



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)

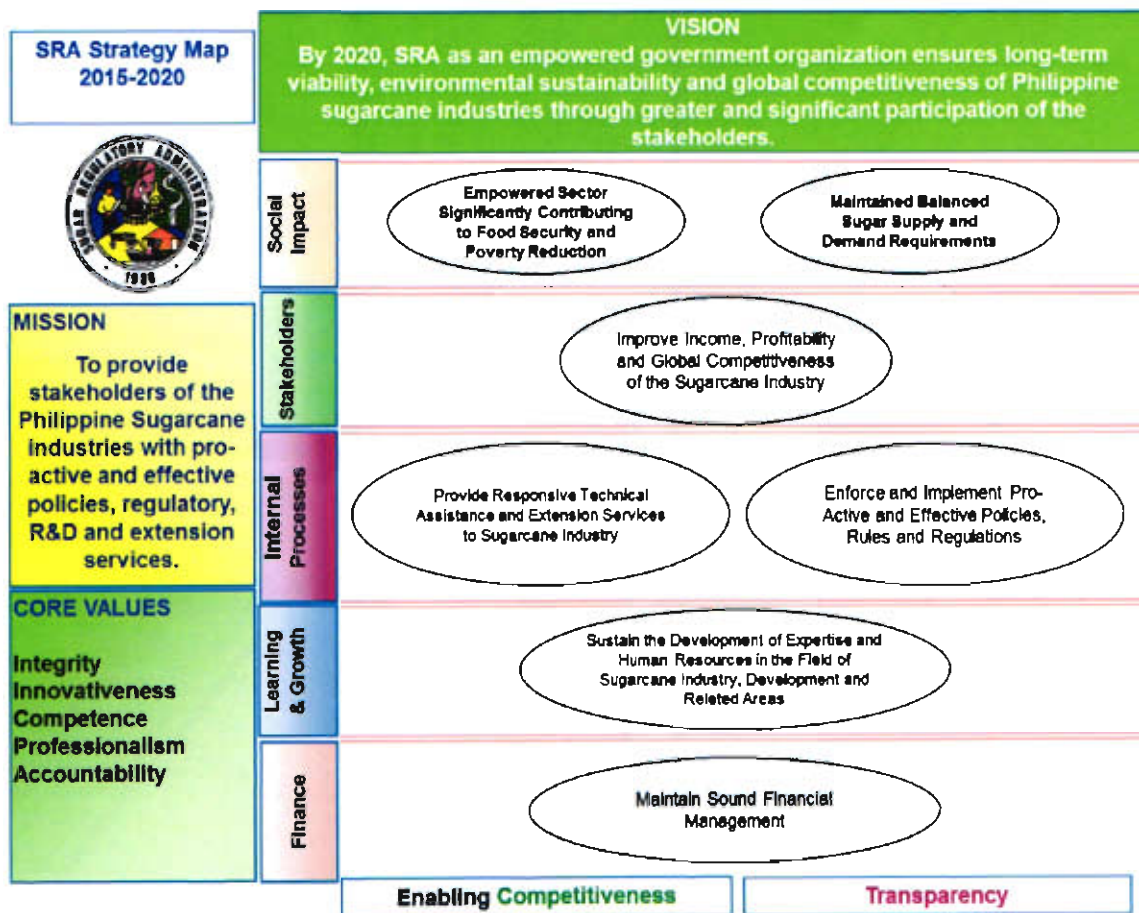
- and -

SUGAR REGULATORY ADMINISTRATION (SRA)

WITNESSETH: THAT –

The Parties agree to the following terms:

1. **Period.** – This Agreement shall be effective beginning from the execution of this Agreement and ending upon the determination by the Governance Commission of the eligibility of SRA for the FY 2015 PBB and PBI.
2. **Charter Statement and Strategy Map.** – SRA’s Charter Statement and Strategy Map for the Period specified in Section 1 hereof, shall be as follows:



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3. **Measurement of Performance.** – Based on the Performance Scorecard 2015 attached hereto as **Annex A**, the SRA's Performance for 2015 shall be based on the following Measures/Performance Indicators and Annual Targets, to wit:

