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DENR Memorandum Circular
No. 2023- 05

SUBJECT: GUIDELINES ON THE GRANT OF FY 2023 PERFORMANCE-BASED BONUS (PBB)

1.0 PURPOSE

Consistent with the Memorandum Circular No. 2023-1, entitled "Guidelines on the Grant of the PBB for FY 2023 under EO No. 80, s. 2012 and EO No. 201, S. 2016" issued by the AO 25-IATF, this Circular prescribes the criteria and conditions for the grant of the PBB for FY 2023 performance. Achieving a prosperous, inclusive, and resilient society through economic transformation requires the practice of open, efficient, and accountable governance. In pursuit of the goal of the Philippine Development Plan (PDP) 2023-2028 to practice good governance and improve bureaucratic efficiency, the FY 2023 PBB will contribute to raising the productivity, performance, transparency, and accountability of government agencies and employees, using the enhanced Results-based Performance Management System and the simplified Performance-based Incentive System.

The FY 2023 PBB criteria and conditions shall be categorized according to four (4) dimensions of accountability: **Performance Results, Process Results, Financial Results, and Citizen/Client Satisfaction Results**. The Good Governance Conditions (GGCs) shall no longer be included in the criteria to assess the overall eligibility of the agency for FY 2023 PBB. However, since the observance of these conditions shall still be used to determine the eligibility of delivery units and individuals, the monitoring of their compliance shall now be the responsibility of the Heads of Agencies.

2.0 COVERAGE

- 2.1 All Delivery Units/Offices of the DENR at the Central, Regional and Staff Bureaus.
- 2.2 All officials and employees holding regular, contractual and casual positions are covered by this Circular. Excluded from the coverage are individuals engaged without employer-employee relationship with the DENR and funded from non-Personnel Services (PS) budget.

3.0 ELIGIBILITY CRITERIA

To be eligible for the grant of the FY 2023 PBB, the criteria and conditions under the four (4) dimensions of accountability, namely: **Performance Results, Process Results, Financial Results, and Citizen/Client Satisfaction Results** must be satisfied. A total score of at least 70 points based on the PBB Scoring System must be attained. This will be discussed in detail in Section 4.0.

The four (4) dimensions of accountability are defined as follows:

Performance Results – refer to the accomplishment of the Congress-approved performance targets under the Performance-Informed Budgeting (PIB) of the FY 2023 General Appropriations Act (GAA). See Annex 1 for the PIB-GAA list of performance indicators.

Process Results – refer to the achievements in ease of doing business/ease of transaction with the agency as a result of streamlining, digitization, standardization, systems and procedures reengineering, and other related improvements.

Financial Results – refer to the actual spending of the agency's budget allotment vis-a-vis the realization of the committed programs and projects based on the FY 2023 GAA.

Citizen/Client Satisfaction Results – refer to the achievements in satisfying the quality expectations of the transacting public/client.

4.0 FY 2023 PBB TARGETS, ASSESSMENT AND SCORING SYSTEM

The agency's accomplishments for each of the criteria shall be rated using a scale of 1 to 5 (where 5 is the highest). Each criterion has an assigned weight, as shown in Table 1. The maximum score that may be obtained by the agency is 100 points. To be eligible for the FY 2023 PBB, the agency must attain a **total score of at least 70 points, and achieve at least a rating of 4 for at least three (3) criteria.**

Table 1: FY 2023 PBB Scoring System						
Criteria and Conditions	Weight	Performance Rating				
		1	2	3	4	5
Performance Results	5	5 pts	10 pts	15 pts	20 pts	25 pts
Process Results	5	5 pts	10 pts	15 pts	20 pts	25 pts
Financial Results	5	5 pts	10 pts	15 pts	20 pts	25 pts
Citizen/Client Satisfaction Results	5	5 pts	10 pts	15 pts	20 pts	25 pts

As can be gleaned in Table 1, a performance rating of 4 in all criteria will yield a total score of 80 points for the agency. The unit/s most responsible (including its head) for the criteria with a performance rating of below 4, will be isolated from the grant of the FY 2023 PBB.

4.1 Performance Results

The targets under Performance Results enable agencies to intensify transparency in public spending, concentrate their efforts and available resources on their mandates and core functions, as well as ensure the timely delivery of high-quality high-impact activities.

The Agency's performance in the achievement of targets shall be monitored and validated thru the use of the URS and/or BFARs which shall be submitted within 30 days after the end of each quarter. For deficiencies or non-attainment of FY 2023 targets, justifications must be submitted together with the prescribed BFAR forms to the Commission on Audit (COA), the DBM, and the Bureau of the Treasury (BTr), as applicable through the DBM URS and/or IFMIS, within thirty (30) days after the end of the 4th quarter of FY2023.

- 4.1.1 The requirements under Performance Results shall be assessed and scored as follows:

Table 2: Rating Scale for Performance Results				
1	2	3	4	5
Met below 50% of performance indicators of the Congress-approved performance targets for FY2023.	Met 50% to less than 70% of performance indicators of the Congress-approved performance targets for FY 2023.	Met 70% to less than 80% of performance indicators of the Congress-approved performance targets for FY 2023.	Met 80% to less than 100% of performance indicators of the Congress-approved performance targets for FY 2023.	Met each one or 100% of the Congress-approved performance targets for FY 2023 (all performance indicators)

- 4.1.2 The Offices Responsible in delivering the DENR Performance Results are the following:

- a. Regional Offices – shall ensure the achievement of targets and the submission of accomplishments under Performance-Informed Budgeting (PIB) of the FY 2023 General Appropriation Act (GAA), specifically for the output indicators (Annex 1). For physical accomplishments, the form prescribed by the Policy and Planning Service (PPS) shall be used. The accomplishments submitted in a quarterly basis shall be used by the national focal for monitoring. Accomplishment Report shall be accompanied with valid justifications for any deficiencies or non-attainment of FY 2023 targets.
- b. Staff Bureaus – shall ensure the submission of necessary data/information to be included in the Budget and Financial Accountability Reports (BFARs), specifically for output and outcome indicators. They shall also monitor and validate the accomplishments of the Regions concerning their sector, and provide evidence on the completion of targets on the output and outcome indicators relative to their sector. The accomplishments submitted in a quarterly basis shall be used by the national focal for monitoring. Accomplishment Report shall be accompanied with valid justifications for any deficiencies or non-attainment of FY 2023 targets.
- c. Policy and Planning Service – shall serve as the overall **National Focal Office** that will review, monitor and validate the accomplishments submitted by the Regions and Bureaus. It shall consolidate and submit the BFARs through the Unified Reporting System (URS) and ensure the completeness of the FY 2023 PBB requirements to be submitted to the AO25 IATF.

4.2 Process Results

The target under Process Results is the greater ease of transaction of core services based on mandated functions (external) covering government-to-citizens (G2C), government-to-businesses (G2B), and government-to-government (G2G) transactions, and the administrative and supporting services (internal) within the agency.

Further ease of transaction of critical external and internal services may be achieved through more rigorous approaches such as reengineering, streamlining, digitalization and other technological applications, and other types of process innovations implemented in the agencies including their Regional,

Satellite, and Extension Offices.

As defined in ARTA MC 2019-002-A¹, the services may be categorized based on the following:

- a. **External services** - refer to government services applied for or requested by external citizens or clients or those who do not form part or belong to the government agency or office.
- b. **Internal services** - refer to government services applied for or requested by internal clients or individuals who are within the respective government agency or office, such as, but not limited to, its personnel or employees, whether regular or contractual. Internal services include services such as, but are not limited to, back-end/support services to regulatory functions related to permitting, licensing, and issuance of a privilege, right, reward, clearance, authorization, or concession.

4.2.1 For FY 2023 PBB, the target will be substantive improvements in ease of doing business/ease of transaction concerning two (2) critical services consisting of one (1) core service (external) based on the mandated function of the agency and one (1) support/administrative service (internal) as declared in the agency's updated Citizen's Charter and in line with the Anti-Red Tape Authority (ARTA)'s Whole-of-Government (WOG) Reengineering Manual.

In selecting the critical services to be prioritized by the agency (and which will be validated later by the ARTA for purposes of determining eligibility for the PBB), agencies shall consider the selection of the services based on any of the following factors, or a combination thereof. The selected critical service is:

- a. A core service which is a process needed to achieve the overall mission and objectives of the public sector organization. These services may refer to those that are aligned with the agency's mandate and main functions.
- b. The most complained service with the greatest number of complaints received by the agency and other complaints-handling agencies.
- c. The service/s with the greatest number of pending transactions or backlogs that went beyond its prescribed processing time as declared in the agency's Citizen's Charter.
- d. A service that generates income/revenue for the government.
- e. A service attributable to the PREXC/Programs of agencies.
- f. A service that involves inter-agency action to complete the transaction.

4.2.2. The substantial improvements or substantial reduction of the selected services may focus on the following areas of the selected services:

- a. Actual documentary requirements for a transaction for instance duplicative/ unnecessary/ non-value-adding documents and various prerequisites to be obtained from other government offices;
- b. Total processing time to include queueing to start a transaction, waiting time to complete a transaction, and backroom processing; in other words, the total turnaround time, not just the estimated time reflected in the agency's Citizens Charter;

¹ Supplemental Guidelines on ARTA Memorandum Circular No. 2019-002 s., 2019 Guidelines on the Implementation of the Citizen's Charter in Compliance with RA No. 11032.

