



2021 ANNUAL REPORT

Hallmark Report:
The Governance Commission Legacy

CONTACT US:

Office Address: 3/F BDO Towers Paseo (Formerly Citibank Centre), Paseo de Roxas Avenue, Makati City

Tel No: 5328-2030 to 33 | 5318-1000

Fax: 5328-2030 or 5318-1000 loc. 301

GCG and Its Mandate	2
Message from the President	4
Message from the Chairman	6
A Decade of Milestones	8
GOCC in Numbers	12
GOCC Approved for Dispositive Action in 2021	13
Rationalizing the GOCC Sector	14
Reaping the Benefits of Good Corporate Governance	16
GOCC Accomplishments	22
Reliable and Accessible Financial System	23
Expanded Social Protection	25
Accessible and Secured Shelter	30
Improved Water Accessibility	32
Accessible and Reliable Electricity	33
Improving Accessibility and Mobility in Trade and Tourism	34
Gaming and Entertainment Industry	39
Accelerating Growth Through Regional Development	41
Competitive and Sustainable Food Production	43
Compensation and Position Classification System (CPCS): Towards a Competitive Compensation System	45
Ensuring Competitive Neutrality in the GOCC Sector	47
Participatory Governance for Continual Improvement	52
Upholding Transparency and Accountability	58
A Bigger and Stronger GCG	61
Capitalizing on Technology and Innovation	70
In Retrospect: 5 years of Growth and Development	73
The GCG Strategy Map	77
GCG Culture and Values	81
GCG Audited Financial Statement	84
GOCC Sector Financial Summaries	90

GCG AND ITS MANDATE

The **GOVERNANCE COMMISSION FOR GOCCs (GCG)** was created under Republic Act No. 10149 (R.A. No. 10149), otherwise known as the "GOCC Governance Act of 2011," as the central policy-making and regulatory body mandated to safeguard the State's ownership rights and ensure that the operations of GOCCs are transparent and responsive to the needs of the public. Towards this end, it empowered the Governance Commission to:

- Oversee the selection and nomination of directors/trustees and maintain the quality of Board Governance;
- Institutionalize transparency, accountability, financial viability and responsiveness in corporate performance by monitoring and evaluating GOCCs' performance;
- Rationalize the Sector through streamlining, reorganization, merger, as well as recommending to the President of the Philippines the privatization or abolition of a GOCC;
- Establish compensation standards to ensure reasonable and competitive remuneration schemes that attract and retain the right talent.

GCG has three appointive members of the Commission and two ex-officio members – the Secretary of Finance and the Secretary of Budget and Management.

Since its first meeting on 20 October 2011, the Governance Commission has introduced major policy reforms such as the Fit and Proper Rule for Appointive Directors and CEOs of GOCCs, the Ownership and Operations Manual Governing the GOCC Sector, and the Code of Corporate Governance for GOCCs.

It established the Performance Evaluation System that enabled GOCCs to identify their strategies for development and to achieve breakthrough results. GCG also instituted the adoption of the Quality Management System (ISO 9001:2015) in GOCCs to link regular strategy and operations review to process re-engineering.

The Governance Commission also implemented the Performance Evaluation for Directors in order to monitor and assess the performance of appointive directors in GOCCs through peer review, organizational performance, and board attendance.

The GCG continues to raise corporate governance standards and practices in the government corporate sector and reinforce these by introducing global best practices in GOCCs.



MESSAGE FROM THE PRESIDENT



MALACAÑAN PALACE
MANILA

MESSAGE

My warmest greetings to the **Governance Commission for Government-Owned or Controlled Corporations (GCG)** as you publish your **2021 Annual Report**.

I welcome this report of your accomplishments in accordance with your mandate to implement policies and initiatives that enable the GOCCs to fulfill their potential as transparent, responsive and significant tools of economic development.

Because of your dedication, you have streamlined the GOCC sector, conducted a subsidiarity analysis of our GOCCs, and rolled out the GOCC Customer Satisfaction Survey indicating which of their services are performing well and which ones need improvement. May you also continue to uphold transparency and accountability among yourselves and in the GOCC sector as we persevere in addressing our citizens' complaints and grievances on acts of red tape and corruption.

Together, let us work hard to regain the people's trust through constant innovation, efficiency and evidence-based governance.

Mabuhay kayong lahat!

A handwritten signature in black ink, appearing to read "Rodrigo Roa Duterte".

RODRIGO ROA DUTERTE

MANILA
June 2022





“The challenges and victories the agency has recorded in its history are part of its legacy.”

MESSAGE FROM THE **CHAIRMAN**

The **Governance Commission for GOCCs (GCG)**, established in 2011 by R.A. No. 10149, celebrates a decade of dedication and resolute adherence to its mandate. The GCG maintains its steadfast performance as the central policy-making and oversight agency to safeguard the state's ownership rights in Government-Owned or -Controlled Corporations (GOCCs).

As the Governance Commission carries out its mandates over the years, the agency strives to achieve its goal of transforming the GOCC Sector by refining its policies. Despite the challenges posed by the COVID-19 pandemic, the GCG continues to deliver unhampered services marching forward.

In the past years, the GCG continued rationalizing the GOCC Sector by reducing the number of GOCCs from 123 in 2016 to 118 in 2021 through the abolition, privatization, and merger of GOCCs. This is consistent with the Commission's commitment to evaluate, rationalize, and reorganize state-owned enterprises to ensure that GOCCs remain financially sound and sustainable.

The Governance Commission is finally set to implement a standard compensation and remuneration scheme in the GOCC Sector. The development of this has been a long and arduous journey, but 2021 is a testament to the beginning of its fruition.

Dating back on 28 July 2017, President Rodrigo Duterte suspended the Compensation and Position Classification System (CPCS) under Executive Order (E.O.) No. 203, s. 2016, and directed further research and assessment of the CPCS for GOCCs. On 06 May 2021, the CPCS Inter-Agency Technical Working Group (TWG), coordinated by the GCG, submitted the CPCS proposal to the Office of the President.

President Duterte approved the CPCS through E.O. No. 150, dated 01 October 2021. The Governance Commission plans to release the CPCS Implementing Guidelines and CPCS Circulars the following year.

The GCG also continued to accomplish its commitments under the Philippine Development Plan 2017-2022, as it reviewed 91% of GOCCs on competitive neutrality issues. The GCG determined that none of the GOCCs subjected to review in 2020 had explicit competitive neutrality issues that significantly impact competition and make market entry or expansion difficult for private companies. Hence, none was recommended for prioritized dispositive action.

The Governance Commission adopted participatory governance through the Standard Methodology, Prescribed Questionnaire, and Classification of GOCCs per Methodology for the customer satisfaction survey (CSS). The agency set a uniform Strategic Measure (SM) of the Percentage of Satisfied Customers in the Performance Scorecards of GOCCs with a minimum target of 80% across the Sector.

The GCG place premium on evaluations and assessments of performance-related policies, which continue to guide GOCCs in enhancing and improving their core operations. In 2021, the Commission re-issued its circulars on the Interim Performance-Based Incentive (PBI) for Appointive Directors, the Performance Evaluation for Directors (PED), and the Corporate Governance Scorecard (CGS) for GOCCs.

The GCG has also grown in size to a total of 106 new positions approved in 2021. It also expanded its information systems with the development of its internal Performance Scorecard Tracker and the Director's Performance and Attendance and Compensation System as part of the Integrated Corporate Reporting System. Notably, the Governance Commission enhanced its GOCC Monitoring System to generate more

comprehensive GOCC financial data for business intelligence in the future.

The challenges and victories the agency has recorded in its history are part of its legacy.

The Governance Commission entered the Hall of Fame of the Outstanding Accounting Office Award from the Association of Government Accountants of the Philippines, Inc. (AGAP). The AGAP conferred the Outstanding Accounting Office Award to the GCG in 2015, 2016, 2018, 2019, and 2020 as part of the hall of fame as the latter gained the people's trust by maintaining the integrity of its financial documents.

To demonstrate its core value of integrity by walking the talk, the GCG sought ISO accreditation in 2014. Since then, the agency has kept its Quality Management System (QMS) accreditation and has been recertified twice: once in 2017 and once in 2020. The Governance Commission's QMS certification was renewed in 2021 without non-conformities to the ISO 9001:2015 standard.

In line with this, the Governance Commission has engaged a third-party consultant to conduct the GCG Stakeholders' Satisfaction Survey as part of its commitment to enhancing its services based on constructive feedback from its stakeholders. The GCG improved its external stakeholders' Net Satisfaction Score (NSS) from 62% in 2017 to 74.44% in 2021. It is worth noting that 2021 is the second year wherein the GCG recorded an increase in its external stakeholders' satisfaction.

These practices and reforms, if maintained, will foster long-term growth of the GCG and the GOCC Sector.

As the Governance Commission moves forward into another decade, its commitment to upholding its mandates and raising the standards of corporate governance in the GOCC Sector remains unwavering. Indeed, we are on our way to establishing a legacy that not only endures but also triumphs.



A DECADE OF MILESTONES

06 JUNE 2011

Enactment of the "GOCC Governance Act of 2011"

20 October 2011

Formal Constitution of the Governance Commission

2012

- Adopted the following:
 - *The Fit and Proper Rule*
 - *Ownership and Operations Manual for the GOCC Sector*
 - *Code of Corporate Governance for GOCCs*
 - *No Gift Policy*
 - *Interim Performance-based Incentive (PBI) System for the Officers and Employees of GOCCs covered by R.A. No. 10149*
 - *Interim Performance-Based Incentive (PBI) System for Appointive Directors/Trustees of GOCCs covered by R.A. No. 10149*
- Created a Special Task Force on GOCC Rationalization Plans with the Department of Budget and Management (DBM)
- Formulated the ICT GCG Roadmap
- Formally started the development of the Compensation and Position Classification System (CPCS) with Towers Watson
- Began developing the Integrated Corporate Reporting System (ICRS), the centerpiece of the Commission's use of ICT on initiating and enhancing reforms in the GOCC Sector

2013

- Began implementing the Performance Evaluation System (PES) to ensure that GOCCs are now more accountable to their stakeholders
- Conducted the GOCC Dividends and Recognition Day, which recognized the accomplishments of GOCCs and served as the administration's clarion call to continue the pursuit of governance reforms in the public corporate sector
- Completed studying the compensation system and developing the CPCS mandated under Section 8 of R.A. No. 10149 together with Towers Watson
Submitted the study to the President of the Republic of the Philippines

- Introduced the Performance Agreement Negotiations (PAN) to GOCCs, establishing the Performance Evaluation System through Performance Scorecards
- Strengthened the selection and nomination of GOCC Appointive Directors through entering into a partnership with the Office of the Ombudsman
- Entered a partnership with the Presidential Commission on Good Government (PCGG) to coordinate efforts in ensuring the proper and timely turnover of Sequestered/Surrendered GOCCs turnover of Sequestered/Surrendered GOCCs
- Entered a partnership with the Securities and Exchange Commission (SEC) to institutionalize the coordination of efforts in regulating Nonchartered GOCCs
- Participated in the Integrity Initiative by signing the **Integrity Pledge** to combat graft, and prevent and detect any unethical conduct by GCG and GOCC executives and employees
- Established the Multisector Governance Council

2014

- Adopted the Performance Evaluation for Directors (PED)
- Established a Quality Management System (ISO 9001:2008) within a period of 4 months as a preliminary step towards developing a culture of efficiency and innovation based on learnings from the annual audit of GCG's processes
- Developed a competency framework as one of its first priority projects in collaboration with the Civil Service Commission (CSC)
- Obtained its first ISO 9001:2008 Certification for its Quality Management System
- Issued Memorandum Circular No. 2014-04 or the "Whistleblowing Policy on the GOCC Sector"