		COMPONENT	WEIGHT	RATING SCALE	2015 TARGET
SOCIAL IMPACT	SO 1	Empowered Sector Significantly Contributing to Food Security and Poverty Reduction			
	SM 1	Productivity / Yield Per Hectare (TC/Ha)	8%	Actual/Target x Weight If accomplishment is below the target range = Actual/Max yield target x 100 x Weight	61 - 63 (TC/Ha) crop year basis (1 Sep 2014 - 31 Aug 2015)
	SM 2	Sugar Production (in Million Metric Tons)	10%	Actual/Target x Weight	2.50 MMT (crop year basis)
	SO 2	Maintained Balanced Sugar Supply and Demand Requirements			
	SM 3	Buffer stock (MT)	7%	Actual/Target x Weight	200,000
		Sub-total		25%	
STAKEHOLDER	SO 3	Improve Income, Profitability and Global Competitiveness of the Sugarcane Industry			
	SM 4	Stakeholder's Satisfaction Rating	8%	90 and above 100% 80 – 89 90 70 – 79 80 50 – 69 70 49 and below 0	90%
	SM 5	Number of new Sugarcane block farms validated, assisted, and trained	8%	Actual/Target x Weight	100 a/
	SM 6	Number of production-related materials and services distributed to farmers: a. New HYV Plantlets (pcs)	2%	Actual/Target x Weight	300,000
		b. New HYV Canepoints (lacs) b/	2%		2,500
		c. Trichogramma (strips)	1%		13,000
		d. Soil Analysis Tests	1%		8,500
		Sub-total		22%	
L PR	SO 4	Provide Responsive Technical Assistance and Extension Services to Sugarcane Industry Stakeholders			

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	SM 7	Number of seminars/trainings provided to Planters / Cooperatives / Associations / Federations	3%	Actual/Target x Weight	220
	SM 8	Number of completed research projects: a. Stages of Research	9%	Actual/Target x Weight	30
		b. Certified for dissemination by the Technical Research Council (PHILSURIN, SRA, UPLB, PSMA, academe)	5%		8
	SO 5	Enforce and Implement Pro-Active and Effective Policies, Rules and Regulations			
	SM 9	Number of technical audits (capacity / performance) conducted c/	5%	Actual/Target x Weight	6
	SM10	Percentage of compliance to SRA policies, rules and regulations by millers / traders	5%	Actual/Target x Weight	93%
		Sub-total	27%		
LEARNING AND GROWTH	SO 6	Sustain the Development of Expertise and Human Resources in the Field of Sugarcane Industry, Development and Related Areas			
	SM 11	a. Training / Seminars	3%	Actual/Target x Weight	12
		b. Scholars enrolled	3%		17
	SM 12	ISO 9001 Certification	10%	All or nothing	Finalization of Manuals
		Sub-total	16%		
FINANCE	SO 7	Maintain Sound Financial Management			
	SM 13	EBITDA	5%	Actual/Target x Weight	10%
	SM 14	Budget Utilization Rate	5%	All or nothing	90%
			Sub-total	10%	
		TOTAL	100%		

a/ with private sector and/or DAR

b/ 1 lacs = 10,000 pcs

c/ A sugar mill shall be counted only once regardless of the type of audit made (Rationale: all mills should be audited by the SRA at least once) Monitoring is made by the SRA for environmental audits

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

4. **Strategic Initiatives.** – SRA hereby commits the SRA Rationalization Plan, a profile of which is attached hereto as **Annex B**, its sole strategic initiative identified as having a significant impact on its Performance Scorecard.

