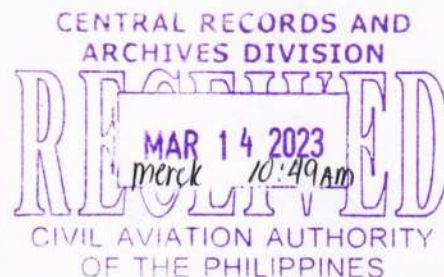




28 February 2023

HON. JAIME J. BAUTISTA
 Chairman and DOTr Secretary
CAPTAIN MANUEL ANTONIO LARA TAMAYO
 Acting Director General (DG)
CIVIL AVIATION AUTHORITY OF THE PHILIPPINES (CAAP)
 MIA Road, Pasay City



**RE: VALIDATION RESULT OF CAAP'S
2021 PERFORMANCE SCORECARD**

Dear Sec. Bautista and Acting DG Tamayo,

This is to formally transmit the validation result of CAAP's 2021 Performance Scorecard. Based on the Governance Commission's validation of the CAAP's documentary submissions, CAAP obtained an overall score of **55.92%** (See **Annex A**). The same is to be posted on CAAP website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.¹

In relation to the grant of the 2021 Performance-Based Bonus (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 2021 Performance Scorecard. In this regard, the Governing Board is reminded that any unilateral action to release the PBB will be considered a violation of its 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. 2021-01,⁴ 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).

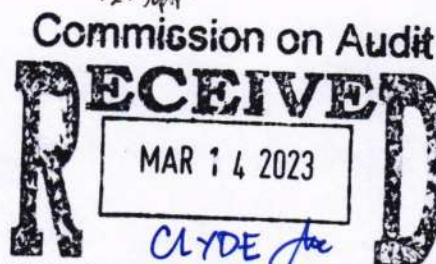
FOR CAAP'S INFORMATION AND GUIDANCE.

Very truly yours,

Justice ALEX L. QUIROZ (ret.)

Chairperson
 MAR 10 2023
 12:30pm

cc: COA Resident Auditor – CAAP



Civil Aviation Authority of the Philippines

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 Incentives (PBI) System for the Appointive Directors of GOCCs covered by GCG for FY 2020 and for the years thereafter dated 28 January 2021.

**CIVIL AVIATION AUTHORITY OF THE PHILIPPINES (CAAP)
Validated 2021 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	Standard Aviation Safety and Security										
		<i>International Civil Aviation Organization (ICAO) Standards Maintained</i>										
		a. Universal Safety Oversight Audit Programme (US OAP) - Effective Implementation (E.I.) Score	Actual Percentage	All or Nothing	5%	Higher than the Global Average	Higher than the Global Average (70.52%)	-	Higher than the Global Average (70.52%)	5.00%	- 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 17 January 2022.	The Global Average E.I. increased from 68.85% to 70.52% as of end of 2021. The Philippines' E.I. Score of 70.52% is still higher than the Global Average (69.36%).
	SM 1	b. Effective State Safety Program (SSP) Level	Actual Accomplishment	All or Nothing	5%	Level 3: Implementation of GAP Analysis (Improvement from 2020)	Accomplished 5% (for 2021 4 th quarter) implementation based on the gaps from Gap Analysis	-	Level 3 (2.4%)	0.00%		CAAP is still at SSP Level 3 in 2021 at 2.4% progress rate which is the same as that of 2020 (no improvement).
	c. Absence of Significant Safety Concerns (SSCs)	Actual Accomplishment	All or Nothing	5%	0 SSCs	0 SSCs	-	0 SSCs	5.00%	SSCs indicate that a State is not providing sufficient safety oversight to ensure the effective implementation of applicable ICAO Standards. The Philippines maintained zero (0) SSCs as of 2021.		

