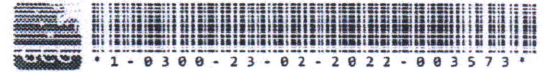




Office of the President of the Philippines  
**GOVERNANCE COMMISSION**  
FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS  
3/F, BDO Towers Paseo, 8741 Paseo De Roxas, Makati City, Philippines 1226



22 February 2022

**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  
2020 PERFORMANCE SCORECARD**

Dear Secretary Tugade and DG Sydiongco,

This is to formally transmit the validation result of CAAP's 2020 Performance Scorecard. Based on the Governance Commission's validation of the GOCC's documentary submissions, CAAP gained an overall score of **57.34%** (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.<sup>1</sup>

In relation to the grant of 2020 PBB to eligible officers and employees, CAAP fails to satisfy the requirements of GCG M.C. No. 2019-02,<sup>2</sup> particularly the achievement of a weighted-average score of at least 90% in its 2020 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.<sup>3</sup>

Consequently, pursuant to GCG M.C. No. 2021-01,<sup>4</sup> 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,

Digitally signed by:  
**CHAIRMAN SAMUEL G. DAGPIN, JR.**

Digitally signed by:  
**COMMISSIONER MICHAEL P. CLORIBEL**

Digitally signed by:  
**COMMISSIONER MARITES C. DORAL**

cc: **COA Resident Auditor – CAAP**

<sup>1</sup> Code of Corporate Governance for GOCCS, dated 28 November 2012.

<sup>2</sup> Interim Performance-Based Bonus (PBB).

<sup>3</sup> GOCC Governance Act of 2011.

<sup>4</sup> "Interim Performance-Based Incentive (PBI) System for Appointive Directors of GOCCs covered by GCG for CY 2020 and for the Years Thereafter," dated 28 January 2021.

**CIVIL AVIATION AUTHORITY OF THE PHILIPPINES (CAAP)**  
**Validated 2020 Performance Scorecard**

	Component					CAAP Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Rating Scale <sup>a/</sup>	Weight	Target	Actual	Rating	Actual	Rating			
SOCIAL IMPACT	<b>SO 1</b>	<b>Standard Aviation Safety and Security</b>										
		<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	-	E.I. Score: 70.52% Global Average: 68.85%	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 12 January 2021.	The Global Average E.I. increased from 68.78% to 68.85% as of end of 2020. 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. Effective State Safety Program (SSP) Level	Actual Accomplishment	All or Nothing	5%	Level 3: Implementation of GAP Analysis	Level 3: Implementation of GAP Analysis (2.4%)	-	Level 3	5.00%		CAAP reached SSP Level 3 in 2020 at 2.4% progress rate.
	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 effective implementation of applicable ICAO Standards.  The Philippines maintained zero (0) SSCs as of 2020.	

CAAP Validated 2020 Performance Scorecard

		Component				CAAP Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure	Formula	Rating Scale <sup>a/</sup>	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%	7 of 8 International Airports Certified	8 of 8 Certified + 1 Certified Airport newly listed as International in ICAO – Bohol Panglao Airport	-	100% 9 out of 9 International Airports Certified	5.00%	- Memorandum from Acting Chief of CAAP-AANSOO listing the certification status of various international airports on Aerodrome Certification for 2020 and 2021 - Copies of Aerodrome Certificates - Relevant pages on the APAC Navigation Plan Volumes I and II	In the June 2021 Amended APAC Air Navigation Plan, ICAO officially included the Bohol-Panglao airport as one of the international airports in the Philippines to be certified, increasing the total from eight (8) to nine (9).  As of end of 2020, all 9 int'l. airports have been certified:  1. Mactan-Cebu Int'l Airport 2. Francisco Bangoy Int'l Airport (Davao) 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	
			<b>Sub-total</b>	<b>20%</b>			-		<b>20.00%</b>			
CUSTOMERS & STAKEHOLDERS	<b>SO 2</b>	<b>Reliable Service to Stakeholders</b>										
		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%	<i>Using the Enhanced Guidelines for the Conduct of the GSS prescribed by the GCG</i>						- Brief Narrative/ Justification for the Deferment of CAAP's 2020 Customer Satisfaction Survey (CSS)	CAAP realigned its 2020 CSS budget in support of the "Bayanihan To Heal As One Act." Hence, no survey was conducted during the year.
	SM 2	a. Passengers			3%	Excluded	Excluded	-	Excluded	-		
		b. Concessionaires			1%	90%	Deferred project due to insufficient funds brought by the pandemic	-	No 2020 CSS conducted	0%		
		c. Local Airport Authorities	1%	90%		-		0%				
			<b>Sub-total</b>	<b>5%</b>			-		<b>0.00%</b>			