2015

- Reached the proficiency stage of the performance evaluation of the Performance Governance System (PGS) conducted by the Institute for Solidarity in Asia (ISA)
- Took the Performance Evaluation for Directors online with the roll-out of the Internet-based PED (iPED)
- Introduced the Corporate Governance Scorecard (CGS) for GOCCs, in partnership with the Institute of Corporate Directors (ICD), to further promote the need for good corporate governance

2016

- Revised its Strategic Performance Management System (SPMS), which was formally approved by the Civil Service Commission (CSC)
- Officially launched the Whistleblowing Web Portal
- Adopted an Interim Freedom of Information (FOI) Manual

2017

- Amended Memorandum Circulars on Interim Performance-Based Bonus (PBB) and Interim Performance Evaluation System (PES) for the GOCC Sector pursuant to the directive of the Administration to streamline processes
- Committed to establish a standard methodology on GOCC Customer Satisfaction Survey under the Philippine Open Government Partnership
- Launched the Integrated Corporate Reporting System public portal containing non-financial and financial information of GOCCs under the GCG
- Authorized nearly all of the SSL-covered GOCCs to adopt the Modified Salary Schedule, bridging the gaps in salaries between workers in National Government Agencies and those in the GOCC Sector as the CPCS was suspended
- Recognized by the Presidential Communications Operations Office (PCOO) as one of the National Government Agencies (NGAs) that demonstrated good practices in carrying out the policy of FOI
- Hosted the meeting between GOCCs and Japanese delegation from the Association of African Economy and Development (AFRECO), JASA Corporation, and Oriental Consultants Co., Ltd. to share their business operations and interests towards forging a constructive dialogue and fruitful cooperation in the future

2018

- Rolled out the Standard Methodology and Questionnaire on GOCC Customer Satisfaction Survey
- Issued Memorandum Circular No. 2018-02, entitled "Revocation of GCG MC No. 2013-03 (Re-issued) – Coordination and Alignment of Major Development Projects of the GOCC Sector" amending policies that will guide the GOCCs to a simplified and efficient implementation of their respective major development projects
- Established its Enterprise Risk Management (ERM) Framework and Policy

- Adopted its Information and Cybersecurity (ICyS) Policy Framework in 2018 through its Internal Memorandum Order (MO) No. 2018-12
- Conducted the Information and Cybersecurity Forum with industry experts and GOCCs to discuss Governance and Risk Compliance, Data Protection, Information Security, and other industry best practice

2019

- Conducted the first Corporate Governance Best Practice Sharing with GOCCs
- Relaunched the enhanced Integrated Corporate Reporting System (ICRS) Web Portal
- Started the re-studying of the new Compensation and Position Classification System (CPCS) for GOCCs
- Issued the revised interim Performance-Based Incentive System for GOCC Appointive Directors
- Hosted the 12th meeting of the Organisation for Economic Co-operation and Development (OECD) Asia Network on Corporate Governance of State-Owned Enterprises with the Asian Development Bank
- Conducted knowledge sharing sessions with the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) of the People's Republic of China and with the Bangladesh Ministry of Finance

2020

- Supported R.A. No. 11469 or Bayanihan to Heal as One Act, by directing GOCCs to contribute to COVID-19 response through GCG Memorandum Order No. 2020-04
- Embraced the digital pivot by optimizing its information and communications technology resources
- Submitted the CPCS study to the Office of the President

GOCC IN NUMBERS

SECTOR	NUMBER OF GOCCs
Government Financial Institutions	28
Trade, Area Development, and Tourism	19
Educational and Cultural	6
Gaming	2
Energy and Materials	12
Agriculture, Fisheries, and Food	15
Utilities and Communications	17
Healthcare Services	1
Realty/Holding Companies	18
TOTAL CURRENT COVERAGE	118

30

GOCCs Approved for
Abolition

4

GOCCs Approved for
Privatization

27

GOCCs Declared
Inactive/
Non-Operational

GOCC APPROVED FOR DISPOSITIVE ACTION IN 2021

GOCC	Dispositive Action	Reason	Benefit to the PH
North Davao Mining Corporation (NDMC)	Classified as Inactive/ Non-Operational / Deactivated pursuant to GCG Memorandum Order No. 2021-15 ¹	The Corporate franchise or certificates of incorporation has been suspended or revoked by the Securities and Exchange Commission	Streamlining of the GOCC Sector
First Cavite Industrial Estate, Inc. (FCIEI)	Deactivated and classified as Inactive/ Non-Operational / Deactivated pursuant to GCG Memorandum Order No. 2021-14 ²	A GOCC meeting the grounds for abolition under R.A. No. 10149 may be deactivated and thereafter classified as Inactive/ Non-Operational per GCG Memorandum Circular No. 2015-02 ³	Streamlining of the GOCC Sector
Northern Foods Corporation (NFC)	Approved for abolition	<p>Its functions and purposes are no longer consistent with the National Development Policy of the State, and its activity is best carried out by the private sector.</p> <p>It is not producing the desired outcomes.</p> <p>It is not cost efficient and does not generate the level of social, physical and economic returns vis-a-vis the resource inputs.</p>	<p>State's divestment of commercial activities removes any undue advantages of GOCCs</p> <p>Prevent further increase of debts and losses</p>

¹Classifying North Davao Mining Corporation (NDMC) As "In-Active/Non-Operational"

²De-activation of the First Cavite Industrial Estate, Inc. (FCIEI)

³Guidelines in the Classification Of GOCCs into the "In-Active/Non-Operational" Status

RATIONALIZING THE GOCC SECTOR

NORTH DAVAO MINING CORPORATION (NDMC)

The Governance Commission, through Memorandum Order No. 2021-15, classified North Davao Mining Corporation (NDMC) as "In-active/Non-operational." The reclassification was based on the Securities and Exchange Commission's (SEC's) revocation of NDMC's Certificate of Registration. NDMC's registration was revoked by virtue of SEC Order dated 27 May 2003 for non-filing of reports for the years 1997-2002.

Prior to reclassification, NDMC was listed among the GOCCs under the Energy and Materials Sector. It was incorporated on 01 January 1973 as a privately-owned corporation for the purpose of engaging in the business of mining and any or all such other business operations, endeavors, transactions, or purposes as may directly or indirectly be essential to the furtherance thereof.

NDMC was acquired by the then government-owned Philippine National Bank (PNB) through conversion into equity of a portion of loans obtained by the corporation. On 30 June 1986, PNB transferred all its loans to and equity in NDMC in favor of the National Government which, by virtue of Proclamation No. 50, later turned them over to the Asset Privatization Trust (APT). As of 31 December 1990, the National Government held 81.8% of the common stock and 100% of the preferred stock of the corporation.⁴

NDMC completely ceased operations on 31 May 1992 due to serious business reverses. The assets of NDMC, a mineral property covering 20,237 hectares in the southwestern flanks of the Diwata Mountain Range, are currently held by the Philippine Mining Development Corporation (PMDC).

FIRST CAVITE INDUSTRIAL ESTATE, INC. (FCIEI)

The First Cavite Industrial Estate, Inc. (FCIEI) is a wholly owned subsidiary of the National Development Corporation (NDC); it began as a joint venture project of the NDC, Marubeni Corporation, and Japan International Development Organization Ltd. (JAIDO). In 1990, FCIEI was formally created principally to acquire, own, lease, hold, subdivide, construct, develop, equip, operate, maintain, and generally deal in industrial estates. As a real estate developer, FCIEI was formed to provide support on the creation of a better business environment. It was responsible for the development of the 154.50-hectare property of NDC at Dasmariñas, Cavite into an industrial estate and economic zone. By 1995, FCIEI sold all saleable lots to locators.

Since then, no further expansion and new development plans were undertaken on the said area; it was then decided to downsize and wind up the operations of the company.

In May 1997, the actual possession of the industrial estate infrastructure and common facilities was transferred to the FCIE Association, Inc. comprised of all the locators inside the estate. The turnover was formalized on 25 February 1998 with the signing of the Turnover Documents; Marubeni Corporation and JAIDO sold their FCIEI shares in 1999. However, in a March 2002 meeting, the NDC Board deferred the dissolution of FCIEI on the basis that the company may serve as the corporate vehicle to undertake the development of another property owned by NDC, the Humayao Property, such plans did not progress.

⁴North Davao Mining Corporation and Asset Privatization Trust v. National Labor Relations Commission, G.R. No. 112546, 13 March 1996.

The FCIEI was initially recommended for abolition in 2013 and was approved in principle in 2015 by then President Benigno S. Aquino III. The Boards of FCIEI and NDC approved the dissolution of the corporation on 04 June 2016 and 30 September 2015, respectively. However, the FCIEI was not formally abolished pending the settlement of FCIEI's liabilities with the Philippine Economic Zone Authority (PEZA).

In 2017, with the Memorandum of Agreement between FCIEI and PEZA on the settlement of FCIEI payables, the GCG re-endorsed to the President its recommendation to abolish FCIEI. The NDC also furnished the Governance Commission a copy of Secretary's Certificates from NDC and FCIEI board dated 23 March 2017 and 24 March 2017, respectively, approving the dissolution of FCIEI.

The 2020 audited financial statements of FCIEI was prepared and presented on a liquidation basis due to its dissolution. In view of this, the GCG issued Memorandum Order No. 2021-14 deactivating the FCIEI, in the interim, pending its formal abolition as recommended by the GCG to the Office of the President. Accordingly, the de-activation of FCIEI will result in its reclassification to inactive/non-operational.

FCIEI formally ceases to be a going concern and shall have no power or competence to enter into any contract of transactions, which seeks to pursue its ordinary course of business.

NORTHERN FOODS CORPORATION (NFC)

The Northern Foods Corporation (NFC) was registered with the Securities and Exchange Commission as a subsidiary of the then Livelihood Corporation (eventually renamed as National Livelihood Development Corporation [NLDC]), for the purpose of doing business as a tomato paste processing center that will provide alternative livelihood to Ilocano farmers.

Since its incorporation in 1984, it has been incurring annual net losses except in the years 1989, 1995, and 2010. Despite NFC's positive average operating margin, it has consistently incurred net loss at an average of **₱37.40** Million from 2015 to 2019. The corporation's successive net loss resulted in its constant capital deficiency.

The NFC was already approved and marked for divestment, among other GOCCs, under Proclamation No. 50 and Executive Order No. 37. The Asset Privatization Trust initiated the sale of all of NFC's assets amounting to **₱64.98** Million on 21 November 2000. However, no buyer offered to bid for the corporation's properties.

The Governance Commission determined that the NFC's functions or purposes for which it was created are no longer consistent with the national development policy of the State. Although it provided income to Ilocano farmers, it was no longer consistent with the policy of the State to encourage private enterprise⁵ and to broaden the base of their ownership,⁶ as well as to level the playing field through market competition in promoting inclusive economic growth.

Based on its unsound financial performance, it is also not producing the desired outcomes, not cost efficient, and does not generate the level of social, physical and economic returns vis-a-vis the resource inputs.

Moreover, NFC's expertise on tomato processing was not maximized to benefit its industry stakeholders due to lack of funds and increasing debts, which the private sector can fully address.

On 01 December 2021, the Office of the President directed the NFC's abolition, including the liquidation of its assets to settle its outstanding liabilities.

⁵Sec. 20, Art. II, 1987 Constitution.