	Component					CAAP Submission		GCG Validation		Supporting Documents	Remarks																																										
	Objective/Measure	Formula	Rating Scale ^{a/}	Weight	Target	Actual	Rating	Actual	Rating																																												
SM 1	d. Percentage of International Airports with Aerodrome Certification	Number of International Airports with Aerodrome Certification/ Total Listed International Airports	Actual/ Target	5%	100% International Airports Certified (9 out of 9)	100% 9 out of 9 International Airports Certified	-	100% 9 out of 9 International Airports Certified	5.00%	- Memorandum from Acting Chief of CAAP-AANSOO on the Current Status of Airports with International Operations - Copies of Aerodrome Certificates	As of end of 2021, all 9 int'l. airports have been certified: 1. Mactan-Cebu Int'l Airport 2. Davao Int'l Airport 3. Clark Int'l Airport (Pampanga) 4. Iloilo Int'l Airport 5. Laoag Int'l Airport 6. Ninoy Aquino Int'l Airport (Manila) 7. Puerto Princesa Int'l Airport 8. Kalibo Int'l Airport 9. Bohol Panglao Int'l Airport																																										
Sub-total				20%			-		15.00%																																												
SO 2 Reliable Service to Stakeholders																																																					
CUSTOMERS & STAKEHOLDERS	SM 2	Percentage of Satisfied Customers	Number of respondents who gave at least a Satisfactory rating / Total number of respondents	Actual / Target 0% = If less than 80%	Using the Enhanced Guidelines for the Conduct of the CSS prescribed by the GCG							2021 CAAP CSS Final Report	<table border="1"> <thead> <tr> <th></th> <th colspan="2">Concessionaires</th> <th colspan="2">Local Airport Authorities</th> </tr> <tr> <th>Rating</th> <th>No.</th> <th>%</th> <th>No.</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>VS</td> <td>220</td> <td>46.51%</td> <td>40</td> <td>40%</td> </tr> <tr> <td>S</td> <td>215</td> <td>45.45%</td> <td>20</td> <td>20%</td> </tr> <tr> <td>N</td> <td>30</td> <td>6.34%</td> <td>40</td> <td>40%</td> </tr> <tr> <td>D</td> <td>7</td> <td>1.48%</td> <td>0</td> <td>0%</td> </tr> <tr> <td>VD</td> <td>1</td> <td>0.21%</td> <td>0</td> <td>0%</td> </tr> <tr> <td>Total</td> <td>473</td> <td>100%</td> <td>100</td> <td>100%</td> </tr> </tbody> </table>		Concessionaires		Local Airport Authorities		Rating	No.	%	No.	%	VS	220	46.51%	40	40%	S	215	45.45%	20	20%	N	30	6.34%	40	40%	D	7	1.48%	0	0%	VD	1	0.21%	0	0%	Total	473	100%	100	100%
		Concessionaires			Local Airport Authorities																																																
	Rating	No.			%	No.	%																																														
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VD	1	0.21%	0	0%																																																	
Total	473	100%	100	100%																																																	
	a. Passengers	3%	Excluded	Excluded	-	Excluded	-																																														
	b. Concessionaires	1%	90%	92.01%	-	92.01%	1%																																														
	c. Local Airport Authorities	1%	90%	60.00%	-	60.00%	0%																																														
Sub-total				5%			-		1.00%																																												

