety Program (SSP)	Actual Accomplishment	Actual/Target x Weight	5%	Achieve Level 3: Implementation of GAP Analysis	Level 2	-	Level 2	0%		CAAP failed to reach Level 3 for 2019. However, the current Level 2 progress rate of 42.9% is an improvement from the 2018 progress rate of 38.2%.
	c. Absence of Significant Safety Concerns (SSCs) under the USOAP Continuous Monitoring Approach (CMA), and Resolve any future SSCs within the time frame agreed with ICAO	Actual Accomplishment	Actual/Target x Weight	5%	0 SSCs	0 SSCs	-	0 SSCs	5%	SSCs indicate that a State is not providing sufficient safety oversight to ensure effective implementation of applicable ICAO Standards. The Philippines had no SSCs in 2019.		

	Component					CAAP Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure		Formula	Rating Scale ^{a/}	Weight	Target	Actual	Rating	Actual			Rating
	d. Certify All Aerodromes used for International Operations by 2020		Actual Accomplishment	Actual/Target x Weight	5%	8 of 12 International Airports Certified	Target changed to 5 of 8 International Airports Certified	-	6 out of 8 International Airports Certified	5%	<p>- ICAO official notice of change dated 8 January 2020</p> <p>- Memorandum from Acting Chief of CAAP-AANSOO listing the certification status of various international airports on Aerodrome Certification for 2019</p>	<p>Through CAAP's request, the ICAO reduced the number of Philippine Int'l. airports to be certified from a total of 12 down to 8.</p> <p>Of these, the following have Aerodrome Certifications as of end of 2019:</p> <ol style="list-style-type: none"> 1. Ninoy Aquino International Airport (Manila) 2. Mactan Cebu International Airport (Cebu) 3. Francisco Bangoy International Airport (Davao) 4. Clark International Airport (Pampanga) 5. Laoag International Airport (Ilocos Norte) 6. Iloilo International Airport
	Sub-total				20%			-		15%		
CUSTOMERS & STAKEHOLDERS	SO 2	Reliable Service to Stakeholders										
	SM 2	Percentage of Satisfied Customers	Number of respondents who gave at least a Satisfactory rating / Total number of respondents	Actual / Target x Weight <i>0% = If less than 80%</i>	4%	90%	Final score of 85.5% Satisfactory Rating	-	85.50%	3.80%	<p>- 2019 Customer Satisfaction Survey for the CAAP (Final Report) by the Development Academy of the Philippines [DAP]</p> <p>- Sample accomplished survey questionnaires</p>	Of the total respondents of 4,215 from all the customer segments, 3,604 (85.50%) provided at least a satisfactory rating.
		Sub-total				4%			-		3.80%	