- c. Overall transaction cost to obtain the service (while the official fees cannot be reduced unless authorized, the other transaction costs on the part of the transacting public (both visible and not visible) could be reduced. Agencies could find out what these costs are if they get feedback and listen to the transacting public,
- d. Multiple hand-offs where the transacting public needs to go to several offices and/or windows in order to complete a transaction; and elimination of multiple reviews and approvals to complete a transaction;
- e. Administrative burden associated with the transaction i.e., the complexity and amount of effort that the agency need to expend in order to process the transaction-, and
- f. Access to the service that makes the transaction very easy, convenient, without or only with very minimal cost, reliable, and predictable.

The Agency may use the concepts and tools indicated in the WOG Reengineering Manual in their reengineering efforts and may refer to the submitted initial Reengineering Plan to ARTA as the basis for prioritizing areas for improvement. Agency's substantial improvement results shall be reported through Annex 2: Modified Form A which also contains a guide in accomplishing said form. Agencies must report objectively verifiable evidence of achievements from the completed transactions of the reported services in ease of doing business/ease of transaction using Annex 2.

4.2.3 The requirements under Process Results shall be assessed and scored as follows:

Table 3: Rating Scale for Process Results				
1	2	3	4	5
No substantial improvement in ease of transaction in both external core and internal services	Achieved substantial improvements to ease transactions in internal service	Achieved substantial improvements to ease transactions in external service only	Achieved substantial improvements to ease transaction in external but non-priority core service and internal service	Achieved substantial improvements to ease transaction in priority core service (external) and internal service

4.2.4 The Offices responsible in delivering the DENR Process Results are the following:

- a. The Sub-Committee on Anti-Red Tape (Sub-CART) on Streamlining and Process Improvement of Critical Services (SPICS) pursuant to Special Order No. 2021-551 dated 19 October 2021 – shall serve as the **Principal Body** that shall spearhead the Agency's compliance with the requirements under this dimension. They shall lead in selecting the critical services to be prioritized by the agency (and which will be validated later by the ARTA for purposes of determining eligibility for the PBB), considering the factors specified in Section 4.2.1- 4.2.2.

They shall monitor and consolidate the Modified Form A submitted by the offices concerned, prepare the necessary means of verification (MOVs) and ensure the agency's compliance with FY 2023 PBB requirements under this dimension. Said offices must submit an e-copy, both soft and signed scanned copy, of the Modified Form A to the DENR CART and to the DENR PBB Secretariat on or before January 31, 2024.

- b. Knowledge and Information System Service (KISS) in coordination with Sub-CART on SPICS is responsible for the Digitalization initiatives or

digital transformation of external and internal services through the following:

- b.1. development of electronic or online and/or paperless application systems, payment systems, new service delivery channels, and contactless transactions;
- b.2. utilization of disruptive and emerging technologies in system development and integration (e.g., blockchain, application programming interface, robotic process automation, cloud services, etc.);
- b.3. enabling data linkages and interoperability capacities among information systems;
- b.4. creating capacities for data management and analytics;
- b.5. modernization of existing systems and applications; and
- b.6. other process improvements using information technology.

The report should highlight the tangible results of digitalization in terms of ease of doing business or ease of transaction from the point of view of the transacting public client, such as but not limited to reduced waiting and processing times; reduced wastes in the process; lowered costs; real-time generation of reports for informed decision-making; expanded coverage; improved client satisfaction rating and similar outcomes. The complete report on digitalization is also considered as an Agency Accountability as stated in Section 5.

- c. DENR Payments Digitalization Team (PDT) pursuant to Special Order No. 2023-325 – shall oversee the implementation of the payment's digitalization process in the DENR.
- d. The Sub-Committee on Anti-Red Tape (Sub-CART) on Citizen Charter (Compliance Monitoring) pursuant to Special Order No. 2021-551 dated 19 October 2021 – shall ensure the updating and posting of DENR Citizen's Charter.
- e. DENR CART – shall ensure the overall compliance of the Department on the Process results Dimension. Said Committee must submit a signed copy of the accomplishment report to the DENR PBB Secretariat.
- f. Staff Bureaus – shall ensure the implementation of their streamlining processes and accomplishment of Modified Form A. They shall also provide technical assistance on the identified external and internal services.
- g. Regional Offices – shall ensure the implementation of streamlining processes, digitalization and other technological applications, and other types of process innovations, especially the frontline services and the critical services identified by Sub-CART on SPICS. The accomplishment shall be reported using the Modified Form A and shall be submitted on the deadline set by Sub-CART on SPICS.
- h. Central Office Units – shall ensure the implementation of their streamlining processes, especially the frontline services, and accomplishment of Modified Form A.

4.3. Financial Results

- 4.3.1 The targets under Financial Results reflect the final payments made from the annual budget allotment to realize the committed programs and projects based on the valid appropriations for FY 2023. Hence, for FY 2023, the Disbursements Budget Utilization Rate (BUR) shall be accomplished as follows:

Disbursements BUR is measured by the ratio of total disbursements (excluding Personnel Services) to the total obligations for Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO) made in FY 2023, net of goods and services obligated by December 31, 2022, but paid only in FY 2023. The total obligations for MOOE and CO shall refer to those made from the current appropriations under the FY 2023GAA and the continuing appropriations under FY 2022. Transfers to other agencies shall not be considered as disbursements until such time such transferred funds have been utilized for payment of accepted goods delivered and services rendered. Hence,

$$\text{Disbursement BUR} = \frac{\text{Total Disbursement (excluding PS), net of payment made in FY 2023 for past years' obligations}}{\text{Total Obligations}}$$

Same as for the Performance Results, the concerned offices shall ensure the submission of the quarterly BFARs through the DBM-URS and/or IFMIS, in a timely manner. Financial Accountability Reports (FAR) No.1 Statement of Appropriations, Allotments, Obligations, Disbursements, and Balances (SAAODB) shall be the basis for determining the FY 2023 BUR accomplishment of agencies.

- 4.3.2 The requirements under the Financial Results shall be scored as follows:

Table 4: Rating Scale for Financial Results				
1	2	3	4	5
Below 40% Disbursements BUR	40%-55% Disbursements BUR	55%-70% Disbursements BUR	70%-85% Disbursements BUR	85%-100% Disbursements BUR

- 4.3.3 The Offices responsible in delivering the DENR Financial Results are the following:

- Regional Offices, Staff Bureaus and Central Office Delivery Units – shall ensure the disbursement of total budget allotment.
- Financial and Management Service – shall **serve as the National Focal Office** that will monitor, consolidate, submit the Financial Report and ensure the agency's compliance with FY 2023 PBB requirements under this dimension.

4.4. Citizen/Client Satisfaction Results

Agencies shall ensure the resolution of all complaints and grievances reported to Hotline #8888 and Contact Center ng Bayan (CCB), and their compliance to the 72-hour prescribed period to take actions on complaints as provided in EO No. 6, s. 2016.

Reported complaints and grievances shall cover government service and procedures of the agencies, acts of red tape, corruption, and/or other interferences to public service delivery by any government agency, individuals, or instrumentalities.

- 4.4.1. To provide evidence on this criteria, the concerned office shall submit a report summarizing the #8888 and CCB complaints received in FY 2023 and their status; if resolved or pending.

To determine the resolution and compliance rates to Hotline #8888 and CCB complaints, agencies may refer to the definitions provided in Section 2.4.2c of MC No. 2021-2 (Annex 3).

- 4.4.2. The requirements under the Citizen/Client Satisfaction Results (CCSS) shall be assessed and scored as follows:

Table 5: Rating Scale for CCSS Results				
1	2	3	4	5
0% resolution and compliance rate to #8888 and CCB complaints	At least 1% resolution and compliance rate to #8888 and CCB complaints	At least 50% resolution and compliance rate to #8888 and CCB complaints	At least 75% resolution and compliance rate if there are more than 250 tickets to #8888 and CCB complaints At least 80% resolution and compliance rate for 250 or less tickets to #8888 and CCB complaints	100% resolution and compliance to #8888 and CCB complaints

- 4.4.3 The Offices responsible in delivering the DENR Client Satisfaction Results are the following:

- a. Regional Offices, Staff Bureaus and Central Office Delivery Units – shall ensure the attainment of 100% resolution and compliance rate to #8888 and CCB complaints. They shall submit a report summarizing the #8888 and CCB complaints received in FY 2023 to the corresponding designated National Focal Offices. The report shall include the status of the complaints; whether resolved or pending.
- b. DENR Action Center – shall **serve as the National Focal Office on the #8888** that will monitor, consolidate and submit the report and ensure the agency's compliance with FY 2023 PBB requirements for this dimension.
- c. HRDS Personnel Division – shall **serve as the National Focal Office on the CCB** that will monitor, consolidate and submit the report and ensure the agency's compliance with FY 2023 PBB requirements for this dimension.

The above-mentioned Responsible Offices in all criteria shall submit the accomplishment reports to the identified National Focal Office/s for each dimension. The National Focal Office/s shall be responsible in the assessment and consolidation of the submitted accomplishment reports and shall provide the DENR PBB Secretariat scores using the rating scale. The scores provided by the National Focal Offices shall be the basis of DENR PBB Secretariat's self-assessment on the overall performance of the Department.

Should there be deficiencies in the accomplishments for any of the criteria and conditions, justifications shall be made, as discussed in Section 8. **The reports and scores should be submitted to the Performance Management Group (PMG) through the DENR PBB Secretariat (Policy and Planning Service), not later**

than 31 January 2024. It should be noted, however, that all the submissions for FY 2023 PBB qualification shall be subjected to further validation by the AO25 IATF.