⁶Sec. 1, Art. XII, 1987 Constitution



REAPING THE BENEFITS OF GOOD CORPORATE GOVERNANCE

By Director Jacqueline D. Ponseca, CESO IV

GOCC FINANCIAL LANDSCAPE

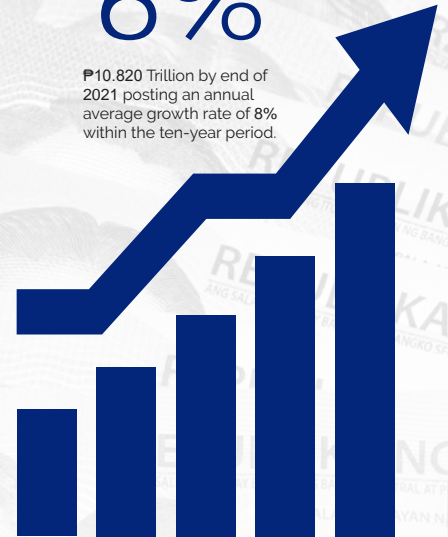
The reforms introduced by the Governance Commission in the early years of its operations were meant to ensure financial viability of the public corporate sector. With an asset base of **₱4.851 Trillion** in 2011, the public corporate sector settled at **₱7.260 Trillion** in 2016. Ten years since, government corporate assets now stand at **₱10.820 Trillion** by end of 2021 posting an annual average growth rate of 8% within the ten-year period. Despite the pandemic, assets grew by 6% in 2021 (56% of 2021 GDP at current prices).

However, such growth was negated by the increase in total liabilities which grew to **₱16.627 Trillion** in 2021. The growth of the assets of the GOCC Sector was overshadowed by the significant increase in liabilities and negative net worth by end of the ten-year period. Total liabilities spiked starting 2018 due to the Government Service Insurance System's (GSIS) and Social Security System's (SSS) implementation of accounting standard, the Philippine Financial Reporting Standards (PFRS) 4.

Assets grew

6%

₱10.820 Trillion by end of 2021 posting an annual average growth rate of 8% within the ten-year period.



ACCOUNTING STANDARDS

A set of accounting standards that are widely and generally accepted is issued by the International Accounting Standards Board (IASB). These standards are referred to as International Financial Reporting Standards (IFRS). In the Philippines, accounting standards are mirrored after IFRS with some minor modifications to fit the Philippine setting and requirements. These standards applicable in the country are referred to as the Philippine Financial Reporting Standards (PFRS).

To ensure alignment with the prevailing international standards and provide quality accounting standards and uniformity of financial reporting in the public sector, the Commission on Audit (COA) issued Resolution No. 2014-003 prescribing the adoption of the Philippine Public Sector Accounting Standards by the National Government Agencies, Local Government Units, and Government-Owned and Controlled Corporations.⁷ The COA issued various circulars in relation to such, one of which is the adoption of the PFRS.



⁷Conversion from the Philippine Government Chart of Accounts Under the New Government Accounting System per Commission on Audit Circular No. 2004-008 dated September 20, 2004, as amended, to the Revised Chart of Accounts for National Government Agencies Under Commission on Audit Circular No. 2013-002 dated January 30, 2013, Additional Accounts/Revised Description/Title of Accounts and Relevant Accounting Policies and Guidelines in the Implementation Thereof

PHILIPPINE FINANCIAL REPORTING STANDARDS (PFRS) 4

For the insurance business, the current accounting standard adopted in the country is the PFRS 4, which was adopted from International Financial Reporting Standard (IFRS) 4 (Insurance Contracts) issued by the International Accounting Standards Board in March 2004.

The IFRS 4 was issued to improve disclosures for insurance contracts and the recognition and measurement practices. The standard was intended to apply to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. It does not apply to other assets and liabilities of an insurer, such as financial assets and financial liabilities.⁸

In the Philippines, the PFRS 4 provides for the adoption of the IFRS. As provided, when an insurance entity receives money from its clients and enters into a contract with them to provide benefits when certain events occur, it must set aside a reserve to cover its liabilities. Accordingly, premiums, fees, and contributions that the institutions receive must be reported both as income and liability in their financial statements.

The transition to PFRS 4 on the reporting of financial condition started in 2020 in compliance with the directive of the Department of Finance for government insurance institutions (GIs) under its supervision. With the adoption of the PFRS 4, Insurance Contracts, GSIS and SSS are required to recognize and set aside reserves for contractual benefits that are expected to be incurred in the future for policies in force as of the reporting date. Previously, the required reserves to guarantee the fulfillment of the obligations of these GOCCs were recorded as retained earnings. The adoption of the PFRS 4 resulted in negative balance of retained earnings since all actuarial reserves shall be recorded as liabilities. The GOCCs concerned also applied it retrospectively.

The retrospective application came from paragraph 19 of PAS 8.⁹ It requires entities to apply the change in accounting policy **RETROSPECTIVELY** if the said change results from the initial application of a PFRS in accordance with the specific transitional provisions, if any, in that PFRS. It is also required when an entity changes an accounting policy upon initial application of a PFRS that does not include specific transitional provisions applying to that change or changes an accounting policy voluntarily. Further, paragraph 22 of PAS 8 states that *"...when a change in accounting policy is applied retrospectively in accordance with paragraph 19(a) or (b), the entity shall adjust the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied".* In addition, paragraph 10(f) of PAS 1¹⁰ requires the *"... (f) statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes retrospective restatement of items in its financial statements..."* as part of a complete set of financial statements. In line with the adoption of the PFRS 4 and consistent with the requirements under PAS 1 and PAS 8, the reserve fund as at 31 December 2019, of GSIS and SSS were restated.

⁸<https://businessmirror.com.ph/2019/04/24/philippine-financial-reporting-standard-4/>

⁹Accounting Policies, Changes in Accounting Estimates and Errors

¹⁰Presentation of Financial Statements

THE GOCC SECTOR FINANCIAL LANDSCAPE

The GFIs Sector drove the growth of the GOCC Sector, particularly the GSIS and SSS. Each represent an average of 14% and 6% of the total assets of the GOCC Sector, respectively. Notably, the combined net worth of GSIS and SSS prior to the adoption of the PFRS 4 of **₱1.6 Trillion** account for 45% of the total GOCC Sector. Such significant share and the adoption of the PFRS 4 resulted in the deficit registered by the entire sector starting 2018.

GOCC Sector Assets in ₱ Millions

Assets	2015	2016	2017	2018	2019	2020	2021
Total GOCC Sector	6,543,124.60	7,260,740.55	7,783,429.36	8,718,143.25	9,319,774.62	10,166,553.86	10,817,613.00
GSIS	958,179.83	1,009,028.18	1,107,759.45	1,149,984.15	1,355,887.92	1,441,845.27	1,540,055.47
SSS	444,399.29	479,060.86	508,632.03	537,838.40	601,382.68	642,489.44	702,402.13
Total GOCC Sector, net of GSIS and SSS	5,140,545.47	5,772,651.52	6,167,037.88	7,030,320.98	7,362,504.03	8,082,219.15	8,575,155.39

GOCC Sector Net Worth in ₱ Millions

Net Worth	2015	2016	2017	2018	2019	2020	2021
Total GOCC Sector	3,064,633.97	3,217,677.45	3,493,647.00	(3,885,472.45)	(3,824,632.02)	(5,272,288.13)	(5,809,340.89)
GSIS	933,691.90	985,935.04	1,089,210.66	(636,377.10)	(498,292.12)	(596,994.56)	(560,612.75)
SSS	435,524.38	467,084.52	495,853.99	(5,382,819.67)	(5,707,688.55)	(6,124,761.92)	(6,936,868.37)
Total GOCC Sector, net of GSIS and SSS	1,695,417.70	1,764,657.89	1,908,582.35	2,133,724.32	2,381,348.65	1,449,468.34	1,688,140.24

GOCC Sector Revenues in ₱ Millions

Revenues	2015	2016	2017	2018	2019	2020	2021
Total GOCC Sector	851,795.26	1,125,766.11	1,065,968.30	1,415,586.55	1,564,105.10	1,385,027.86	2,008,716.43
GSIS	139,645.27	278,813.66	275,444.53	349,062.78	361,817.95	363,790.32	892,795.19
SSS	162,101.87	179,293.41	204,033.02	217,268.94	276,605.28	257,244.41	276,329.10
Total GOCC Sector, net of GSIS and SSS	550,048.13	667,659.04	586,490.75	849,254.83	925,681.87	763,993.12	839,592.14

GOCC Sector Adjusted Net Income in ₱ Millions

Adjusted Net Income	2015	2016	2017	2018	2019	2020	2021
Total GOCC Sector	151,008.12	145,933.60	210,059.41	252,588.78	(176,406.31)	(415,688.53)	(179,267.37)
GSIS	46,441.02	56,104.36	94,967.25	65,678.03	17,485.62	(94,274.80)	595,705.70
SSS	40,694.67	32,004.97	21,376.17	22,567.38	(324,849.22)	(424,365.96)	(843,913.81)
Total GOCC Sector, net of GSIS and SSS	63,872.43	57,824.27	93,715.99	164,343.37	130,957.29	102,952.22	68,940.74

As presented above, net of the share of GSIS and SSS, the GOCC Sector would still register growth amidst the pandemic.

Notwithstanding the negative effects of the adoption of PFRS 4, GSIS and SSS remain to continue as a going concern, and do not affect the abilities of the respective corporations to generate and increase their revenues. Guided with principles of prudent fund management and good corporate governance practices, GSIS and SSS are expected to withstand the initial blow resulting from the change in accounting treatment.

GROWING DIVIDEND REMITTANCE

In the midst of economic slowdown, the GOCC Sector continues to contribute to the government's response to the pandemic as it remits significant amount of its income to the national coffers.

Under R.A. No. 7656, otherwise known as the "Dividends Law," GOCCs are required to declare and remit at least fifty percent (50%) of their annual net earnings as cash, stock or property dividends to the National Government. In response to the call of the National Government and in line with the inherent mandate of GOCCs to be socially responsible and to act and operate as good corporate citizens, the Bureau of Treasury (BTr) collected a total **₱39.42 Billion** dividends from 41 GOCCs covered by R.A. No. 10149. This amount is significantly lower by 57% than the **₱91.70 Billion** total remittance in 2020. The following table shows the GOCCs which remitted at least **₱1 Billion** in 2021:

GOCCs Remitting at Least ₱1B in Dividends in 2021

GOCC	Amount (in ₱ Million)
1 National Transmission Corporation (TRANSCO)	10,775.04
2 Philippine Deposit Insurance Corporation (PDIC)	7,109.06
3 Philippine Amusement and Gaming Corporation (PAGCOR)	6,000.00
4 Philippine Ports Authority (PPA)	3,762.82
5 Philippine Reclamation Authority (PRA)	2,204.50
6 Bases Conversion Development Authority (BCDA)	1,717.21
7 Philippine Charity Sweepstakes Office (PCSO)	1,244.21
8 Philippine National Oil Company – Exploration Corporation (PNOC-EC)	1,000.89

While it may be the case that the 2021 dividend remittance pales in comparison with the 2020 accomplishment, it must be noted that aside from the extraordinary financial contributions in 2020, the 2021 remittance pertains to GOCC operations in 2020. However as it is, it is also worth noting that the 2021 remittance is 8% higher compared with the 2017-2019 (pre-pandemic) average.