	Component					CAAP Submission		GCG Validation		Supporting Documents	Remarks																				
	Objective/Measure	Formula	Rating Scale ^{a/}	Weight	Target	Actual	Rating	Actual	Rating																						
	SO 3	Improved Financial Viabili																													
FINANCIAL	SM 3	Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	Actual Accomplishment (in Million Pesos)	Actual / Target x Weight	15%	4,420 (in Million Pesos)	5,254 Million	-	5,203 Million	15%	- CAAP Unaudited 2019 Financial Statements as submitted to the Commission of Audit (COA)	<table border="1"> <thead> <tr> <th>Items</th> <th>In '000 (₱)</th> </tr> </thead> <tbody> <tr> <td>Net Income (before Subsidy)</td> <td>2,285,954</td> </tr> <tr> <td>Income Taxes</td> <td>958,120</td> </tr> <tr> <td>Depreciation</td> <td>1,959,297</td> </tr> <tr> <td>EBITDA</td> <td>5,203,371</td> </tr> </tbody> </table>	Items	In '000 (₱)	Net Income (before Subsidy)	2,285,954	Income Taxes	958,120	Depreciation	1,959,297	EBITDA	5,203,371									
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SM 4	Gross Income		Actual / Target x Weight	15%	10,2600 (in Million Pesos)	10,388 Million	-	10,388 Million	15%	<table border="1"> <thead> <tr> <th>Items</th> <th>In '000 (₱)</th> </tr> </thead> <tbody> <tr> <td>Service Rev.</td> <td>255,826</td> </tr> <tr> <td>Business Rev.</td> <td>10,131,954</td> </tr> <tr> <td>GROSS INCOME</td> <td>10,387,780</td> </tr> </tbody> </table>	Items	In '000 (₱)	Service Rev.	255,826	Business Rev.	10,131,954	GROSS INCOME	10,387,780													
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FINANCIAL	SM 5	Budget Utilization Rate	Budget Obligated / Total Budget for Infrastructure Projects and Repair and Maintenance	Actual / Target x Weight	10%	80%	44.49%	-	51.93%	6.49%	- List of Awarded Infra Projects and Repairs and Maintenance (R&M) Projects prepared by CAAP's Budget Division	<table border="1"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="3">Amount (in billions)</th> </tr> <tr> <th>COB</th> <th>Obligated</th> <th>BUR</th> </tr> </thead> <tbody> <tr> <td>Infra</td> <td>1.826</td> <td>.813</td> <td>44.49%</td> </tr> <tr> <td>R&M</td> <td>.622</td> <td>.459</td> <td>73.79%</td> </tr> <tr> <td>TOTAL</td> <td>2.448</td> <td>1.271</td> <td>51.93%</td> </tr> </tbody> </table>	Item	Amount (in billions)			COB	Obligated	BUR	Infra	1.826	.813	44.49%	R&M	.622	.459	73.79%	TOTAL	2.448	1.271	51.93%
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		Sub-total			40%			-		36.49%																					
INTERNAL PROCESS	SO 4	Established Quality Management System																													
	SM 6	ISO Certification	Actual Accomplishment	All or Nothing	4%	ISO 9001:2015 Certification	1. Quality Manual; and 2. Fifteen (15) Preparatory Activities, including Readiness Assessment	-	1. Quality Manual 2. 15 Preparatory Activities, including Readiness Assessment	0%	- Readiness Assessment Report on CAAP's Quality Management System prepared by the DAP	CAAP failed to acquire an ISO 9001:2015 Certification in 2019 but was already regarded by Development Academy of the Philippines (DAP) as " certifiable ".																			

	Component					CAAP Submission		GCG Validation		Supporting Documents	Remarks			
	Objective/Measure	Formula	Rating Scale ^{a/}	Weight	Target	Actual	Rating	Actual	Rating					
INTERNAL PROCESS	<i>Improved Processing of Licenses and Registrations</i>													
	SM 7	<i>a. Pilot Licenses</i>												
		<i>New</i>	No. of issuances made within the prescribed time** / No. of applications x 100	Actual / Target x Weight	2.0%	100%	91.21%	–	91.21%	1.82%	Signed Summary Report prepared by Capt. Huberto E. Ramos, OIC – Licensing and Certification Department	Within prescribed time	Total Applications	%
		<i>Renewed</i>			2.0%	100%	98.19%	–	98.19%	1.96%		Within prescribed time	Total Applications	%
		<i>b. Mechanic Licenses</i>												
	<i>New</i>	No. of issuances made within the prescribed time / No. of applications x 100	Actual / Target x Weight	2.0%	100%	92.38%	–	92.38%	1.85%	Signed Summary Report prepared by Capt. Huberto E. Ramos, OIC – Licensing and Certification Department	Within prescribed time	Total Applications	%	
	<i>Renewed</i>			2.0%	100%	96.64%	–	96.64%	1.93%		Within prescribed time	Total Applications	%	
	<i>c. Aircraft Certificate of Registration (COR)</i>													
<i>New</i>	No. of issuances made within the prescribed time / No. of applications x 100	Actual / Target x Weight	2.0%	100%	85.15%	–	85.15%	1.70%	Signed Summary Report prepared by Capt. Huberto E. Ramos, OIC – Licensing and Certification Department	Within prescribed time	Total Applications	%		
<i>Renewed</i>			2.0%	100%	99.48%	–	99.48%	1.99%		Within prescribed time	Total Applications	%		

** Subject to compliance with Republic Act 11032: “An Act Promoting Ease of Doing Business and Efficient Delivery of Government Services, Amending for the Purpose Republic Act No. 9485, Otherwise Known as the Anti-Red Tape Act of 2007, and for Other Purposes”, signed 28 May 2018.