CAAP Validated 2020 Performance Scorecard

	Component					CAAP Submission		GCG Validation		Supporting Documents	Remarks																						
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<b>SO 3</b>	<b>Improved Financial Viability</b>																																
<b>FINANCIAL</b>	SM 3	Gross Income	Business Revenue + Service Revenue + Interest Income	Actual / Target	15%	3.08 Billion	3.72 Billion	-	3.66Billion	15.00%	<table border="1"> <thead> <tr> <th>Items</th> <th>In '000 (P)</th> </tr> </thead> <tbody> <tr> <td>Service Rev</td> <td>66,883</td> </tr> <tr> <td>Business Rev</td> <td>3,594,282</td> </tr> <tr> <td><b>2020 Gross Income</b></td> <td><b>3,661,165</b></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Items</th> <th>In '000 (P)</th> </tr> </thead> <tbody> <tr> <td>Net (Loss)</td> <td>(2,778,404)</td> </tr> <tr> <td>Income Taxes</td> <td>31,755</td> </tr> <tr> <td>Dep'n.</td> <td>1,536,608</td> </tr> <tr> <td><b>EBITDA</b></td> <td><b>(1,210,041)</b></td> </tr> </tbody> </table> <p>- 2020 COA-audited Financial Statements (FS) - Notes to 2020 FS</p> <p>Actual EBITDA in 2020 resulted to a deficit for the first time in recent years as an adverse effect of the pandemic to the financial performance of CAAP.</p>	Items	In '000 (P)	Service Rev	66,883	Business Rev	3,594,282	<b>2020 Gross Income</b>	<b>3,661,165</b>	Items	In '000 (P)	Net (Loss)	(2,778,404)	Income Taxes	31,755	Dep'n.	1,536,608	<b>EBITDA</b>	<b>(1,210,041)</b>				
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SM 4	Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	Gross Income Less PS Less MOOE <i>(without depreciation and impairment loss)</i>	15%	1.999 Billion	(0.206 Billion)	-	(1.210 Billion)	0%																									
SM 5	Budget Utilization Rate	Budget Obligated / Total Budget for Infrastructure Projects	Actual / Target	10%	62%	58%	-	52.77%	8.51%	<p>- List of Awarded Infrastructure Projects FY 2020 - Updated 2020 BUR Computation signed by Chief of Budget Division - Sample Journal Entry Vouchers</p> <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>0.495</td> <td>0.201</td> <td>40.54%</td> </tr> <tr> <td>R&amp;M</td> <td>0.350</td> <td>0.198</td> <td>56.60%</td> </tr> <tr> <td>DOTr down-loaded</td> <td>1.451</td> <td>0.813</td> <td>56.02%</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>2.296</b></td> <td><b>1.212</b></td> <td><b>52.77%</b></td> </tr> </tbody> </table>	Item	Amount (in billions)			COB	Obligated	BUR	Infra	0.495	0.201	40.54%	R&M	0.350	0.198	56.60%	DOTr down-loaded	1.451	0.813	56.02%	<b>TOTAL</b>	<b>2.296</b>	<b>1.212</b>	<b>52.77%</b>
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