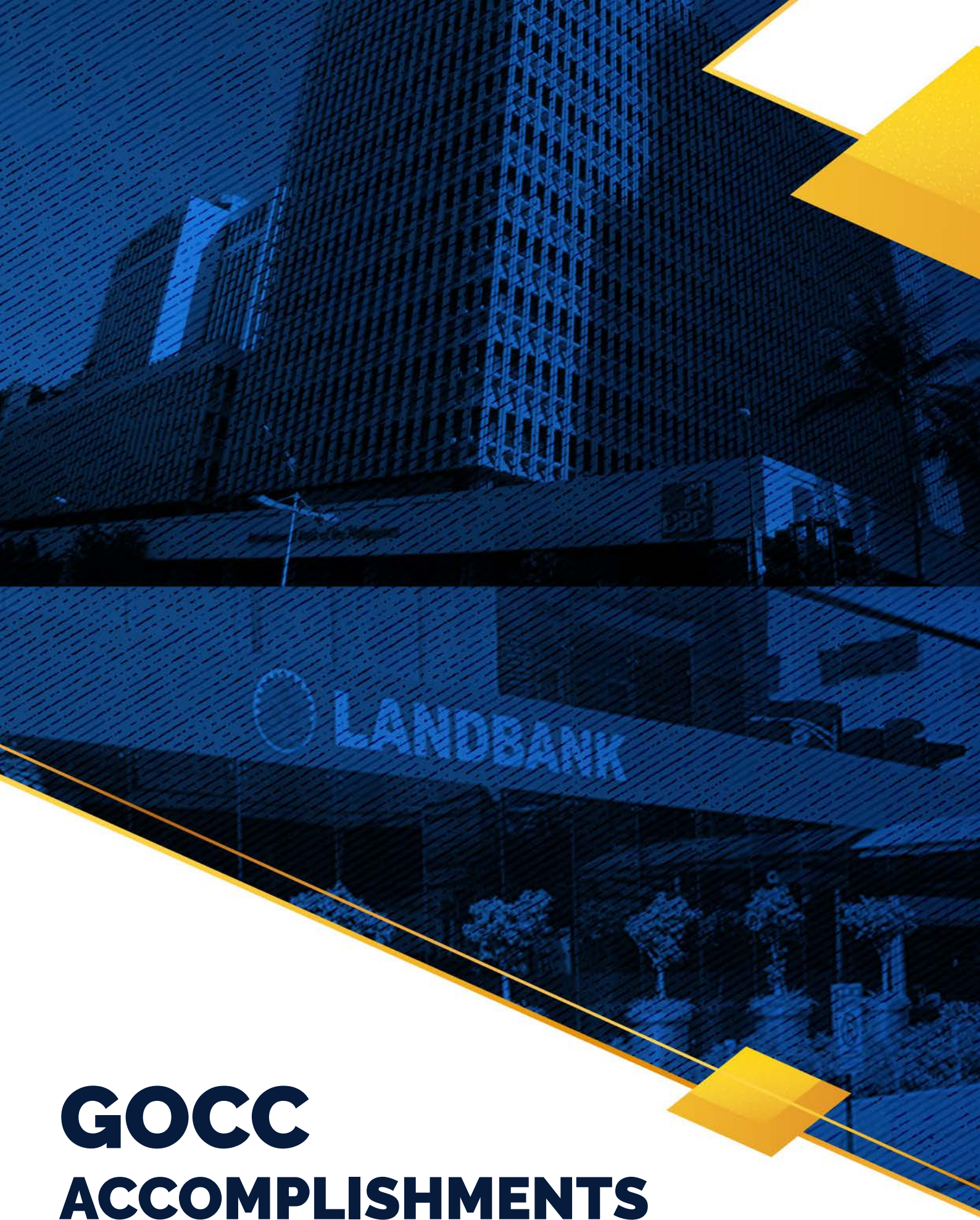
Moreover, even with the effects of the COVID-19 pandemic, the total remittance as well as the number of remitting GOCCs in 2021 is even higher than the highest remittance in the 10-year period before the enactment of R.A. No. 10149.



With the GOCC Governance Act of 2011 celebrating its 10th anniversary, the GCG recognizes the significant improvement in the GOCC Sector's response to the needs of the public, particularly with its contribution to the national coffers. Comparing the sector's performance for the period 2002-2011 and 2012-2021, we see a 431% increase in the 10-year total remittance from **₱68.71 Billion** to **₱364.52 Billion**. Excluding the 2020 extraordinary remittance of **₱91.70 Billion**, the total for the period 2012-2021 is still 297% higher than the previous 10-year period performance. Moreover, the latest 10-year period also saw a doubling of the average number of remitting GOCCs from 21 in 2002-2011 to 45 in 2012-2021.

Data Sources:

Annual Audited Reports 2016-2021, Commission on Audit.
GOCC Submission 2021 Unaudited Financial Statements
Bureau of Treasury, Monthly Consolidated Report on NG Exposures to/Receivables from GOCCs as of 31 December 2020 and NG Collections from GOCCs for the period 1 January to 31 December 2021.



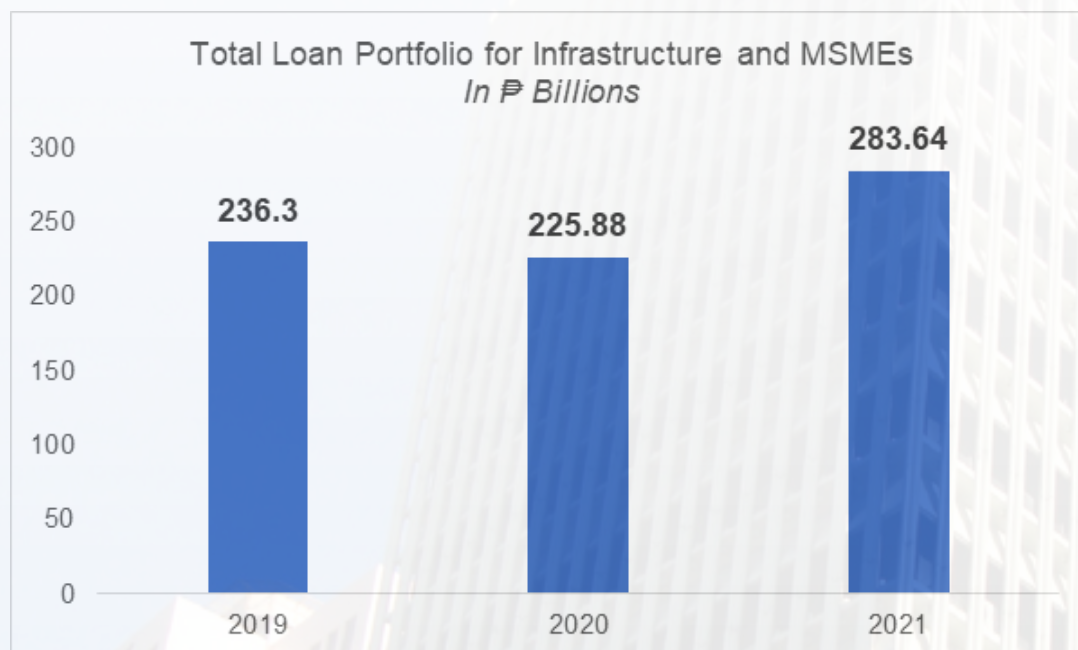
GOCC ACCOMPLISHMENTS

RELIABLE AND ACCESSIBLE FINANCIAL SYSTEM



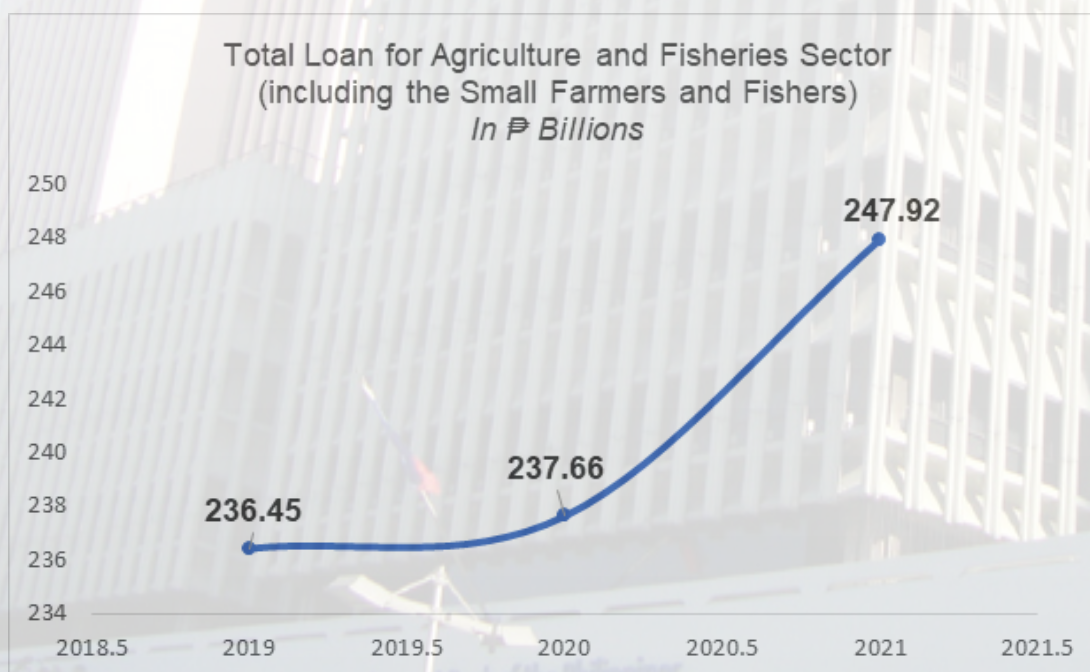
Development Bank of the Philippines (DBP)

Total Loan Portfolio for Infrastructure and Micro, Small, and Medium Enterprises (MSMEs)



Land Bank of the Philippines (LandBank)

Total Loan for Agriculture and Fisheries Sector

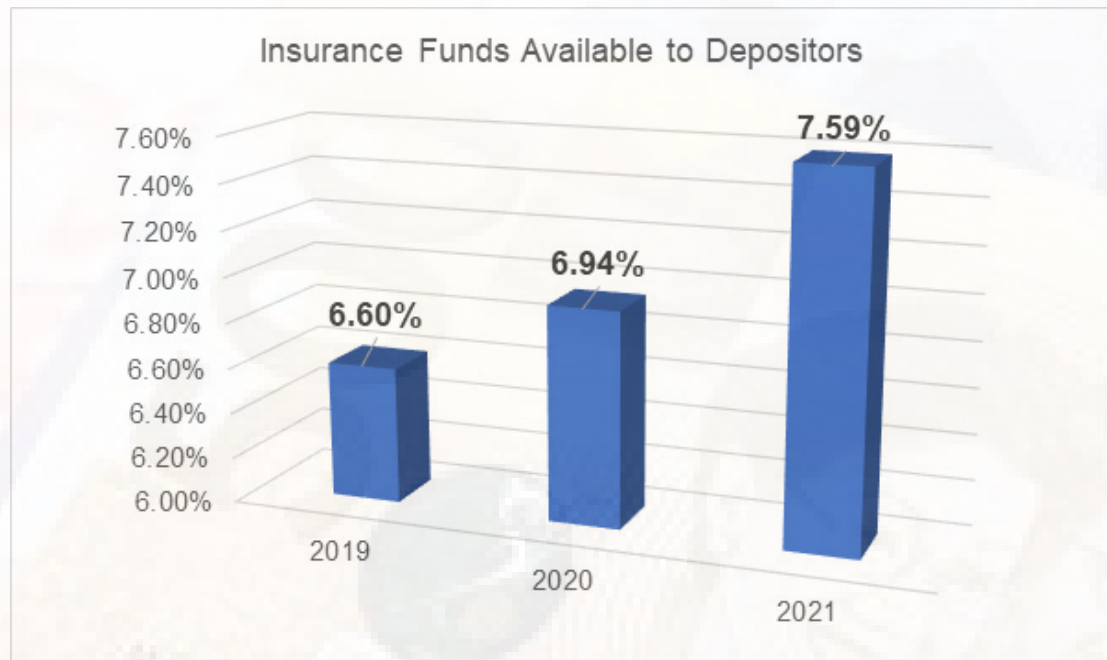


Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.