5.0 AGENCY ACCOUNTABILITIES

Although no longer required in determining the overall PBB eligibility, the following requirements shall continue to be implemented, monitored and complied. The compliance with the following requirements shall be used **as basis in determining the eligibility of responsible units and individuals**. These legal requirements must be submitted directly to the oversight/validating agencies.

Deadline	Requirements	DENR-DO Focal	Validating Agency
Before January 31 st of the fiscal year	Undertaking of Early Procurement Activities (EPA) covering FY 2024 Procurement Projects. Submit a Certificate of Compliance that the agency conducted EPA for at least 50% of the Total Value of the FY 2024 Procurement Projects to the GPPB-TSO. Note: EPA should be conducted in FY 2023.	AS - PSMD	GPPB-TSO
March 31, 2023	FY 2023 Non-Common Use Supplies and Equipment (APP-non CSE to GPPB-TSO)	AS - PSMD	GPPB-TSO
June 30, 2023	Results of FY 2022 APCPI System Submit results of the APCPI system for FY 2021 Procurement Transactions to GPPB-TSO	AS - PSMD	GPPB-TSO
August 31, 2023 (based on PS Advisory 2023-014)	FY 2024 Annual Procurement Plan-Common Use Supplies and Equipment (APP-CSE) (Annex 4). Submission of the FY 2024 APP-CSE is exclusively through the PS-DBM Virtual Store under the Modernized PhilGEPS (MPhilGEPS) system. Note: PS-DBM will not accept hard copies and submissions via email.	AS - PSMD	DBM-PS
September 30, 2023	Posting of Indicative FY 2024 APP-non CSE in the agency's Transparency Seal webpage	AS - PSMD; SCIS	DBM-OCIO
October 01, 2023	Maintenance/Update of the agency Transparency Seal (TS) under Section 102 of the General Provisions of the FY 2023 GAA. The TS page should be accessible by clicking the TS logo on the home page.	SCIS	DBM-OCIO
October 01, 2023	Submission and Review of SALN. Post the agency's policy on the Establishment and Conduct of the Agency Review and Compliance of SALN in the agency transparency Seal for FY 2023.	HRDS - PD; SCIS	CSC
November 30, 2023	Compliance with the National Competition Policy (NCP) Submit the complete set of applicable National Competition Policy or NCP-related requirements to the Philippine Competition Commission (PhCC) as stated in Annex 5 to 5.4 of the AO25 MC no. 2023-1 (Annex 5)	PPS-PSD	PhCC

Deadline	Requirements	DENR-GO Focal	Validating Agency
December 31, 2023	ISO QMS Certification or equivalent certification of at least one (1) critical frontline service or core process. (Annex 6) Posting on the TS webpage the copy/ies of ISO QMS certification/ recertification or equivalent certification.	DENR QMS Team; SCIS	DBM-SPIB
December 31, 2023	Compliance with Audit Findings and Liquidation of Cash Advances Sustained Compliance w/ Audit Findings Fully implement 30% of the prior years' audit recommendations as shown in the Report on Status of Implementation of Prior Years' Recommendations. These recommendations will exclude the Property, Plant, and Equipment (PPE)-related items of the Annual Audit Report (AAR). Audit findings closed since FY 2021 should also not recur. The objective is to improve the agency's internal control processes, enhance operational effectiveness, and eliminate, resolve, and remedy most, if not all, of the agency audit findings, by the end of 2023.	FMS - MD	COA
January 31, 2024	PhilGEPS posting of all invitations to bids and awarded contracts – Notices of Award/Bid Results, Actual Approved/Awarded Contracts, and Notices to Proceed/Purchase Orders for public bidding transactions above one million (P1,000,000) (Annex 7) Update all procurement requirements for transactions above 1 million from January 1, 2023 to December 31, 2023 in the PhilGEPS.	AS - PSMD	PS-PhilGEPS
January 31, 2024	Compliance with the Freedom of Information (FOI) Program Submit the following Freedom of Information (FOI) Program requirements to PCOO a. Updated People's FOI Manual b. Updated One-Page FOI Manual c. Updated FOI Reports: Agency Information inventory, 2023 FOI Registry, and 2023 FOI Summary Report d. Onboarding to the eFOI portal e. FOI Feedback Report f. Addressed overdue or pending FOI Requests	Admin Service – Records Office and SCIS	PCOO
NEW REQUIREMENTS			
The focal office shall submit on or before 31 January 2024 to DENR PBB Secretariat	Report on the digitalization initiatives or digital transformation of external and internal services Agencies may submit based on their preferred format for the report on digitalization.	KISS: DENR PDT	AO25
February 29, 2024	Special Order designating the Agency's Committee on Anti-Red Tape (CART)	DENR CART	ARTA

Deadline	Requirements	DENR-CO Focal	Validating Agency
	Compliance and submission of requirements to ARTA pertaining to the agency's CART as stated in ARTA MC No. 2020-007.	Secretariat	
Last working day of April 2024	Administered Client Satisfaction Measurement or CSM aligned with the ARTA Memorandum Circular No. 2022-05 or the Guidelines on the Implementation of the Harmonized Client Satisfaction Measurement.	KISS; SCIS / SMCRD	ARTA

The DENR Central Office Focal for each agency accountability shall be responsible in monitoring the compliance of the Regional Offices, Staff Bureaus and Central Office Delivery Units and should **submit report of compliance of the Delivery Units to the DENR-PMG, through the DENR PBB Secretariat (Policy and Planning Service), not later than 31 January 2024.** Moreover, the CO Focal Office shall prescribe standards consistent with the oversight/validating agency to ensure the delivery of the expected outputs in terms of quantity, quality and timeliness of outputs and/or submissions.

In case of further instructions relative to Agency Accountabilities by the Oversight/Validating Agencies, a Memorandum/Advisory from the National Focal Office shall be issued, copy furnished the PMG Chairperson, whenever necessary.

6.0 ELIGIBILITY OF DELIVERY UNITS AND INDIVIDUALS

- 6.1 Similar to FY 2022 PBB, the Delivery Units (DUs) of eligible agencies shall no longer be ranked for FY 2023 PBB. However, the unit/s most responsible for deficiencies shall be isolated.

6.1.1 Based on Table 1, to be eligible for the FY 2023 PBB, the agency must attain a total score of at least 70 points and a minimum rating of four (4) in at least three (3) of the four (4) accountability dimensions. In case the agency fails to meet a rating of 4 in at least three (3) criteria, the unit/s most responsible (including its head) for the criteria stated in Section 3.0 with a performance rating of below 4 will be isolated from the grant of the FY2023 PBB.

6.1.2 The unit/s most responsible (including its head) for the non-compliance with the Agency Accountabilities provided in Section 5.0 shall also be isolated from the grant of the FY 2023 PBB.

6.1.3 The National Focal Offices responsible for the non-attainment of at least twenty (20) points or equivalent to at least a performance rating of four (4) in any of the four dimensions and, the Agency Accountabilities shall be responsible in determining the unit/s most responsible (including its head) for the non-attainment of targets and non-compliance, respectively. The said National Focal Office shall submit to the DENR PBB Secretariat the list of units including names to be isolated within 15 calendar days upon receipt of the final results copy furnished the DENR-HRDS.

- 6.2 Eligible DUs shall be granted FY 2023 PBB at uniform rates across the agency, including their officials and employees. The corresponding rates of the PBB shall be based on the achieved total score as shown in Section 7.0.

- 6.3 To be eligible for the PBB, employees belonging to the First, Second, and Third Levels should receive a rating of at least **"Very Satisfactory"** based on the CSC-approved Strategic Performance Management System (SPMS) or the requirement prescribed by the CESB. The HRDS-Personnel Division shall provide the necessary data and shall be submitted 15 calendar days upon the receipt of eligibility result of the Agency.
- 6.4 The Department Secretary is eligible only if his/her agency is eligible. If eligible, his/her PBB shall be equivalent to the rates stated in Section 7.0
- 6.5 Personnel in detail to another government agency for six (6) months or more shall be included in the recipient agency that rated his/her performance. Payment of the PBB shall come from the mother agency.
- 6.6 Personnel who transferred from one government agency to another agency shall be included by the agency where he/she served the longest. If equal months were served for each agency, he/she will be included in the recipient agency.
- 6.7 Officials and employees who transferred from government agencies that are non-participating in the implementation of the PBB shall be rated by the agency where he/she served the longest; the official/employee shall be eligible for the grant of the PBB on a pro-rata basis corresponding to the actual length of service to the participating implementing agency, as stated in Section 6.9.
- 6.8 An official or employee who has rendered a minimum of nine (9) months of service during the fiscal year and with at least Very Satisfactory rating may be eligible for the full grant of the PBB.
- 6.9 An official or employee who has rendered less than nine (9) months but a minimum of three (3) months of service and with at least Very Satisfactory rating shall be eligible for the grant of PBB on a pro-rata basis corresponding to the actual length of service rendered, as follows:

Length of Service	% of PBB
8 months but less than 9 months	90%
7 months but less than 8 months	80%
6 months but less than 7 months	70%
5 months but less than 6 months	60%
4 months but less than 5 months	50%
3 months but less than 4 months	40%

The following are the valid reasons for an employee who may not meet the nine-month actual service requirement to be considered for PBB on a pro-rata basis:

- a. Being a newly hired employee
 - b. Retirement and Death
 - c. Resignation
 - d. Rehabilitation Leave
 - e. Maternity Leave and/or Paternity Leave
 - f. Vacation or Sick Leave with or without pay
 - g. Scholarship/Study Leave; and/or
 - h. Sabbatical Leave
- 6.10 Heirs of the deceased personnel who qualified for 2023 PBB shall be required to present proof of legitimacy of claim.