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

5. **Quarterly Submission of Performance Monitoring.** – SRA 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, 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:

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 Networth (SALN);

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.
- (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 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

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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.
7. SRA hereby undertakes to have its Performance Scorecard rated by its customers and solicit feedback on how the same may be improved. SRA 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 SRA's Performance Scorecard, and shall be used solely as a reference by GCG and SRA during Performance Agreement Negotiations/Renegotiations.
 8. SRA 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, SRA shall copy furnish the Governance Commission copies of all written communications between SRA 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 SRA's PBB application.
 9. 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 24th day of February 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

**SUGAR REGULATORY
ADMINISTRATION**



PROCESO J. ALCALA
Chairman
Secretary, Department of Agriculture



MA. REGINA BAUTISTA-MARTIN
Administrator

DEPARTMENT OF AGRICULTURE
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RAINIER B. BUTALID
Commissioner



JESUS L. BARRERA
Board Member



PABLITO S. SANDOVAL
Board Member





SUGAR REGULATORY ADMINISTRATION

	Component					Baseline Data (if applicable)			Target	
	Objective/Measure	Formula	Weight	Rating System ^{a/}		Data Provider	2012	2013	2014	2015
SOCIAL IMPACT	SO 1	Empowered Sector Significantly Contributing to Food Security and Poverty Reduction								
	SM 1	Productivity / Yield Per Hectare (TC/Ha)	Yield (ton canes) per Hectare	8%	Actual/Target x Weight If accomplishment is below the target range = Actual/Max yield target x 100 x Weight			59	59 - 61	61 - 63 (TC/Ha) crop year basis (1 Sep 2014 - 31 Aug 2015)
	SM 2	Sugar Production (in Million Metric Tons)	Absolute Number	10%	Actual/Target x Weight			2.465 MMT	2.461 MMT	2.50 MMT (crop year basis)
	SO 2	Maintained Balanced Sugar Supply and Demand Requirements								
	SM 3	Buffer stock (MT)	Absolute Number	7%	Actual/Target x Weight			354,042	290,854	200,000
		Sub-total		25%						
STAKEHOLDER	SO 3	Improve Income, Profitability and Global Competitiveness of the Sugarcane Industry								
	SM 4	Stakeholder's Satisfaction Rating	Survey result	8%	90 and above 80 – 89 70 – 79 50 – 69 49 and below	100% 90 80 70 0		NA	NA	90%



Component		Objective/Measure	Formula	Weight	Rating System ^{3d}	Data Provider	Baseline Data (if applicable)			Target
							2012	2013	2014	2015
INTERNAL PROCESS		a. Stages of Research	Actual count	9%	Actual/Target x Weight			24	25	30
		b. Certified for dissemination by the Technical Research Council (PHILSURIN, SRA, UPLB, PSMA, academe)		5%				5	6	8
	SO 5	Enforce and Implement Pro-Active and Effective Policies, Rules and Regulations								
	SM 9	Number of technical audits (capacity / performance) conducted d/	Actual count	5%	Actual/Target x Weight			7	10	6
	SM10	Percentage of compliance to SRA policies, rules and regulations by millers / traders	100% minus (Total Actual Number of Cases or Violators over Total Number of Millers and Traders)	5%	Actual/Target x Weight			90%	90%	93%
		Sub-total		27%						
LEARNING AND GROWTH	SO 6	Sustain the Development of Expertise and Human Resources in the Field of Sugarcane Industry, Development and Related Areas								
	SM 11	a. Training/Seminars	Actual count	3%	Actual/Target x Weight			NA	NA	12
		b. Scholars enrolled		3%				NA	NA	17

Component						Baseline Data (if applicable)			Target
	Objective/Measure	Formula	Weight	Rating System ^{a/}	Data Provider	2012	2013	2014	2015
	SM 12	ISO 9001 Certification	Milestone	10%	All or nothing		NA	Orientation	Finalization of Manuals
		Sub-total		16%					
FINANCE	SO 7	Maintain Sound Financial Management							
	SM 13	EBITDA	EBITDA	5%	Actual/Target x Weight		19% (83,473,963)	3% (13,038,839)	10% (51,500,000)
	SM 14	Budget Utilization Rate	Total Amount Obligated / Total Actual Gross Revenues Realized or Collected during the year	5%	All or nothing				90%
		Sub-total		10%					
		TOTAL		100%					

a/ But not to exceed the weight assigned per indicator

b/ with private sector and/or DAR

c/ 1 lacsa = 10,000 pcs

d/ A sugar mill shall be counted only once regardless of the type of audit made (Rationale: all mills should be audited by the SRA at least once). Monitoring is made by the SRA for environmental audits.