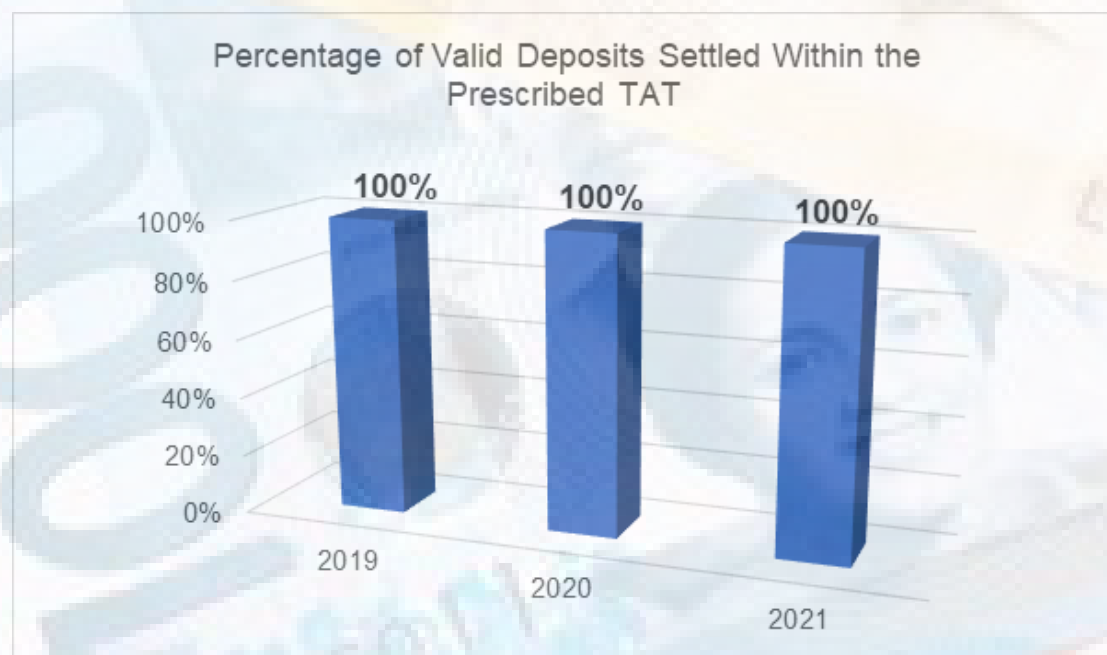
Philippine Deposit Insurance Corporation (PDIC)

Insurance Funds Available to Depositors



Philippine Deposit Insurance Corporation (PDIC)

Percentage of Valid Deposits Settled within the Prescribed Turn-Around Time (TAT)



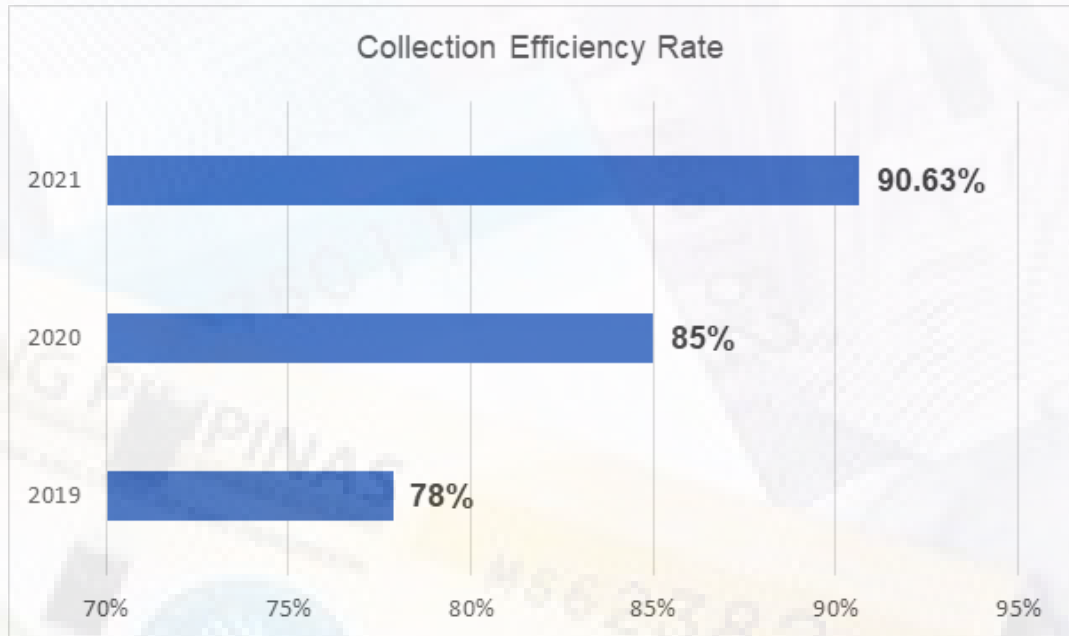
Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.

EXPANDED SOCIAL PROTECTION



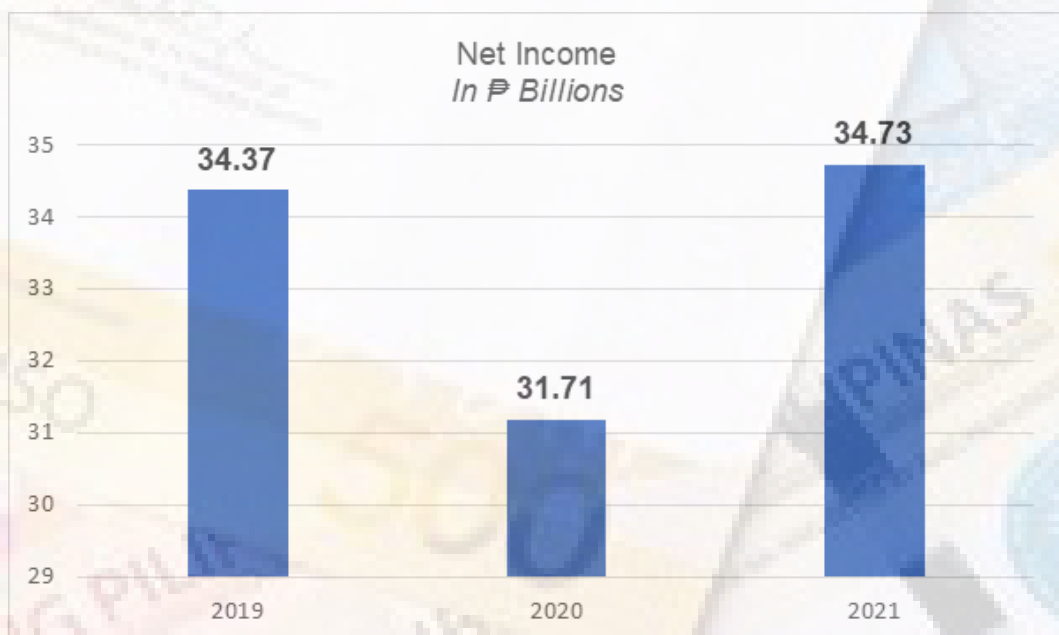
Philippine Health Insurance Corporation (PhilHealth)

Collection Efficiency Rate



Home Development Mutual Fund (Pag-IBIG)

Net Income

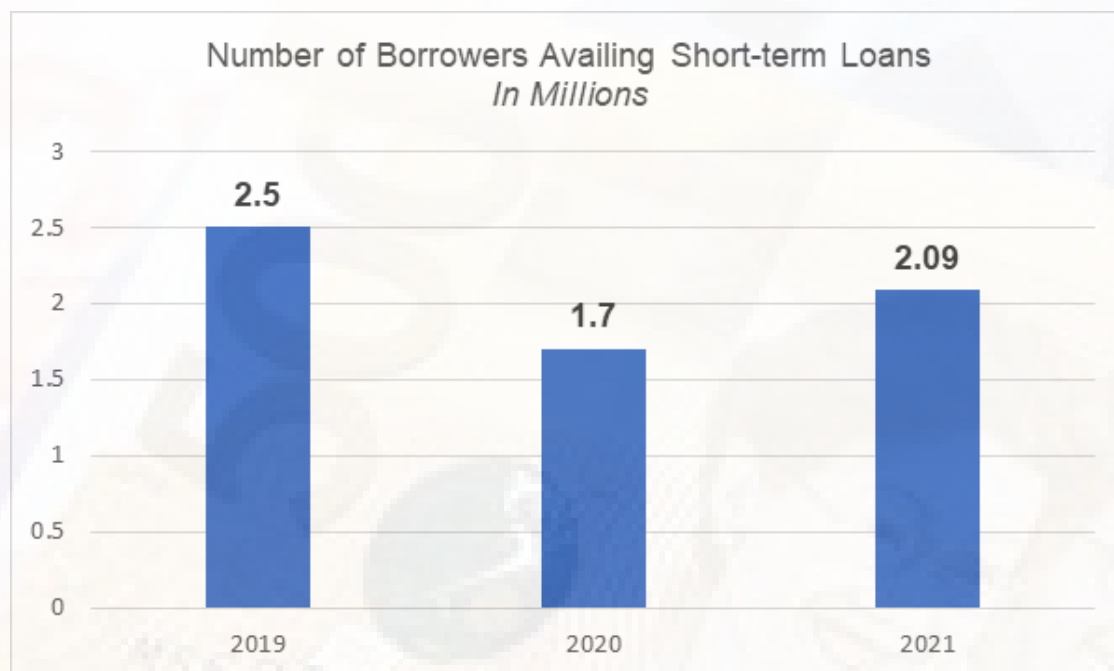


Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.