- 6.11 An employee who is on vacation or sick leave, with or without pay for the entire year is not eligible for the grant of the PBB.
- 6.12 Personnel found guilty of administrative and/or criminal cases by final and executory judgment in FY 2023 shall not be entitled to the PBB. If the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB.
- 6.13 Officials and employees who failed to submit their 2022 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 s 2015; or those who are responsible for non-compliance with the establishment and conduct of the review and compliance procedure of SALN, shall not be entitled to the FY2023 PBB.
- 6.14 Officials and employees who failed to liquidate all cash advances received in FY 2023 within the reglementary period, as prescribed in COA Circular 97-002 dated February 10, 1997, and reiterated in COA Circular 2009-002 dated May18, 2009, shall not be entitled to the FY 2023 PBB.

7.0 RATES OF THE PBB

- 7.1 The total score as stated in Section 4.0 shall be the basis for determining the amount of the PBB an agency is eligible for. The maximum rate of the PBB for agencies that will achieve 100 points shall be 100% of the 65% monthly basic salary of an individual as of December 31, 2023. For illustration, see Table 6 below.

Table 6: Rates of the PBB	
Total Score	PBB Rates
100 points	65% (100% of the 65% monthly basic salary)
95 points	61.75% (95% of the 65% monthly basic salary)
90 points	58.5% (90% of the 65% monthly basic salary)
85points	55.25% (85% of the 65% monthly basic salary)
80 points	52% (80% of the 65% monthly basic salary)
75 points	48.75% (75% of the 65% monthly basic salary)
70 points	45.5% (70% of the 65% monthly basic salary)

- 7.2 Should the agency be assessed to be eligible to the grant of the PBB, the rates of incentives will be reduced by 5% if it failed to submit the complete PBB requirements on time.

8.0 JUSTIFICATION OF DEFICIENCIES

In the event of non-attainment of the prescribed performance rating of at least "4" for all the dimensions and non-compliance of the agency's accountabilities, the highest ranking official in-charge of the offices, as stated in Sections 4.0 and 5.0, shall include a justification and/or underlying reasons for the deficiencies or non-attainment of a particular PBB requirement in the report to be submitted on/before the deadline, as will be discussed in Section 9.0.

If the deficiency or non-compliance of each criterion is caused by controllable factors, the names of the most responsible unit and/or individuals who shall be isolated from the grant of FY 2023 PBB shall be included in the report. The justification for the controllable factors is still subject for verification of the concerned national focal.

Meanwhile, if the deficiency or non-compliance of each criterion is caused by uncontrollable factors, such as inaccessibility in the uploading of accomplishments in the Unified Reporting System due to system error, there shall be an issuance of verifiable justification which shall be subjected to further verification by the AO25 Secretariat.

9.0 TIMELINE AND SUBMISSION/POSTING OF REPORTS AND REQUIREMENTS

9.1 All Regional Offices, Staff Bureaus, and Central Office Delivery Units shall submit to respective National Focal Office the proofs of accomplishments with corresponding justification/s, in case of non-attainment of targets, for Performance Results, Process Results, Financial Results, and Citizen/Client Satisfaction Results using the prescribed forms on or before 15 January 2024 for assessment, review and consolidation.

9.2 The national focal/s and Central Office Focal/s shall submit thru email at ppso.pmed@denr.gov.ph the consolidated reports and evidence of accomplishments on the four criteria, including all explanations and justifications for deficiencies, to the PMG Chair through its Secretariat on or before 31 January 2024. The submission shall be in an electronic submission (scanned or digital copy of the official submission and editable MS Word or Excel files for use of the AO25 Secretariat).

The Central Office focals on the Agency Accountabilities indicated in Section 5.0 shall provide necessary documents such as consolidated reports or proofs of compliance to the DENR PBB Secretariat for submission to AO25.

9.3 As part of the AO25 efforts in digitalizing and streamlining the assessment processes, beginning FY 2023 PBB, the submission of accomplishment reports shall be fully online through the Government Executive Information System (GEIS) platform. The GEIS serves as the main source of performance information for agencies including both the historical and current status of eligibility to the PBB and compliance with government standards. Further details on the use of the GEIS shall be disseminated to the agencies through a separate communication.

9.4 The DENR PBB Secretariat shall submit fully online all pertinent documents for submission to AO25 on or before **29 February 2024**. Late submission of complete PBB requirements of agency that are assessed to be eligible to the grant of the FY 2023 PBB, shall be subject to a penalty (5% reduction in the rates of incentives) as indicated in Section 7.2.

The DENR PBB Secretariat shall ensure that all explanations and justifications for deficiencies are already attached in their online submission.

Table 7: Summary of Timelines	
Required Documents	Deadline of Submission
Means of Verification and Justification for non-attainment of targets from Central Office Units, Regions, and Staff Bureaus for the four Dimensions	15 January 2024
Consolidated Reports from National Focal/s and Central Office Focal/s for the Four Dimensions and Agency Accountabilities	31 January 2024
Submission of documents/ requirements to AO25 Secretariat (online)	29 February 2024

- 9.5 The HRDS thru Personnel Division shall be responsible for the review and updating of their respective Personnel Services Itemization and Plantilla of Personnel (PSIPOP) under the DBM's Government Manpower Information System (GMIS). Under National Budget Circular (NBC) No. 549 2, agencies shall review the PSIPOP and update the Plantilla of Personnel (POP) portion thereof, and upload the same to the GMIS database every last week of the month. The PSIPOP shall serve as the primary source of data in determining the total FY 2023 PBB requirement of the agency, to be complemented by a simplified Annex 9: Report on Ranking of Offices/Delivery Units.
- 9.6 Should there be any further instructions relative to FY 2023 PBB Guidelines founded on the AO25 IATF directives, a Memorandum/Advisory from the PMG Chairperson shall be issued, whenever necessary.

10.0 SOURCE OF FY 2023 PBB FUND

The DENR FY 2023 PBB shall be charged against Miscellaneous Personnel Benefits Fund (MPBF) in the General Appropriations Act.

11.0 EFFECTIVITY

This Circular shall take effect immediately.

MARIA ANTONIA LOYZAGA
Secretary



DENR Performance Information, CY 2023

Performance Information	2023 Target	National Focal Office
OO1 : Natural resources sustainably managed		
NATURAL RESOURCES ENFORCEMENT AND REGULATORY PROGRAM		
Outcome Indicators		
1. Percentage of illegal logging hotspot areas neutralized	By the end of 2028, illegal logging hotspots decreased by 50%	FMB
2. Percentage of 8.2M ha of forests protected against forest fires, poaching, pest and diseases, etc.	75% protected against forest fire, poaching, pest and diseases	FMB
Output Indicators		
3. Number of hectares of open-access/untitled lands of the public domain placed under appropriate management arrangement/tenure	21,000 ha	FMB
4. Percentage of wildlife permits, certifications and/or clearance applications acted upon within 7 working days from date of receipt	80% of wildlife permit applications acted upon	BMB
NATURAL RESOURCES CONSERVATION AND DEVELOPMENT PROGRAM		
Outcome Indicators		
5. Area of terrestrial protected areas (including inland wetlands/caves) under the NIPAS effectively managed increased (in ha)	Poor - 0 ha Fair - 5,401.58 ha Good - 319,994.99 ha Excellent - 1,330,956.09 ha	BMB
6. Area of marine protected areas effectively managed increased (ha)	Poor - 0 ha Fair - 0 ha Good - 1,439,448.20 ha Excellent - 1,287,266.08 ha	BMB
7. Ownership of public alienable and disposable lands secured (2011-Present)	By the end of 2023, 1,198,373 residential and agricultural patents issued	LMB
8. Percentage increase in forest cover	By the end of 2028, forest cover increased by 3%	FMB
Output Indicators		
9. Number of terrestrial protected areas/wetlands/caves established/conserved		BMB
Inland Wetlands	16	
Caves	13	
10. Number of critical habitats established and managed	2 established and 7 managed	BMB
11. Number of legislated NIPAS MPAs with Water Quality Assessment Monitoring conducted	35	BMB
12. Number of established Marine Protected Areas Network (within NIPAS MPA or with at least one NIPAS MPA component strengthened)	11	BMB
13. Number of residential free patents issued	13,000	LMB

Performance Information	2023 Target	National Focal Office
14. Area of denuded and degraded forestland/PAs decreased (in ha cumulative)	13,565 ha	FMB
15. Number of hectares of planted area maintained and protected	158,843 ha	FMB
16. Percentage of annual survival rate of seedlings planted	85.00%	FMB
OO2 : Adaptive capacities of human communities and natural systems improved		
ENVIRONMENT AND NATURAL RESOURCES RESILIENCY PROGRAM		
<i>Outcome Indicator</i>		
17. Percentage of critical watershed with interventions implemented	100% of critical watersheds with interventions implemented based on IWMP	FMB
<i>Output Indicator</i>		
18. Number of priority critical watershed supporting National Irrigation System characterized and vulnerability assessed	23	FMB