SUGAR REGULATORY ADMINISTRATION

STRATEGIC INITIATIVE PROFILE

I. STRATEGIC INITIATIVE PROFILE I

1. **Name of Project:** SRA Rationalization Plan
2. **Contact Person/Project Team Head:** Ma. Regina Bautista-Martin, Administrator
3. **Project Description:** The Sugar Regulatory Administration has to face at least five challenges and seeks to hurdle them through the Rationalization, as this would redefine major functional statements to effectively address existing and new challenges and further improve SRA's performance. These are:
 - a. Changing industry environment and economic order,
 - b. Expanding role of SRA on broadening scopes of sugarcane industry operations,
 - c. Maintaining and Strengthening SRA's financial efficiency and stability,
 - d. Operating within desired Quality Management System and Standards and,
 - e. Adherence to Good Governance.

Objectives:

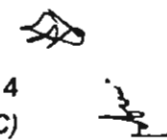
- i. To further improve the operational efficiency of SRA, and to ensure effective delivery of services to broadening scope of operations through strengthening of the organization, structure and competencies aligned/attuned with the widening scopes and new areas of sugar operations.
- ii. To strengthen and enhance SRA's representation capacity in its executive dealings/engagements with government and private sectors.
- iii. To achieve and sustain financial stability through efficient, effective and profitable operations
- iv. To provide high quality service to existing and emerging clientele/stakeholders in order to achieve high customer satisfaction rating and 100% compliance to SRA regulations.
- v. To instill within SRA the principle of good governance through adherence and compliance with government rules and regulations.

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4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
1. Preparation of proposal/ creation of the Change Management Team /draft organizational structure and staffing pattern for SRA Board approval.	November 2014	February 2015			
2. SRA Board Approval	March 2015				
3. Submission of the RatPlan proposal to the GCG	March 2015				
4. Review and Approval of the SRA Rationalization Plan by the GCG	April 2015				

5. Measures Affected: All



	Component				Baseline 2014	2015									
	Objective/Measure	Formula	Weight	Rating System		1 st Quarter		2 nd Quarter		Revised Full Year Target	3 rd Quarter		4 th Quarter		
						Target	Actual	Target	Actual		Target	Actual	Target	Actual	
INTERNAL PROCESS	SO 4	Provide Responsive Technical Assistance and Extension Services to Sugarcane Industry													
	SM 7	Number of seminars/trainings provided to Planters / Cooperatives / Associations / Federations	Actual count	3%	Actual/Target x Weight		54		53			56		57	
INTERNAL PROCESS	SM 8	Number of completed research projects:			Actual/Target x Weight										
		a. Stages of Research	Actual count	9%			6		9			5		10	
		b. Certified for dissemination by the Technical Research Council (PHILSURIN, SRA, UPLB, PSMA, academe)	Actual count	5%					3			5			
	SO 5	Enforce and Implement Pro-Active and Effective Policies, Rules and Regulations													
	SM 9	Number of technical audits (capacity / performance) conducted	Actual count	5%	Actual/Target x Weight		2		3			0		1	

	Component				Baseline 2014	2015									
	Objective/Measure	Formula	Weight	Rating System		1 st Quarter		2 nd Quarter		Revised Full Year Target	3 rd Quarter		4 th Quarter		
						Target	Actual	Target	Actual		Target	Actual	Target	Actual	
FINANCE	SO 7	Maintain Sound Financial Management													
	SM 13	EBITDA	EBITDA	5%	Actual/Target x Weight		10%		10%			10%		10%	
	SM 14	Budget Utilization Rate	Total Amount Obligated / Total Actual Gross Revenues Realized or Collected during the year	5%	All or Nothing		90%		90%			90%		90%	
		Sub-total													
		TOTAL		100%											

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