



GCG MEMORANDUM CIRCULAR NO. 2023-01

SUBJECT : PERFORMANCE EVALUATION SYSTEM (PES) FOR THE GOCC SECTOR
DATE : 19 JANUARY 2023

1. **BACKGROUND.** – R.A. No. 10149 mandates the Governance Commission for Government Owned or Controlled Corporations (GCG) to actively exercise the State's ownership rights through the institutionalization of a Performance Evaluation System (PES).

The PES sets the process of appraising the accomplishments of GOCCs in a given fiscal year based on set performance criteria, targets, and weights. Using the *Performance Scorecard* as a governance and management tool, it aims to facilitate the achievement of breakthrough results and performance through the effective and efficient monitoring and coordination of the strategic objectives of the GOCC.

2. **PURPOSE.** – The PES shall provide the framework for setting the organizational targets of a GOCC. The achievement of such targets shall serve as basis for the following:
- (a) Determining the grant of Performance-Based Bonus (PBB) and Performance-Based Incentives (PBI);
 - (b) Determining whether Appointive Directors are eligible for reappointment as a component of the Performance Evaluation for Directors (PED);
 - (c) Ascertain whether such GOCC should be reorganized, merged, streamlined, abolished, or privatized; and
 - (d) Determining whether a special audit of the GOCC is necessary.
3. ***Performance Scorecards.*** – The performance of a GOCC shall be evaluated based on a Performance Scorecard approved by the GCG.
4. ***Checklist of Documents to be Submitted.*** – The following documents approved by the Governing Board of the GOCC (thru a Board Resolution), or in the absence of a quorum in the membership of the Governing Board, by the highest-ranking officer of the GOCC's Management (thru an endorsement letter), shall be submitted to the GCG on or before **the first working day of September but not later than the last working day of October, or on such other date as may be subsequently determined by the GCG:**
- (a) ***Board Resolution approving the proposed PES Documents for the consideration of the GCG***

The resolution shall include the names and respective designations of the GOCC's official representatives to the technical panel.