Annex 2		
MODIFIED FORM A - DEPARTMENT/AGENCY PROCESS RESULTS REPORT		
AGENCY NAME: _____		
	(A) ONE (1) EXTERNAL CORE SERVICE	(B) ONE (1) INTERNAL SERVICE
(1) Name of Service		
(1a) Reason for Selection		
(2) Responsible Units		
(3) Identified Clients (per service)		
(4) Number of Client Visits in FY 2023		
(5) Volume of Transactions in FY 2023		
(6) Volume of Transactions in FY 2022		
(7) FY 2022 Improvements (ease of transaction, digitization, standardization)		
(8) FY 2022 Results (evidence)		
(9) FY 2023 Improvements (ease of transaction, digitization, standardization)		
(10) FY 2023 Results (evidence)		
(11) FY 2023 Client/Client Satisfaction Rating of the Service (per service rating)		
(12) Remarks		

Prepared by: _____

Name of Officer / Designation / Date

Approved by: _____

Department Secretary/Agency Head/ Date

Editable copy can be accessed through this links: <https://rb.gy/ekswt> or
<https://rbpms.dap.edu.ph/wp-content/uploads/2023/08/Annex-2-FY-2023-Modified-Form-A-Department-Agency-SUC-Process-Results-Report.xlsx>

In accomplishing the Modified Form A, **quantifiable results** should be indicated in FY 2022 and FY 2023 improvements (for comparative analysis) such as the number or percentage of reduction in total processing time, steps requirements, costs, etc.

GUIDELINES IN ACCOMPLISHING MODIFIED FORM A - DEPARTMENT/AGENCY/SUC PROCESS RESULTS REPORT	
Agency Name	Indicate the <u>name of the agency</u> .
Column A	Information about the <u>external core service</u> prioritized for improvement, as identified in the Initial Reengineering Plan submitted to ARTA. External services refer to government services applied for or requested by external citizens or clients or those who do not form part or belong to the government agency or office.
Column B	Information about the <u>internal service</u> prioritized for improvement, as identified in the Initial Reengineering Plan submitted to ARTA. Internal services refer to government services applied for or requested by citizens or clients who are within the respective government agency or office, such as, but not limited to, its personnel or employees, whether regular or contractual. Internal services include services such as, but are not limited to, back-end/support services and regulatory functions related to permitting, licensing, and issuance of a privilege, right, reward, clearance, authorization, or concession.
Row 1	Indicate the <u>name of the critical services</u> prioritized for improvement, as identified Section 4.2 of the FY 2023 PBB Guidelines.
Row 1a	Indicate the <u>reason for selecting</u> the critical services prioritized for improvement. Cite any of the six (6) factors identified in Section 4.2.2 of the FY 2023 PBB Guidelines or cite "(7) Others" but specify and justify why the service was prioritized for improvement.
Row 2	Indicate the <u>bureaus/offices/delivery units/processing units responsible</u> for the processing, delivery, and completion of the critical government service.
Row 3	Identify the <u>clients/customers</u> who avail the critical service/s declared by the agency.
Row 4	Report the <u>number of clients/customers</u> who availed the critical service in FY 2023. If there are variations of the service, indicate the disaggregated data on the number of clients/customers for FY 2023.
Row 5	Report the <u>volume of transactions for FY 2023</u> for the selected critical services. If there are variations of the service, indicate the disaggregated data on the Volume of Transactions for FY 2023.
Row 6	To also capture the service expansion rate, report the <u>volume of transactions for FY 2022</u> for the selected critical services.
Row 7	Indicate the <u>FY 2022 improvements in the reported critical service/s</u> , demonstration of the ease of transaction, digitization, and standardization.
Row 8	Report <u>results and evidence of FY 2023 improvements</u> , ease of transaction, digitization, and standardization.
Row 9	Indicate the <u>FY 2023 improvements in the reported critical service/s</u> , demonstration of the ease of transaction, digitization, and standardization. The agency may refer to the Initial Reengineering Plan submitted to ARTA as basis in prioritizing areas for improvement.
Row 10	Report <u>results and evidence of FY 2023 improvements</u> , ease of transaction, digitization, and standardization. Evidence of systems and procedure improvement efforts other than the immediate reduction of steps, fees, and processing times, among others, can be considered, such as: (1) Service improvements declared and reflected in the agency's updated Citizen's Charter; (2) No pending/aging transactions beyond the standard processing time declared in the Citizen's Charter, subject to automatic approval; (3) Savings garnered by the agency in terms of administrative cost; (4) Changes/improvements institutionalized in policies/ procedures; (5) documentation and evidence of ongoing systems and process review and improvement (e.g. conduct of time and motion study, cost compliance analysis, regulatory impact assessment, systems development, Inter-agency review and harmonization of regulations and procedure) with corresponding action plan and timeline of implementation; (6) ongoing systems development provided with specific timeline for implementation.
Row 11	Report the <u>FY 2023 citizen/client satisfaction results</u> for each of the declared critical services.
Row 12	In the event that the department/agency is unable to provide data in each criterion, departments/agencies shall provide justifications/explanations using the <u>remarks column</u> . The acceptance of explanation/s shall be subject to the review and recommendations of the validating agency/ies.

Annex 3

PORTALS	RESOLUTION RATE	COMPLIANCE RATE
Hotline #8888	The percentage of tickets acted upon or closed tickets by a government agency against the total number of endorsed tickets by the Hotline #8888 Citizen's Complaint Center (CCC) without consideration of the 72-hour period to take action as prescribed in Executive Order (EO) No. 6, s. 2016 ¹ .	The percentage of tickets acted upon or closed tickets by a government agency within the 72-hour period to take action, as prescribed in EO No. 6, s. 2016.
Contact Center ng Bayan (CCB)	<p>Negative feedback on government services, processes, and procedures lodged through the CCB are considered resolved after the agency has responded to the referral and provided detailed action taken to correct the reported dissatisfaction and prevent its re-occurrence.</p> <p>If the particular concern cannot be acted upon, the agency has to provide an explanation as to why it cannot be addressed. The negative feedback will be considered resolved upon receipt of the reply/explanation from the agency.</p> <p>If the complaint involves an administrative case, the CCB will still forward the negative feedback to the agency and will request an update on the status of the case. Upon receipt of the reply, the CCB will inform the customer of the feedback from the agency and will consider the ticket resolved.</p>	Percentage of negative feedback resolved by the agency within the prescribed timeline of 72 hours over the total number of negative feedback received within a particular period.

¹ Institutionalizing the 8888 Citizen's Complaint Hotline and Establishing the 8888 Citizen's Complaint Center

Annex 4

SUBMISSION OF THE 2024 APP-CSE TO THE PS-DBM

The Procurement Service - Department of Budget and Management (PS-DBM) advises all government agencies to submit their FY 2024 Annual Procurement Plan - Common-use Supplies and Equipment (APP-CSE) to PS-DBM via the Virtual Store (VS) facility.

The deadline for submission is on **31 July 2023**.

Submission of the FY 2024 APP-CSE is exclusively through the PS-DBM Virtual Store under the Modernized PhilGEPS (MPhilGEPS) system. PS-DBM will **not accept** hard copies and submissions via email.

IMPORTANT NOTES ON THE UPLOADING OF 2024 APP-CSE:

1. Agency should have an active Virtual Store (VS) Account under the MPhilGEPS system to be able to upload the 2024 APP-CSE.
2. For agencies not yet registered to the VS, please contact the PS-DBM Virtual Store Team at appcse.helpdesk@ps-philgeps.gov.ph or you may call 0918-2954426.
3. For detailed procedures on how to upload the FY 2024 APP-CSE, please visit the PS-DBM website at www.ps-philgeps.gov.ph.
4. Agencies may also watch the online video tutorial on uploading the APP-CSE on YouTube.
5. PS-DBM will publish the list of agencies that have successfully submitted their 2024 APP-CSE on the PS-DBM website. The list shall be updated regularly.

Note:

The submission of APP-CSE is in compliance with Memorandum Circular No. 2023-01 issued by the Inter-agency Task Force on the Harmonization of National Government Performance Monitoring Information Systems (Administrative Order No 25 s. 2011).

**GUIDELINES ON THE COMPLIANCE WITH NATIONAL COMPETITION POLICY
(NCP)-RELATED REQUIREMENTS FOR FY 2023**

These guidelines shall provide guidance to covered agencies for the preparation of the NCP-related requirements relative to **FY 2023 PBB Guidelines**.

1.0 REQUIREMENTS AND CONDITIONS FOR COVERED AGENCY COMPLIANCE

1.1 Identified Covered Agencies (Annex 5.1)

The compliance of Department-level entities shall only cover the central offices. Only attached agencies of Departments specifically identified in Annex 5.1 shall be subjected to NCP-related accountabilities.

The identified covered agencies shall be subject to and accordingly submit the following NCP-related accountabilities:

1.1.1 Designation of an NCP Focal Committee

1.1.1.1 Agencies shall constitute an NCP Focal Committee via a *Special Order, Office Order, or its equivalent* signed by the Head of Agency or his/her authorized representative.

1.1.1.2 The functions of the NCP Focal committee may include but are not limited to the following:

(a) Acts as the liaison and coordination unit of the agency for NCP concerns.

(b) Facilitates the agency's compliance with NCP requirements.

(c) Coordinates with appropriate offices/units within the covered agency to ensure compliance with NCP requirements.

(d) Ensures the timely submission of NCP requirements on or before **30 November 2023** to the PGC as validating agency.