	Component					CAAP Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure	Formula	Rating Scale ^{a/}	Weight	Target	Actual	Rating	Actual	Rating		
SO 5	Efficient Management of Airspace										
SM 8	a. Transitioning from Aeronautical Information Service (AIS) to Aeronautical Information (AIM) System	Actual Accomplishment	Actual/Target x Weight	4%	State AIS AIM Accomplishments (10 out of 21)	State AIS AIM Accomplishments (10 out of 21)	-	State AIS AIM Accomplishments (10 out of 21)	4%	- Report on AIS to AIM Tracking Status Update prepared by Ms. Alicia Bagot, Faculty-in-charge of CAAP's AIS Operations	CAAP is on track in its targets on the AIS to AIM Roadmap.
	b. Performance Based Navigation (PBN) Implementation	Actual Accomplishment	Actual/Target x Weight	4%	Established PBN Procedures in 20 instrument airports (international & domestic)	19/20 airports PBN completed	-	Established PBN Procedures in nineteen (19) instrument airports	3.80%	- Certification from the Division Chief of Airspace and Flight Procedure Design Division - Illustrative graphics of the PBN procedures for the 19 airports.	In 2019, instrument flight procedures adhering to the criteria of PBN have been established in 8 international airports and 11 domestic airports.
	c. Implementation of CNS/ATM - Communication Navigation/Air Traffic Management	Actual Accomplishment	Actual/Target x Weight	4%	100% Completion of 6 CNS/ATM Transition Activities	100% Completion of 6 CNS/ATM Transition Activities	-	100% Completion of five (5) CNS/ATM Transition Activities	3.33%	- Signed Timeline with details of the Transition Activities prepared by various offices in charge - Copy of AIRAC AIP Supplement A022 - Letters of Agreement on Application of AIDC	The transition activities completed in 2019 are listed as follows: <ul style="list-style-type: none"> • Migration of Mactan Sub-ACC • Implementation of ADS-C/ CPDLC West Pacific • Implementation of ADS-C/ CPDLC West Philippine Sea • Implementation of 50 nautical miles reduced separation on airway POTIB M646; and • AIDC Operational implementation for Indonesia, Singapore, Hong Kong and Taipei

	Component					CAAP Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Rating Scale ^{a/}	Weight	Target	Actual	Rating	Actual	Rating			
	d. Enhanced Surveillance Capability including Automatic Dependent Surveillance-Broadcast (ADS-B) Technology	Actual Accomplishment	Actual/Target x Weight	4%	ADS-B Ground Stations (2 out of 6)	ADS-B Ground Stations (2 out of 6)	-	One (1) ADS-B Ground Stations	2%	- Minutes of CAAP BAC Meeting dated 20 February 2020 - Certification on ADS-B Ground Station in CAAP's Air Traffic Management Center (ATMC)	Apart from the one ADS-B Ground Station installed in the ATMC from 2018, CAAP also has an ADS-B installed in Bataraza, Palawan through a collaboration agreement with CAA Singapore. However, this Ground Station is not yet integrated into the ATM Automation System as of 2019.	
	Sub-total			28%			-		24.38%			
LEARNING AND GROWTH	SO 6	Enhanced Personnel Effectivity and Productivity										
	SM 9	Percentage of Employees Meeting Required Competencies	Actual Accomplishment	All or Nothing a. 2% b. 2%	4%	a. Board-Approved Competency Model b. Establish Baseline	HRMD to harmonize Competency Assessment with the Re-org	-	No Competency Model approved by CAAP board and baseline was not established.	0%	- Technical and Financial Proposal on the Competency Framework Phase 1 for CAAP by the DAP	Despite collaboration and efforts with DAP in 2019, CAAP was not able to craft its Competency Model due to time constraints. The baseline on percentage of employees meeting required competencies was thus not established.
		Sub-total			4%			-		0%		
	VALIDATED TOTAL			100%			-		79.67%			

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