	Component					CAAP Submission		GCG Validation		Supporting Documents	Remarks								
	Objective/Measure	Formula	Rating Scale ^{a/}	Weight	Target	Actual	Rating	Actual	Rating										
SO 3 Improved Financial Viability																			
FINANCIAL	SM 3	Gross Income	Business Revenue + Service Revenue + Interest Income	Actual / Target	10%	6.209 Billion	2.898 Billion	-	2.928 Billion	4.67%	<table border="1"> <thead> <tr> <th>Items</th> <th>In '000 (P)</th> </tr> </thead> <tbody> <tr> <td>Service Rev</td> <td>136,590.99</td> </tr> <tr> <td>Business Rev</td> <td>2,791,601.30</td> </tr> <tr> <td>2021 Gross Income</td> <td>2,928,192.29</td> </tr> </tbody> </table>	Items	In '000 (P)	Service Rev	136,590.99	Business Rev	2,791,601.30	2021 Gross Income	2,928,192.29
	Items	In '000 (P)																	
	Service Rev	136,590.99																	
Business Rev	2,791,601.30																		
2021 Gross Income	2,928,192.29																		
SM 4	Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	Net Income + Interest + Taxes + Depreciation + Amortization	10%	0.712 Billion	0.690 Billion	-	(1.947 Billion)	0%	- 2021 COA-audited Financial Statements (FS) - Notes to 2021 FS <table border="1"> <thead> <tr> <th>Items</th> <th>In '000 (P)</th> </tr> </thead> <tbody> <tr> <td>Net (Loss)</td> <td>(3,069,231)</td> </tr> <tr> <td>Income Taxes</td> <td>57,834</td> </tr> <tr> <td>Dep'n.</td> <td>1,064,772</td> </tr> <tr> <td>EBITDA</td> <td>(1,946,625)</td> </tr> </tbody> </table> Actual EBITDA in 2021 is still at a deficit as an adverse effect of the pandemic on the financial performance of CAAP.	Items	In '000 (P)	Net (Loss)	(3,069,231)	Income Taxes	57,834	Dep'n.	1,064,772	EBITDA	(1,946,625)
Items	In '000 (P)																		
Net (Loss)	(3,069,231)																		
Income Taxes	57,834																		
Dep'n.	1,064,772																		
EBITDA	(1,946,625)																		
SM 5	Budget Utilization Rate	Budget Obligated / Total Budget for Infrastructure Projects	Actual / Target	10%	83%	85%	-	97.35%	10.00%	- FY2021 Corporate Operating Budget (COB) - List of Awarded Infrastructure Projects FY 2021 - Updated 2021 BUR Computation signed by Chief of Budget Division <table border="1"> <thead> <tr> <th></th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>COB</td> <td>736.217</td> </tr> <tr> <td>Obligated</td> <td>716.703</td> </tr> <tr> <td>BUR</td> <td>97.35%</td> </tr> </tbody> </table> The BUR accomplishment for the year includes both Capital Outlay for Infra projects and Repairs and Maintenance.		Amount	COB	736.217	Obligated	716.703	BUR	97.35%	
	Amount																		
COB	736.217																		
Obligated	716.703																		
BUR	97.35%																		
				Sub-total	30%		-		14.67%										

	Component					CAAP Submission		GCG Validation		Supporting Documents	Remarks								
	Objective/Measure	Formula	Rating Scale ^{a/}	Weight	Target	Actual	Rating	Actual	Rating										
INTERNAL PROCESS	SO 4	Established Quality Management System																	
	SM 6	ISO Certification	Actual Accomplishment	All or Nothing	5%	ISO 9001:2015 Certification	CAAP ISO Certification is still not achieved due to failure of Procurement of Third-Party Service for CAAP	-	No ISO 9001:2015 Certification Obtained	0%	- CAAP Quality Management System Activities CY 2021	CAAP failed to acquire an ISO 9001:2015 Certification in 2021. Due to 2 failed biddings, CAAP is still in the negotiation process for the procurement of Certifying Body.							
	<i>Percentage of License and Registration Applications Processed Within the Prescribed Period</i>																		
	<i>a. Pilot Licenses</i>																		
	SM 7	<i>New</i>	No. of issuances made within the prescribed time" / No. of applications x 100	Actual / Target	3.0%	100%	84.21%	-	83.97%	2.52%	- Signed ARTA Airmen License Report from the Licensing and Certification Department (1 st - 4 th quarter)	<table border="1"> <thead> <tr> <th>Processed Within Prescribed Time</th> <th>Total Applications</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>2006</td> <td>2389</td> <td>83.97%</td> </tr> </tbody> </table>		Processed Within Prescribed Time	Total Applications	%	2006	2389	83.97%
		Processed Within Prescribed Time			Total Applications	%													
	2006	2389	83.97%																
	<i>Renewed</i>	3.0%	100%	80.72%	-	81.29%	2.44%	- Copy of 2021 Citizen's Charter for Airman License (New and Renewal)	<table border="1"> <thead> <tr> <th>Processed Within Prescribed Time</th> <th>Total Applications</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>1495</td> <td>1839</td> <td>81.29%</td> </tr> </tbody> </table>		Processed Within Prescribed Time	Total Applications	%	1495	1839	81.29%			
	Processed Within Prescribed Time	Total Applications	%																
	1495	1839	81.29%																