(e) Perform any other functions that may be deemed necessary by the Head of the Agency.

1.1.1.3 The Committee shall include at least one (1) person with sufficient authority to drive compliance with NCP-related accountabilities within the agency (*i.e., Director level, Division Chief, and/or equivalent*). The number of members of the Committee shall be within the discretion of the Head of Agency.

1.1.1.4 For Department-level entities and government agencies with regional offices, the composition of the Committee shall also include at least one (1) representative from each regional office.

1.1.1.5 Agencies must also include in their submission the **Annex 5.2 Directory/Contact Details for FY 2023 NCP-PBB** signed by the Head of Agency or his/her authorized representative.

1.1.1.6 To facilitate the coordination and assistance to covered agencies during the implementation for FY 2023, the *Special Order, Office Order, or its equivalent* on the constitution of the NCP Focal Committee and the accomplished Annex 5.2 Directory/Contact Details for FY 2023 NCP-PBB shall be submitted to the NCP-PBB Secretariat through ncp-pbb@phcc.gov.ph on or before thirty (30) days after the issuance of the FY 2023 PBB Guidelines or 17 July 2023, whichever comes later.

1.1.2 Certificate of Training Completion of NCP Focal Committee Members

1.1.2.1 To facilitate the covered agency's compliance to other NCP-related accountabilities, at least 50% of the NCP focal committee members shall complete the **"Leveling the Playing Field through the National Competition Policy: A Blended Learning Course for Government Agencies"** offered through the iCLP: Online Learning Hub on Competition Law and Policy (<https://iclp.phcc.gov.ph/>).

1.1.2.2 For Department-level entities and government agencies with regional offices, compliance to the

training requirement includes representatives from the regional offices.

1.1.2.3 Should the newly constituted NCP Focal Committee include members with previous completion of the NCP-related training provided through the iCLP: Online Learning Hub on Competition Law and Policy, the completion of the specific member shall be credited as part of the agency's compliance with the training requirement.

1.1.2.4 Course completers are not required to submit a copy of training certificates. This requirement shall be validated by the PCC through its learning portal.

1.1.3 Provision of List of Agency's Policies, Issuances, Rules, and/or Regulations

1.1.3.1 Agencies must submit a list of agency's policies, issuances, rules and/or regulations. Policies covered shall only include those which relate and apply to external entities and those which are in accordance with the mandate of the agency. Further, agencies shall subject these policies to a thorough scanning to identify remarks on the policy's relevance to market competition based on keywords from **Annex 5.3 CIA Keywords**.

1.1.3.2 Agencies shall provide the list following the format in **Annex 5.4 List of Agency's Policy Issuances, Rules and/or Regulations**. Agencies shall then indicate the following remarks on each of the identified policies based on the equivalent considerations:

(a) **Relevant**. Policy includes at least one (1) keyword identified in **Annex 5.3 CIA Keywords**.

(b) **Potentially Relevant**. Policy includes no keyword identified in **Annex 5.3 CIA Keywords**, but the agency has determined it to have potential effect on market competition.

(c) **Not Relevant**. Policy includes no keyword identified in **Annex 5.3 CIA Keywords** and may not have a potential effect on market competition.

- 1.1.3.3 Agencies shall also certify the completeness of the submitted list based on their available resources and information.
- 1.1.4 **Review of at least one (1) policy, issuance, rule, and/or regulation based on the application of the Competition Impact Assessment (CIA) checklist.**
- 1.1.4.1 From the list of policies in Annex 5.4, the agency shall subject **at least one (1) policy, issuance, rule, and/or regulation** to the CIA checklist. Those which were identified to be relevant or potentially relevant to market competition are recommended to be subjected to the CIA checklist.
- 1.1.4.2 The application of the CIA checklist will allow agencies to conduct an initial determination of whether there are potential competition-related issues with the existing regulation.
- 1.1.4.3 The accomplished CIA checklist will serve as input to the full CIA which may be conducted. The CIA evaluates the potential competitive effects of a proposed or existing policy. It enables a competition agency or a government body to identify regulations that potentially restrict or harm competition, and thus to develop alternative regulations.
- 1.1.4.4 Agencies shall accomplish the CIA checklist through <https://tinyurl.com/CIAChecklist-NCP-PBB>.

2.0 SUBMISSION OF REQUIREMENTS

- 2.1 In order to facilitate the conduct of the validation of submissions, the covered agencies shall:
- 2.1.1 Submit the complete set of applicable NCP-related requirements to the Philippine Competition Commission through email at ncc-pbb@phcc.gov.ph.
- 2.1.2 Forms/Requirements to be submitted shall follow this file name format: **Agency Name (Acronym)_FY 2023 NCP-PBB Submission_List of Agency's Policies** (e.g., Philippine Competition Commission (PCC)_FY 2023 NCP-PBB Submission_List of Agency's Policies)

2.1.3 The email subject for the submission shall follow the format of **Agency Name (Acronym)_FY 2023 NCP-PBB Submission** (e.g., Philippine Competition Commission (PCC)_FY 2023 NCP-PBB Submission)

2.2 The deadline for submission shall be **on or before 30 November 2023**. Agencies are also required to provide scanned or digital copies of the official submission and editable MS Word or Excel file for use of the NCP-PBB Secretariat.

List of Covered Agencies for FY 2023 NCP Implementation Cycle

Agency
Departments
1. Department of Agrarian Reform
2. Department of Agriculture
3. Department of Budget and Management
4. Department of Education
5. Department of Environment and Natural Resources
6. Department of Finance
7. Department of Foreign Affairs
8. Department of Human Settlements and Urban Development
9. Department of Information and Communications Technology
10. Department of the Interior and Local Government
11. Department of Justice
12. Department of Migrant Workers
13. Department of National Defense
14. Department of Science and Technology
15. Department of Social Welfare and Development
16. Department of Tourism
17. Department of Transportation
18. Department of Public Works and Highways
Other Government Agencies
19. National Meat Inspection Services
20. National Irrigation Administration
21. National Tobacco Administration
22. National Nutrition Council
23. Intellectual Property Office of the Philippines
24. National Food Authority
25. National Privacy Commission
26. Land Transportation Franchising and Regulatory Board
27. Land Transportation Office

**DIRECTORY / CONTACT DETAILS FOR FY 2023
PERFORMANCE BASED BONUS - NATIONAL COMPETITION POLICY (NCP)**

AGENCY :

ADDRESS :

DESIGNATION	NAME	OFFICE	POSITION	CONTACT DETAILS	
				Phone Number	Email Address
Head of Agency					
Executive Assistant of Head of Agency					
NCP Focal Committee Members					
For Department-level Entities and Government Agencies with Regional Offices					
Regional Office Representative					

Endorsed by:

Head of Agency / Authorized Representative

Editable copy can be accessed through this links: <https://rbpms.dap.edu.ph/policies-issuances/>

CIA Keywords

Abuse of dominance	Control	Limiting production	Potential entrants	Subsidy
Acquisition of shares	Coordination	Limiting technical development	Predation	Substantial lessening of competition (SLC)
Advertising	Co-regulatory regime	Market allocation	Predatory pricing	Supply and demand
Allocative efficiency	Countervailing market power	Market concentration	Price cap	Supply chain
Anticompetitive practices	Demand-side substitutability	Market efficiency	Price ceiling	Supply-side substitutability
Bargaining power	Differential costs	Market forces	Price control	Switching cost
Barriers to entry and exit	Discretionary powers	Market limitation/restrictions	Price discounts	Ultimate parent entity (UPE)
Bid-rigging	Dominant firms	Market power	Price discrimination	Undue advantage
Buyers and sellers	Downstream market	Market regulation	Price fixing	Unfair practices
Cartel	Economic concentration	Maverick firms	Price floor	Unfair pricing
Collusion	Essential inputs	Merger notification	Producer welfare	Upstream market
Competition	Exclusive dealing	Merger review	Product differentiation	Value chain
Competition enforcement	Exclusive rights	Mergers and acquisitions	Product marketing/advertising	
Competition exemption	Exploitative behavior	Minimum capital requirements	Product quality	
Competition policy	Fiscal support	Monopoly	Product standards	
Competitive markets	Free markets	Natural monopoly	Product substitution	
Competitive advantage	Incentive	Oligopoly	Protectionism	
Competitive neutrality	Joint ventures	Output limitation	Public utility	
Competitive selection process (CSP)	Level playing field	Partial equity/ownership	Relevant markets	
Consumer choice	Liberalization	Perfect competition	Restrictions of trade	
Consumer harm	Licenses and permits	Philippine Competition Act (PCA)	Rivalry	
Consumer welfare	Limiting markets	Philippine Competition Commission (PCC)	Self-regulation	

LIST OF AGENCY'S POLICY ISSUANCES, RULES AND/OR REGULATIONS

AGENCY :

ADDRESS :

No.	TITLE	BRIEF DESCRIPTION	DATE	LINK (WORKING URL)	KEYWORDS FOUND	REMARKS
1						
2						
3						
4						
5						

This is to certify that the <agency> submitted a complete list of its policy issuances, rules and/or regulations, as prescribed by the Guidelines on the Compliance with National Competition Policy (NCP)-related Requirements for FY 2023 and pursuant to Administrative Order No. 44, s. 2021.