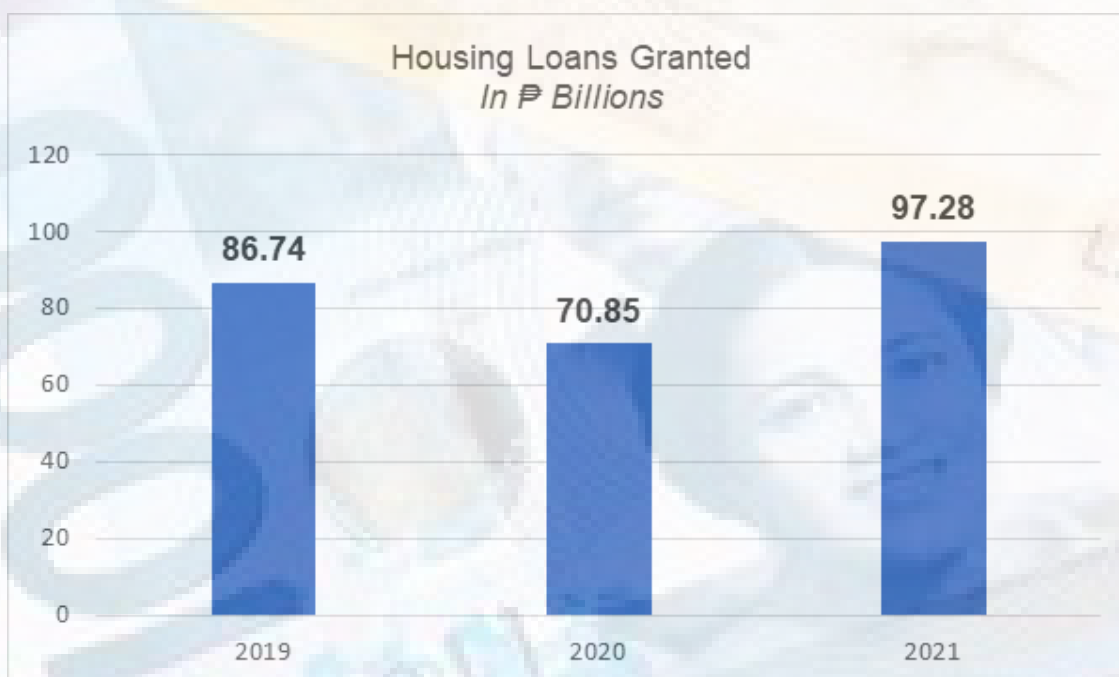
Home Development Mutual Fund (Pag-IBIG)

Number of Borrowers Availing Short-Term Loans



Home Development Mutual Fund (Pag-IBIG)

Housing Loans Granted

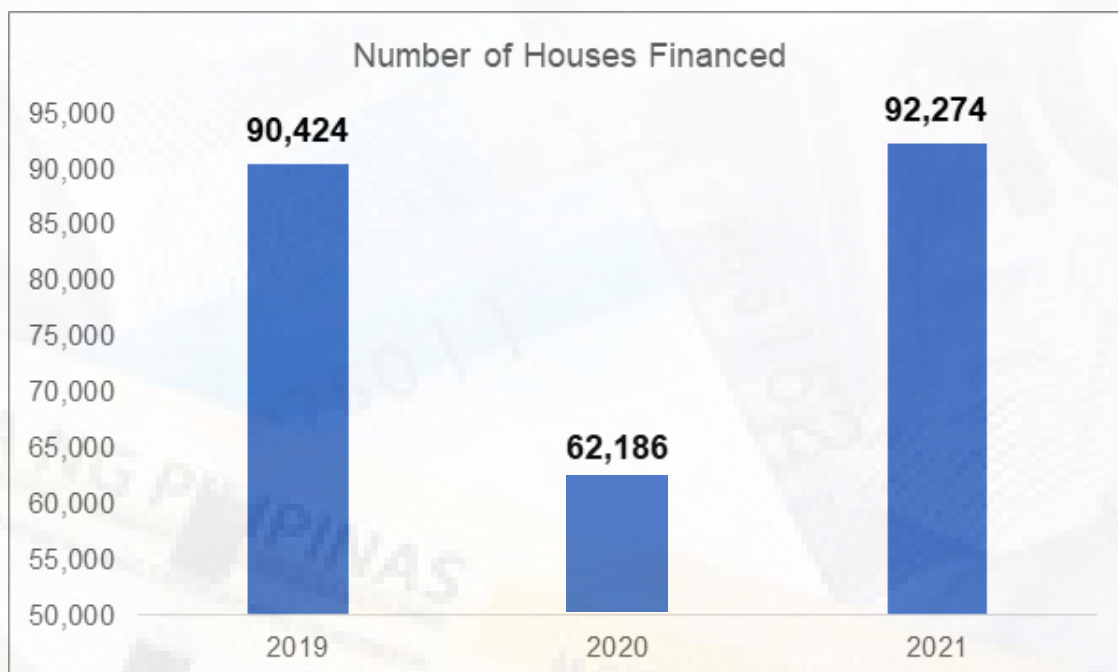


Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.



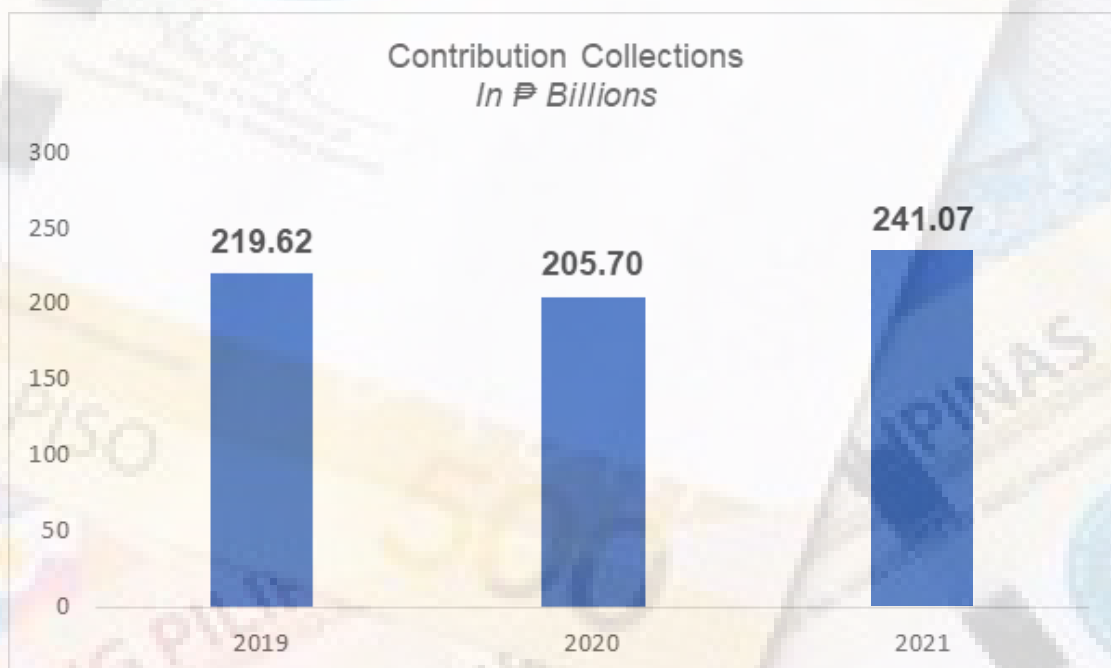
Home Development Mutual Fund (Pag-IBIG)

Number of Houses Financed



Social Security System (SSS)

Contribution Collections

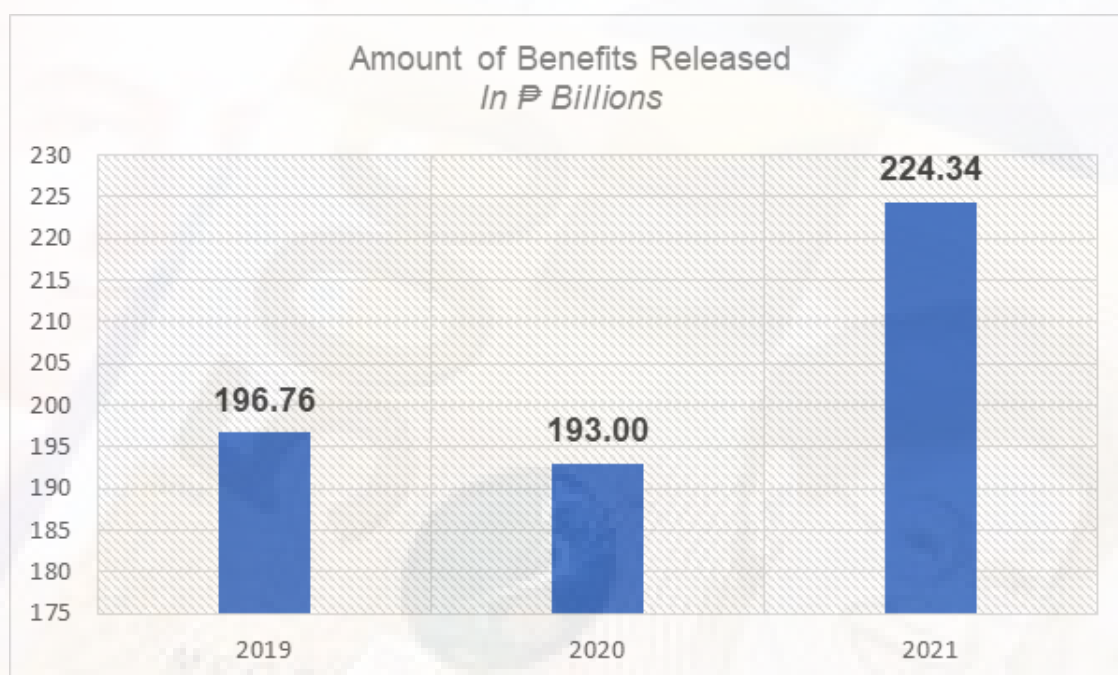


Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.



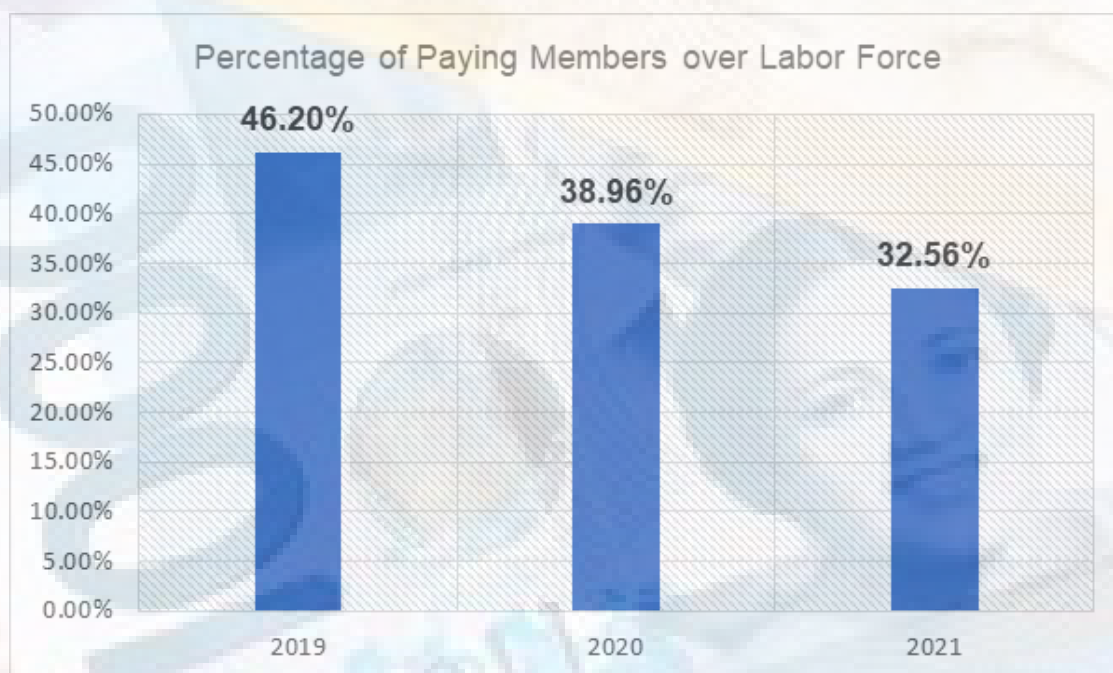
Social Security System (SSS)

Amount of Benefits Released



Social Security System (SSS)