^{a/} 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					
SM 7	<i>b. Mechanic Licenses</i>															
	New	No. of issuances made within the prescribed time / No. of applications x 100	Actual / Target	3.0%	100%	76.43%	-	76.86%	2.31%	<table border="1"> <tr> <th>Processed Within Prescribed Time</th> <th>Total Applications</th> <th>%</th> </tr> <tr> <td>392</td> <td>510</td> <td>76.86%</td> </tr> </table>	Processed Within Prescribed Time	Total Applications	%	392	510	76.86%
	Processed Within Prescribed Time	Total Applications		%												
	392	510	76.86%													
	Renewed			3.0%	100%	68.85%	-	64.26%	1.93%	<table border="1"> <tr> <th>Processed Within Prescribed Time</th> <th>Total Applications</th> <th>%</th> </tr> <tr> <td>1095</td> <td>1704</td> <td>64.26%</td> </tr> </table>	Processed Within Prescribed Time	Total Applications	%	1095	1704	64.26%
	Processed Within Prescribed Time	Total Applications	%													
1095	1704	64.26%														
<i>c. Aircraft Certificate of Registration (COR)</i>																
New	No. of issuances made within the prescribed time / No. of applications x 100	Actual / Target	3.0%	100%	92.73%	-	95.06%	2.85%	<ul style="list-style-type: none"> - Accomplishment Report (2021) on Approved Applications for Certificate of Registration - Copy of 2021 Citizen's Charter for Certificate of Airworthiness (Original and Renewal) - Summary ARTA 2021 Report 							
Renewed				3.0%	100%	99.04%	-	99.30%		2.98%	<table border="1"> <tr> <th>Processed Within Prescribed Time</th> <th>Total Applications</th> <th>%</th> </tr> <tr> <td>847</td> <td>853</td> <td>99.30%</td> </tr> </table>	Processed Within Prescribed Time	Total Applications	%	847	853
Processed Within Prescribed Time	Total Applications	%														
847	853	99.30%														
SM 8	Implementation of Safe and Secured Information Systems	Actual Accomplishment	All or Nothing	3.0%	Online Payment System Integration with LBP <i>(or the Renewal of Permits and Licenses of Airmen)</i>	Accomplished 95%	-	Not Accomplished	0%	<ul style="list-style-type: none"> - Memorandum of Agreement with Landbank - Screenshots of the payment process - Copy of receipts generated <p>The remaining item for implementation is the actual integration of the LBP LinkBiz Portal to the CAAP website (5% of the target).</p>						

Objective/Measure	Component				CAAP Submission		GCG Validation		Supporting Documents	Remarks	
	Formula	Rating Scale ^{a/}	Weight	Target	Actual	Rating	Actual	Rating			
SO 5 Safe and Efficient Management of Airspace											
SM 9	Number of Accomplished Steps for the Transition to Aeronautical Information Management (AIM) System	Cumulative Number	Actual/Target	3%	State AIS AIM Accomplishments (13 out of 21)	11 Position Steps	-	State AIS AIM Accomplishments (11 out of 21)	2.54%	- Philippine Road Map of AIS to AIM concurred by the Acting DC, AIS/MAP Division	One (1) new step was accomplished in 2021 (PS 17 – Quality), in addition to the 10 steps maintained from 2020.
SM 10	Implementation of ADS CPDLC	Actual Accomplishment	All or Nothing	3%	Implementation of ADS CPDLC in the West Sector of the Manila FIR	100% Accomplished	-	100% Accomplished	3%	<p>- Excerpts from Aeronautical Information Publication (AIP) effective September 2021 which clearly indicates the full implementation of ADS-C/CPDLC in Manila FIR</p> <p>- Published Notice to Airmen (NOTAM) related to ADS-C/CPDLC operations of Manila ACC</p>	<p>For its 2021 accomplishment, CAAP indicated that the following target activities have all been accomplished in the first quarter of 2021:</p> <ul style="list-style-type: none"> • Safety Assessment • Operational Procedure Development • Training of Controllers • Operational Trials • Correspondence with Adjacent ACCs for Modification of Letter of Coordination • Preparation of Required Publications • Implementation of Letter of Coordination with Adjacent ACCs • Operational Implementation