Certified by:

Head of Agency / Authorized Representative

Date:

Editable copy can be accessed through this links: <https://rbpms.dap.edu.ph/policies-issuances/>

**GUIDELINES ON THE COMPLIANCE WITH, AND VALIDATION OF, ISO
QUALITY MANAGEMENT SYSTEM (QMS) CERTIFICATION/RECERTIFICATION**

This Annex shall serve as the guidelines for agencies in line with the Agency Accountability under Section 5.0 of the AO 25 Memorandum Circular No. 2023-1 which is a continuing ISO QMS certification or equivalent certification.

**1.0 GUIDELINES IN DETERMINING COMPLIANCE WITH THE ISO QMS
CERTIFICATION/RECERTIFICATION**

- 1.1 Only a valid ISO 9001:2015 QMS certification/recertification or the latest version of the ISO 9001 certification** is considered as compliance with the subject agency accountability.

Should a new version of the ISO 9001 be available during the year, agencies are encouraged to endeavor in migrating to said latest version as soon as possible.

The certifications/recertifications must be valid as of **31 December 2023**, i.e., the effectivity date indicated in the certificate. Accordingly, certifications/recertifications with an effectivity date starting 1 January 2024 onwards **shall not be considered** as compliance with said agency accountability.

Agencies are reminded that they must pursue **continued certification**, i.e., ensure that there is no gap in terms of the expiration of its previous certification and the effectivity date of its existing certification, except for justifiable reasons, e.g., change of certification body (CB) which may cause gap in the certification.

- 1.2 The scope of the QMS indicated in the agency's ISO QMS certification shall be as follows:**
- a. For departments/agencies, state colleges and universities (SUCs), and government-owned or -controlled corporations (GOCCs) under the DBM, it shall cover at least one (1) critical frontline service or core process** of the agency concerned, based on its mandate under existing pertinent laws.
 - b. For GOCCs under Governance Commission for GOCCs (GCG) and local water districts (LWDs) under Categories A and B, the scope of their certification shall be based on the guidelines to be issued by the GCG and Local Water Utilities Administration (LWUA), respectively.**

- 1.3 The ISO QMS certifications must be issued by any of the CBs accredited by the International Accreditation Forum (IAF) member.

However, the CBs which are duly accredited by the Department of Trade and Industry - Philippine Accreditation Bureau (DTI-PAB)¹ to certify the agencies' ISO QMS shall be preferred for the latter's provision of certain degree of control over CBs engaged by government agencies on their ISO QMS certification. This will better address the challenges in the validation process on acquiring information from CBs, among others. The DTI-PAB, aside from being an IAF member, is the recognized national accreditation body in the Philippines pursuant to Executive Order No. 802, s. 2009.²

Beginning FY 2023, government agencies which are still in their certification journey or those which have expiring/expired contract, shall endeavor to obtain their certification/recertification from CBs accredited by the DTI-PAB.

- 1.4 The CBs contracted shall have been accredited to audit and certify QMS for the specified scopes which are deemed relevant to the nature and functions of the agency, e.g., accreditation under ISO 9001 QMS for IAF 36 (Public Administration), IAF 37 (Education), and/or IAF 38 (Health and Social Work).
- 1.5 **Letters of attestation or similar documents issued by CBs** indicating that certification/recertification audits have been completed but still subject to approval of their Certificate Decision Maker³ **shall not be considered** as compliance to the ISO QMS certification agency accountability.
- 1.6 As an alternative, ISO QMS-equivalent certifications are **considered** as compliance with the subject agency accountability. The following certifications/awards are considered equivalent to ISO 9001 certification inasmuch as they similarly ensure consistency of quality of products and services through quality processes, enabling the provision of better service delivery and thereby enhancement of public sector performance:

- Philippine Quality Award (PQA)/Recognition *(for specific office concerned)*
- ISO/IEC 17025 or 17020 Accreditation

¹ The list of the CBs accredited by DTI-PAB could be accessed at the DTI webpage (<http://www.dti.gov.ph/our-work/quality/guides/certificate/>).

² Strengthening and Recognizing the Philippine Accreditation Office Attached to the Department of Trade and Industry as the National Accreditation Body dated 18 May 2009.

³ As provided under **Clause 9.5 Certification Decision** of ISO/IEC 17021-1:2015 (*Conformity assessment – Requirements for bodies providing audit and certification of management systems*), the CB shall ensure that the persons or committees that make the decisions on granting or refusing certification, expanding or reducing the scope of certification, suspending or restoring certification, withdrawing certification or renewing certification are different from those who carried out the audits. Moreover, the Certificate Decision Maker may seek additional information or clarification from the audit team or other sources during its technical review with respect to, among others, the certification requirements, scope of certification, and the client's corrections and corrective actions for nonconformities, if any.

- Accrediting Agency of Chartered Colleges and Universities in the Philippines, Inc. (AACUP)'s Institutional Accreditation *(for SUCs)*
- Qmentum International Canada Accreditation *(for hospitals)*
- Supreme Audit Institutions (SAI) Performance Measurement Framework (PMF) of the International Organization of SAIs *(for the Commission on Audit)*
- Universal Postal Union's Quality Management Certification *(for the Philippine Postal Corporation)*

1.7 Certifications **not included in the list shall not be accepted** as equivalent to ISO 9001 certification and could not serve as compliance to the ISO QMS certification as agency accountability.

2.0 RESPONSIBILITIES OF PARTICIPATING AGENCIES

2.1 All departments/agencies, SUCs, and GOCCs under the DBM must post a copy of their respective ISO QMS certification or equivalent certification in their respective Transparency Seal webpages **not later than 31 December 2023**.

For GOCCs covered by the GCG and LWDS, the deadline of the submission of forms and/or posting of the ISO QMS certification/recertification in their respective websites, as applicable, shall be based on the guidelines to be issued by the GCG and LWUA, respectively.

2.2 In order to facilitate the conduct of the final validation of the submitted ISO certification/recertification with the CBs, agencies, which have not yet submitted the following in the previous PBB cycle, shall:

- Include a provision in the **contract with the winning CB** that they shall accommodate requests of the Government Quality Management Committee (GQMC)-DBM Secretariat, i.e., Systems and Productivity Improvement Bureau (SPIB) and/or other oversight/validating agencies/units⁴ for information or documents relative to their ISO QMS certification/recertification; or
- Ensure completeness of details and information in the **authorization and consent form** and submit the same **to the CBs**, attached as **Annex 3.1** hereof, to provide information/documentation to the GQMC-DBM Secretariat and/or oversight/validating agencies relative to their ISO QMS certification/recertification.

⁴ COMMISSION ON HIGHER EDUCATION (CHE) SUCs; GCG FOR GOCCs UNDER ITS COVERAGE; AND LWUA FOR LWDS.

Copy of the contract or the authorization and consent form shall be submitted to their respective CBs, copy furnished the DBM-SPIB at dbm-spi@dbm.gov.ph on or before **31 JANUARY 2024** or **WITHIN FIFTEEN (15) working days from the issuance of the Notice to Proceed** by the agency to the CB, whichever comes earlier.

The editable copy of the authorization and consent form is available for download on the Results-Based Performance Management System (RBPMS) website at <https://rbpms.dap.edu.ph/downloads/>

Said authorization and consent form should be updated every time there will be a change in the head of the agency or authorized representative.

3.0 VALIDATING AGENCIES

3.1 The following **oversight agencies/units**, hereinafter referred to as the "validating agencies," **shall consolidate the details of the ISO QMS certifications** of their respective agency coverages:

- GQMC-DBM Secretariat –SPIB, for departments/agencies and GOCCs under the DRM;
- Commission on Higher Education (CHED), for SUCs;
- GCG, for GOCCs under its coverage; and
- LWUA, for LWDs.

4.0 VALIDATION PERIOD

4.1 The validating agencies for departments/agencies, SUCs, and GOCCs under the DBM shall conduct the consolidation of the details of the ISO QMS certifications from **2 January 2024** until **29 February 2024**.

On the other hand, the validating agencies for GOCCs and LWDs shall conduct the consolidation of the details of the ISO QMS certifications and the initial validation of the compliance of the agencies based on their respective guidelines within the same period.

5.0 RESPONSIBILITIES OF THE VALIDATING AGENCIES

5.1 The **validating agencies shall provide the consolidated ISO QMS certification or equivalent certification details** of the agencies within their respective coverages using the template herein attached as **Annex 3.2**.

Moreover, the validating agencies for LWDs and GOCCs covered by the GCG must also provide the validation on the compliance of the agencies based on the guidelines to be issued by the LWUA and GCG, respectively.

The reason for non-compliance shall also be indicated in column [8] using the following codes:

Code	Description
N	No submitted ISO 9001 certification or equivalent certification/accreditation, nor any ISO QMS-related documents
Q	Submitted QMS Documents only (Quality Manual, Internal Quality Audit Certification and/or Management Review minutes)
E	ISO 9001 certification or equivalent certification/accreditation is invalid or has expired
A	Submitted Attestation/Confirmation Letter/Audit Report from CB only
U	Submitted documents are unnecessary which are not only not required under the guidelines but also not considered as QMS documents (e.g., office orders, memorandum of agreement with Development Academy of the Philippines, Human Resources manual/handbook, program-based AACUP accreditation, certification from the agency head/QMS consultant on the agency's QMS efforts)
B	Validity of the ISO 9001 certification or equivalent certification/accreditation commences beyond the 31 December 2023 deadline
C	Scope covered by the ISO QMS certification or equivalent certification/accreditation is not based on the requirement (only applicable to agencies which the ISO QMS certification/recertification is the ultimate requirement)

- 5.2 Said annexes shall be duly signed by the authorized personnel of the validating agency.
- 5.3 The CHED, GCG and LWUA shall submit to the GQMC-DBM Secretariat at dbm-spib@dbm.gov.ph, on or before ten (10) working days after the validation period, i.e., on or before 14 March 2024, the accomplished Annex 3.2.