Percentage of Paying Members Over Labor Force

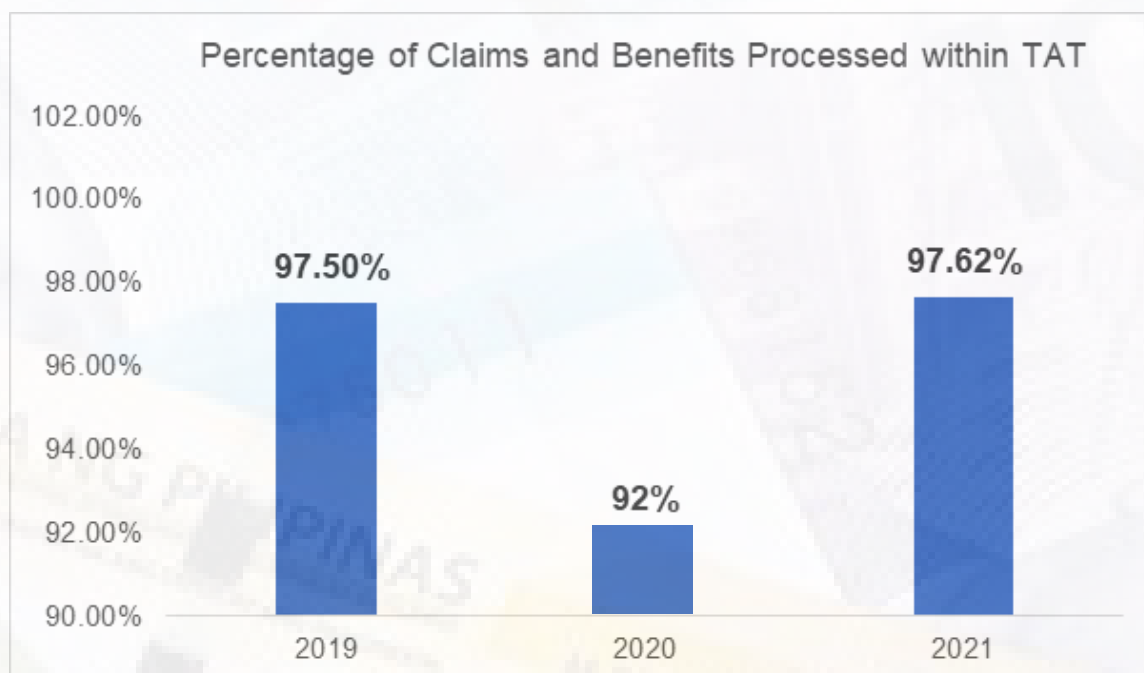


Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.



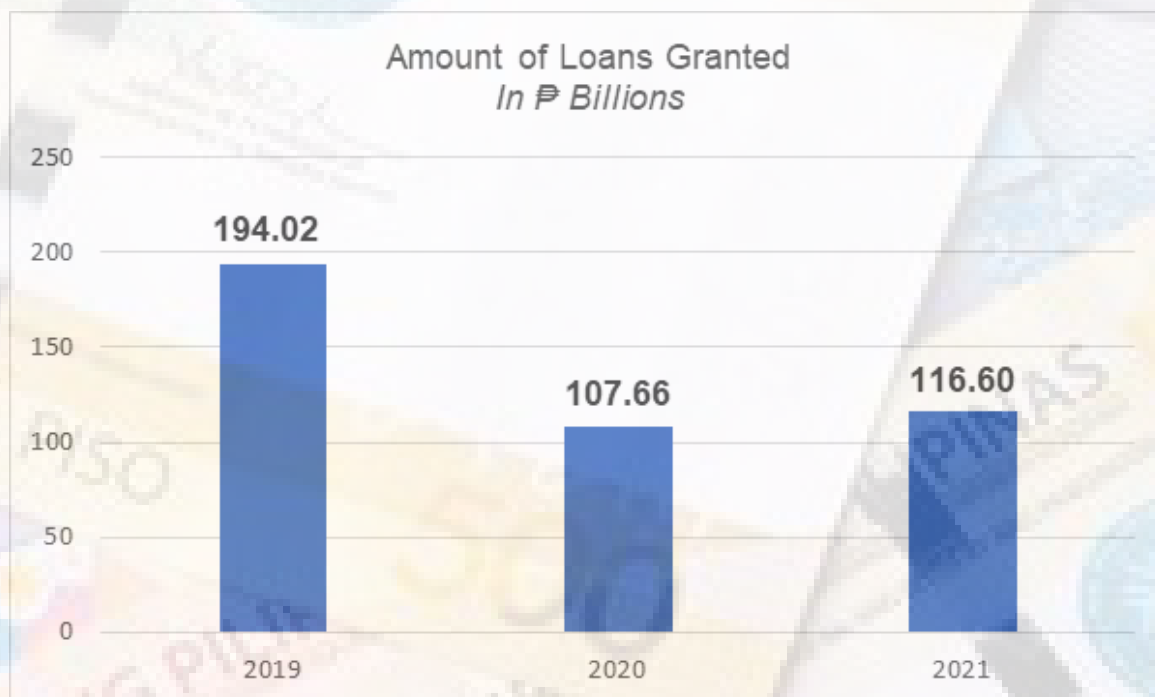
Government Service Insurance System (GSIS)

Percentage of Social Insurance Claims and Benefits Processed within TAT



Government Service Insurance System (GSIS)

Amount of Loans Granted



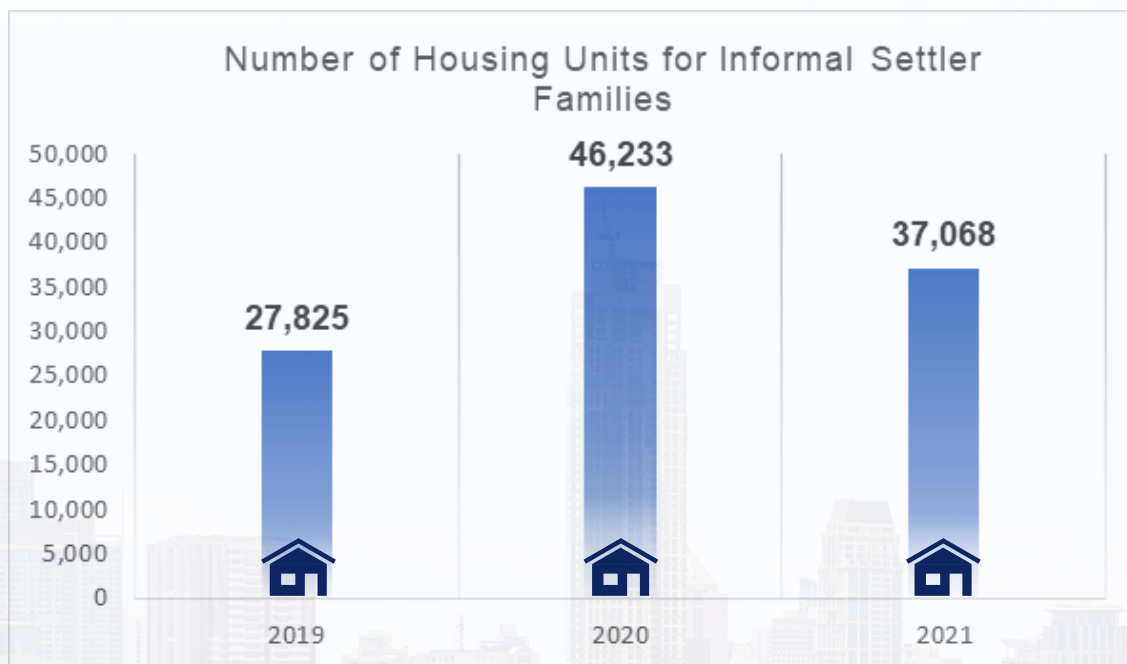
Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.

ACCESSIBLE AND SECURED SHELTER



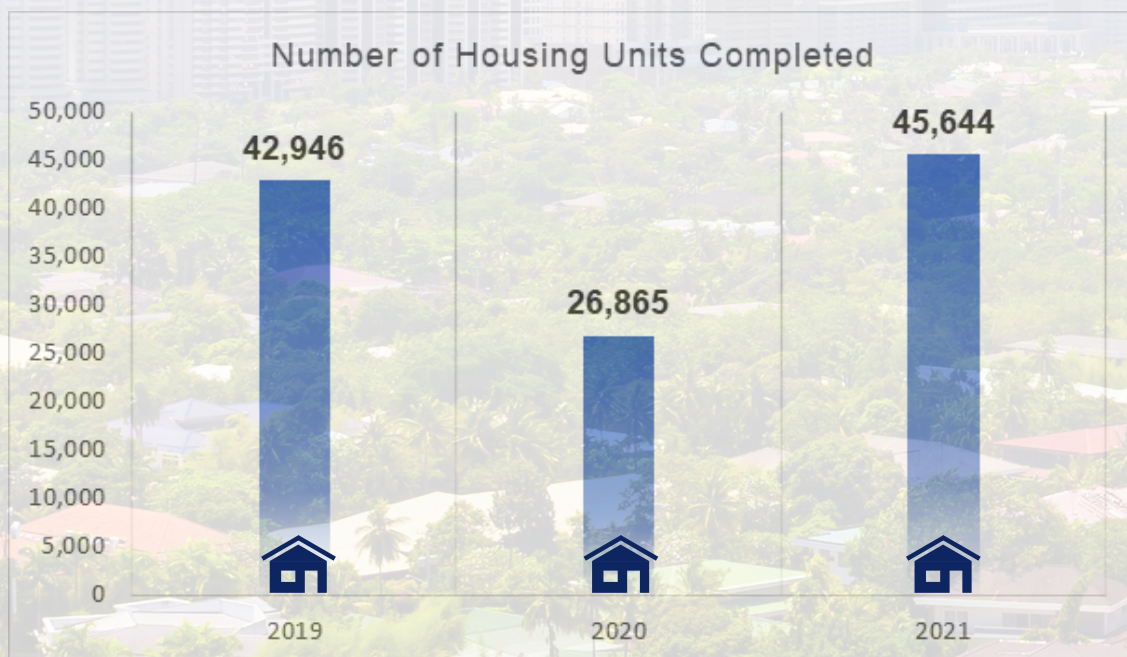
National Housing Authority (NHA)

Number of Housing Units Completed for Informal Settler Families Living Along Danger Areas (including those affected by government infrastructure projects, and displaced and rendered homeless by natural or man-made calamities)



National Housing Authority (NHA)

Number of Housing Units Completed

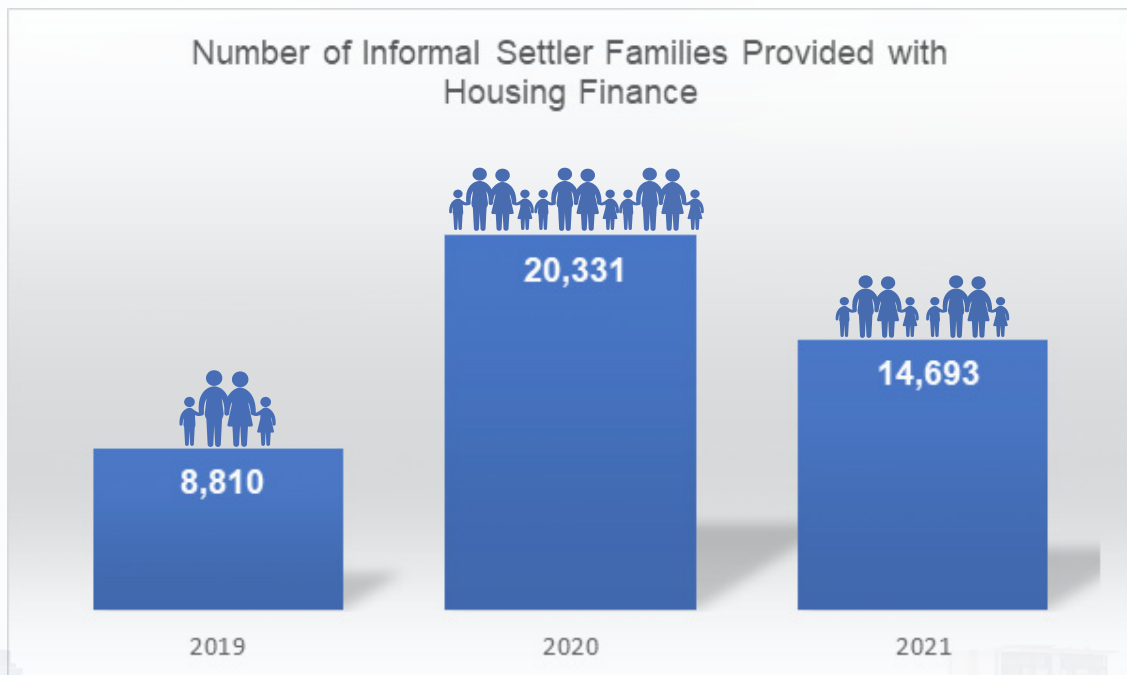


Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.