		Component				CAAP Submission		GCG Validation		Supporting Documents	Remarks
Objective/Measure	Formula	Rating Scale ^{a/}	Weight	Target	Actual	Rating	Actual	Rating			
SM 11	Implementation of AIDC	Actual Accomplishment	All or Nothing	3%	AIDC Implementation between Manila and Ujung Pandang (Indonesia) ACCs	100% Accomplished	-	100% Accomplished	3%	- Signed Letter of Agreement between Manila and Ujung Pandang ACCs - ICAO Report on the 10 th Meeting of the South China Sea Traffic Flow Review Group	The Letter of Operational Coordination Agreement between the Directorate General of Civil Aviation Indonesia / Makassar Air Traffic Services Center AirNav Indonesia and Civil Aviation Authority of the Philippines (CAAP) / Air Traffic was signed on 3 December 2020. The full implementation commenced in the 1 st quarter of 2021.
SM 12	Provision of Space-Based ADS-B Data	Actual Accomplishment	Actual/Target	3%	100% Provision of Space-Based ADS-B Data for North-West Manila FIR	100% Provision of Space-Based ADS-B Data for North-West Manila FI	-	Not Implemented in 2021	0%	- Revised Rough Order of Magnitude for Software Support Services	CAAP noted that the SBA provider and ATM manufacturer required an update of the current ATM system to process SBA data prior to data acquisition. Due to this requirement, the project was not implemented in 2021 and the budget has been realigned for the software support and maintenance services for the ATM system.
SM 13	Air Traffic Flow Management (ATFM)/ Collaborative Decision Making (CDM) Implementation for High Density Airports	Actual Accomplishment	All or Nothing	3%	Subscription to an ATFM System Tool Suited for ATFM/CDM and Multi-Nodal (Level 3) ATFM	Procurement is Ongoing	-	Not Accomplished	0%	-Justification on the Acquisition of ATFM System Tool which is capable of ATFM/CDM and Distributed Multi-Nodal (Level 3) ATFM	The Subscription Plan of the ATFM System Tool was not included in the 2021 APP Project when the 2021 Annual Procurement Plan (APP) was released in the first quarter of the year.
				Sub-total	43%		-		23.57%		

	Component					CAAP Submission		GCG Validation		Supporting Documents	Remarks		
	Objective/Measure	Formula	Rating Scale ^{a/}	Weight	Target	Actual	Rating	Actual	Rating				
LEARNING AND GROWTH	SO 6 Enhanced Personnel Effectivity and Productivity												
	SM 14	Percentage of Employees Meeting Required Competencies	Actual Accomplishment	All or Nothing	4%	Board-Approved Competency Model for Unaffected Organizational Units	Not Accomplished	-	Not Accomplished	0%	- Minutes of the Meeting between CAAP and DAP regarding the Proposed CAAP Competency Framework held on 3 September 2021. - Copy of the CAAP's presentation on the Proposed CAAP Competency Framework as of August 2021	As of end of 2021, CAAP reported to be updating and revisiting project's Terms of Reference for Re-submission to the BAC Secretariat.	
					Sub-total			-		0.00%			
						TOTAL WEIGHT EXCLUDED WEIGHT	100% (3%)		-		54.24%		
						VALIDATED TOTAL	97%		-		54.24 / 97.00 = 55.92%		

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