6.0 RESPONSIBILITIES OF THE GQMC-DBM SECRETARIAT

- 6.1 Upon receipt of the initial reports from the oversight agencies/units, the GQMC-DBM Secretariat shall consolidate the same for confirmation by the CBs/Accrediting Agencies.
- 6.2 Accordingly, the GQMC-DBM Secretariat shall provide the final reports on the validation, or in case of no changes, confirmation of the initial reports of the validating agencies, to the AO 25 IATF on or before twenty (20) working days after the submission of the initial reports, i.e., **on or before 11 April 2024**.
- 6.3 In case of changes in the compliance status of the agencies, specifically the GOCCs under the GCG and LWDs, after the submission of the final report to the AO 25 IATF, the GQMC-DBM Secretariat shall submit a revised report on the summary of findings on the agencies' compliance to the AO 25 IATF, as it deems necessary. Such changes could be as follows:
 - a. The request for reconsideration/exemption of an agency has been granted; and
 - b. The status of the ISO QMS certification of the agency was confirmed only after the validation period/submission of the final report to the AO 25 IATF.

The Annex 3.2 shall be updated to reflect the changes in the rating or compliance of the agencies concerned, and shall be submitted together with the revised report on the summary of findings.

However, if there is only **less than** fifty percent (50%) change in compliance status of the aforesaid agencies, the GQMC-DBM Secretariat shall inform the AO 25 Secretariat on said changes but the revision of the reports need not be made.

7.0 RESPONSIBILITIES OF THE CBs

- 7.1 The CBs shall provide necessary information and/or clarifications to the GQMC-DBM Secretariat in relation to the submitted ISO QMS certification/recertification by the agencies concerned.
- 7.2 To facilitate the conduct of verification by the GQMC-DBM Secretariat (SPIB) from the CBs, the latter are encouraged to provide their respective contact persons and contact information by sending an electronic mail to the spib@dbm.gov.ph on or before **31 December 2023**.

8.0 REQUESTS FOR RECONSIDERATION AND EXEMPTION

- 8.1 An agency subject for compliance with the ISO QMS certification that is deemed non-compliant may request for the following, **within thirty (30) calendar days** from the posting of the result of the validation for the ISO QMS certification as agency accountability in the Results-Based Performance Management System website (<https://rbpms.dap.edu.ph/>):
- A reconsideration based on justifiable reasons and factors that are considered beyond the control of the agency, e.g., errors in the validity period of the certification as prepared by the CB/accrediting agency; or
 - An exemption in view of circumstances which make it impossible for agencies to comply with the ISO QMS as agency accountability, such as an ongoing agency restructuring, functional and organizational modifications and other related circumstances which may result in the agency's failure to effectively implement key activities of its documented QMS, thereby hindering its attainment of an ISO QMS certification or could constitute as a ground for suspension/cancellation/withdrawal of its existing ISO QMS certification.
- 8.2 The foregoing requests for reconsideration and exemption shall be addressed to the DBM-Organization and Systems Improvement Functional Group Head, thru the GQMC-DRM Secretariat (SP1R) and submit via email at ghm-sp1r@dbm.gov.ph for proper evaluation. After finalization of the evaluation, the GQMC shall inform the agency concerned of the action to said request, copy furnished the validating agency concerned and the AO 25 Secretariat.

-End-

**CONSENT AND AUTHORIZATION TO DISCLOSE INFORMATION AND/OR
DOCUMENTATION**

The *(name of the agency)* hereby authorizes the *(name of the certification body)*, *its agents or representatives*, to provide information/documentation in relation to the former's ISO 9001 certifications/recertifications to the **Government Quality Management Committee-Department of Budget and Management (Systems and Productivity Improvement Bureau)** and other oversight/validating agencies,¹ as deemed necessary, for the grant of the Performance-Based Bonus (PBB).

The consent provided shall remain valid for the duration of the FY 2023 PBB cycle and the years thereafter, and the collected information from the certification body shall be used only in the validation of the ISO Quality Management System certification/recertification as an Agency Accountability for the grant of the PBB.

The collection, use, recording, disclosure, and storage of the information shall be in accordance with the Data Privacy Act (DPA) (Republic Act No. 10173). The *(name of the agency)* hereby confirms that under Section 16 of the DPA, the agency has the **1)** right to withdraw the consent given or object to the processing of the information; **2)** right to reasonable access; **3)** right to rectification; and **4)** right to erasure or blocking the information, among others. The rights entitled to the agency are still subject to limitations and conditions under the DPA.

Name and Signature of the Head of Agency
or his/her Authorized Representative

Date

¹ GO23 BUREAU OF COMMISSIONS/AGENCIES, COMMISSION ON REGIONAL EDUCATION FOR WATER UTILITIES AND ENVIRONMENTAL LAWYERS
Commission for Government-Owned or Controlled Corporations (GOCCs) for GOCCs; and Local Water Utilities Administration
for local water districts.

Editable copy can be accessed through this link: <https://rbpms.dap.edu.ph/wp-content/uploads/2023/08/Annex-2-FY-2023-Modified-Form-A-Department-Agency-SUC-Process-Results-Report.xlsx>

**Database of the Agencies' ISO QMS Certifications/Recertifications as Evidence or Proof of Compliance for the FY 2023 PBB Grant
(Agency Category)**

Data from Agency Submissions						Analysis of the Validating Agency	
Certification Body/ Accrediting Agency [1]	Gov't Entity [2]	Type of Certification/ Accreditation [3]	Site/s Covered [4]	Effectivity of Certification [5]	Date of Expiration/ End of Validity [6]	Compliance Status [7]	Reason for non- compliance [8]

Prepared by:

Name/Designation/Date

Reviewed by:

Name/Designation/Date

Approved by:

Head or Authorized Representative
of Oversight Agency/Date

Editable copy can be accessed through this links: <https://rb.gv/ekswt> or <https://rbpms.dap.edu.ph/wp-content/uploads/2023/08/Annex-2-FY-2023-Modified-Form-A-Department-Agency-SUC-Process-Results-Report.xlsx>

Legends and Notes:

- [1] Name of the certification body (e.g., *SOCOTEC, TÜV Rheinland*) or accrediting agency¹ of the agency (e.g., *AACCU, DTI-PAB*). The validating agency shall encode the details in an alphabetical order based on the name of the CB then names of the agency.
- [2] The name of the agency and acronym (e.g., *Department of Budget and Management (DBM)*)
- [3] The type of certification/accreditation of the agency (e.g., *ISO 9001:2015, Philippine Quality Award*)
- [4] The site/s of the agency certified with the ISO 9001 Standard as indicated in the certification (e.g., *DBM Central Office Sites at General Solano Street, San Miguel, Manila, Philippines*)
- [5] The date of effectivity of certification as indicated in the certification (e.g., *October 28, 2021*)
- [6] The date of expiration of the certification as indicated in the certification or any information on recertification of the agency (e.g., *October 28, 2024*)
- [7] The corresponding compliance status, i.e., compliant, non-compliant, or exempted.
For departments/agencies and SUCs, compliance status should only include compliant/non-compliant.
For the non-compliant status, include the reason for non-compliance using the codes indicated under item 5.1 of Annex 3 of AO25 MC No. 2023-1 and report using the format: "Non-compliant [code]".
- [8] The equivalent rating of the agency as to the ISO QMS certification of the agency based on the rating matrix/scoring as provided under the AO25 MC, as applicable

¹ Refers to institutions which can confer awards or recognitions similar to ISO 9001:2015 certification.

GUIDELINES ON PHILGEPS POSTING

Maintain/Update the PhilGEPS posting of all Invitations to Bids and awarded contracts pursuant to the Government Procurement Reform Act, Republic Act No. 9184, for transactions from January 1, 2023 to December 31, 2023, including the Early Procurement of FY 2022 Non-CSE items.

Departments/agencies should ensure that the status of notices in the PhilGEPS System for all transactions for the period January 1, 2023 to December 31, 2023, including the Early Procurement of FY 2023 Non-CSE items, is updated on or before January 31, 2024. *Failed or canceled bid status should still be updated in PhilGEPS.*

Agencies should track their status through the PhilGEPS microsite link for monitoring purposes: <https://open.philgeps.gov.ph/pbb>. In the generated Excel report, bid notices will only be tagged as COMPLY if the Notice of AWARD and the Notice to Proceed have been posted. Likewise, those NOTICES with multiple lots and PARTIALLY AWARDED, FAILED, and CANCELLED NOTICES will also be considered COMPLY.

If the agency is unable to update the system or post the BAC Resolution, Notices of Award/Bid Results, Actual Approved/Awarded Contracts and Notices to Proceed/Purchase Orders for public bidding transactions above one million (P1,000,000) in the PhilGEPS due to factors that are outside of their control, the agency is no longer required to submit a letter of justification to PhilGEPS/AO25 IATF.

The Agency Head, with the help of its Performance Management Teams, shall continue to implement, monitor, and enforce compliance with the PhilGEPS requirements. Justification shall be subject to the self-assessment of the agency whether acceptable or not. Compliance with these conditions shall still be used as the basis for determining the eligibility of responsible units and individuals.