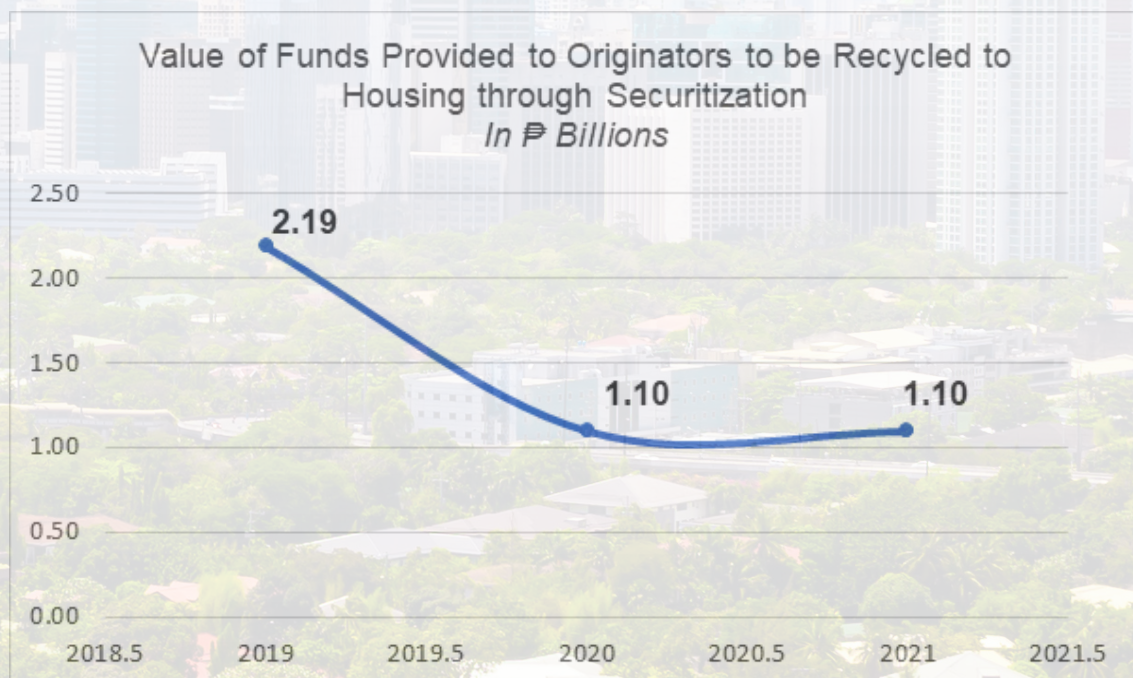
Social Housing Finance Corporation (SHFC)

Number of Informal Settler Families Provided with Housing Finance



National Home Mortgage Finance Corporation (NHMFC)

Value of Funds Provided to Originators to be Recycled to Housing through Securitization



The purchase of housing receivables improves the liquidity of financial institutions and developers enabling them to engage in more social housing projects.

Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.

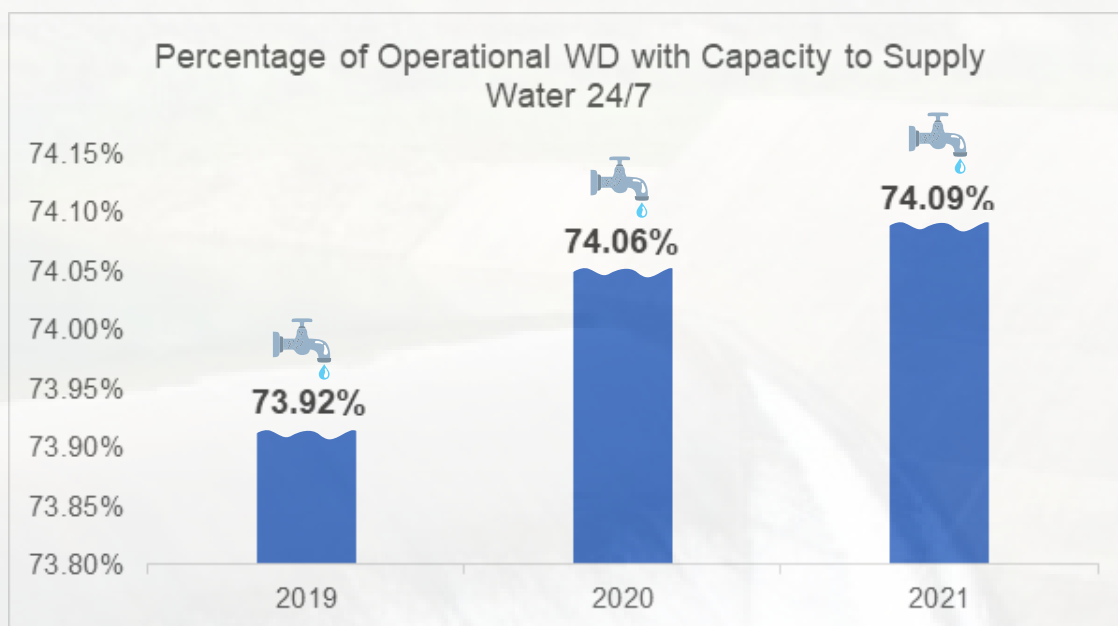
IMPROVED WATER ACCESSIBILITY



Local Water Utilities Administration (LWUA)

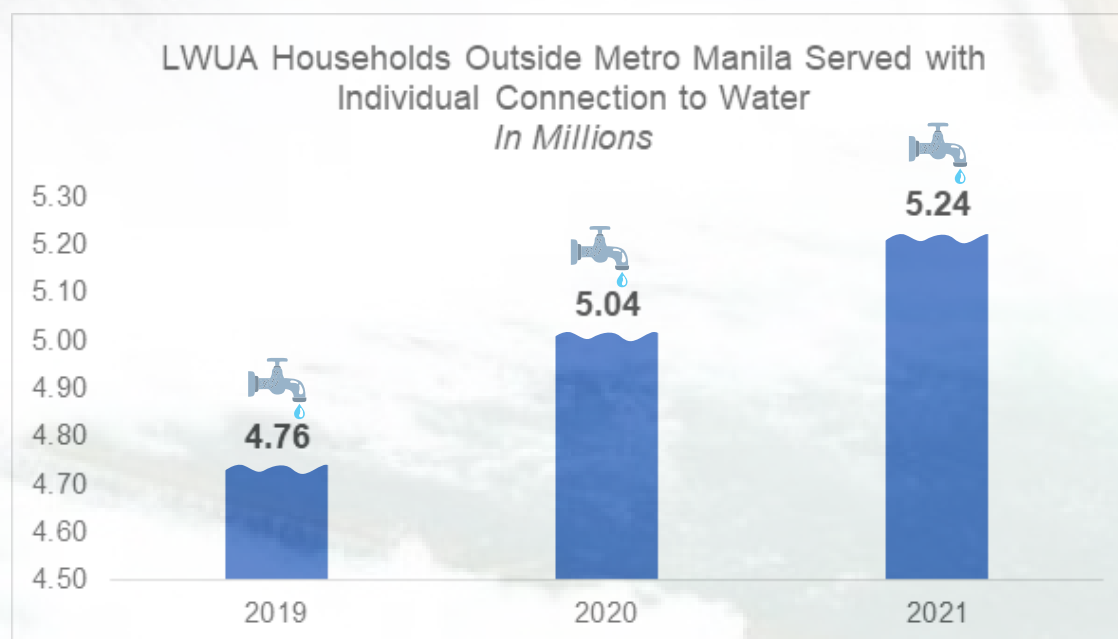
Percentage of Operational Water Districts (WD) with the Capacity to Supply Water 24/7

Operational WDs over Active WDs



Local Water Utilities Administration (LWUA)

Households Outside Metro Manila Served with Individual Connection to Water



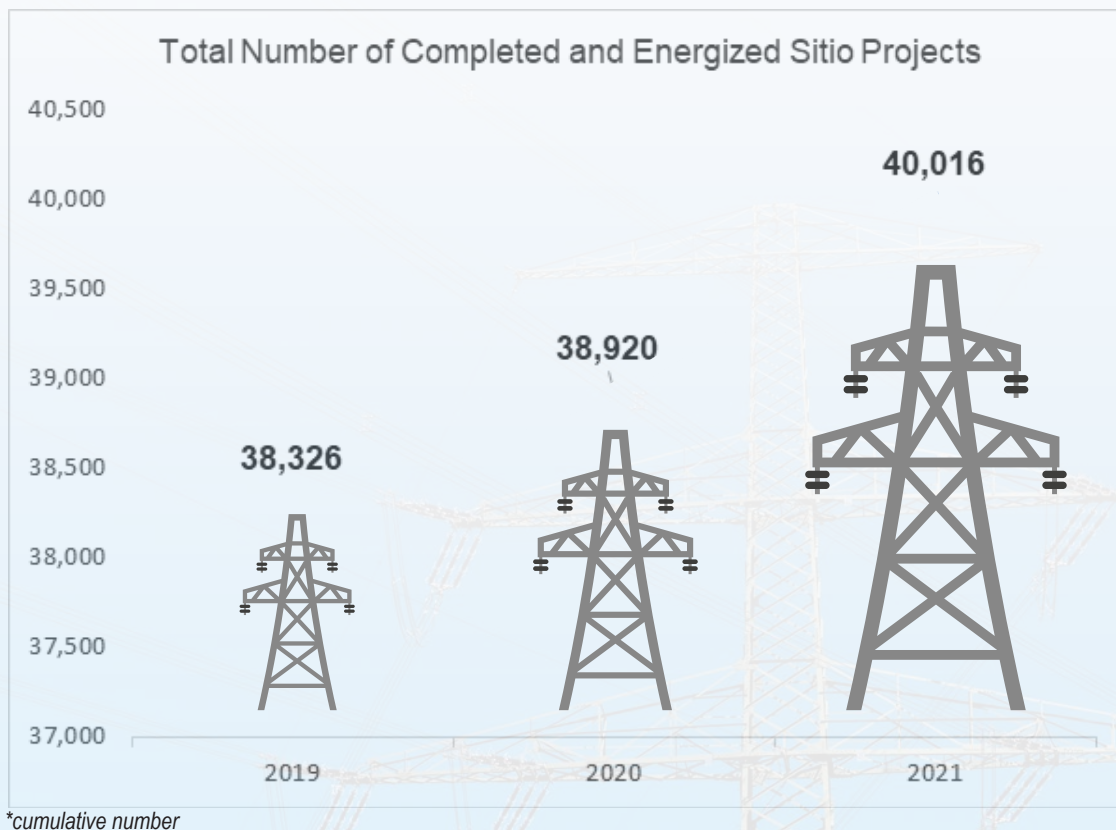
Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.

ACCESSIBLE AND RELIABLE ELECTRICITY



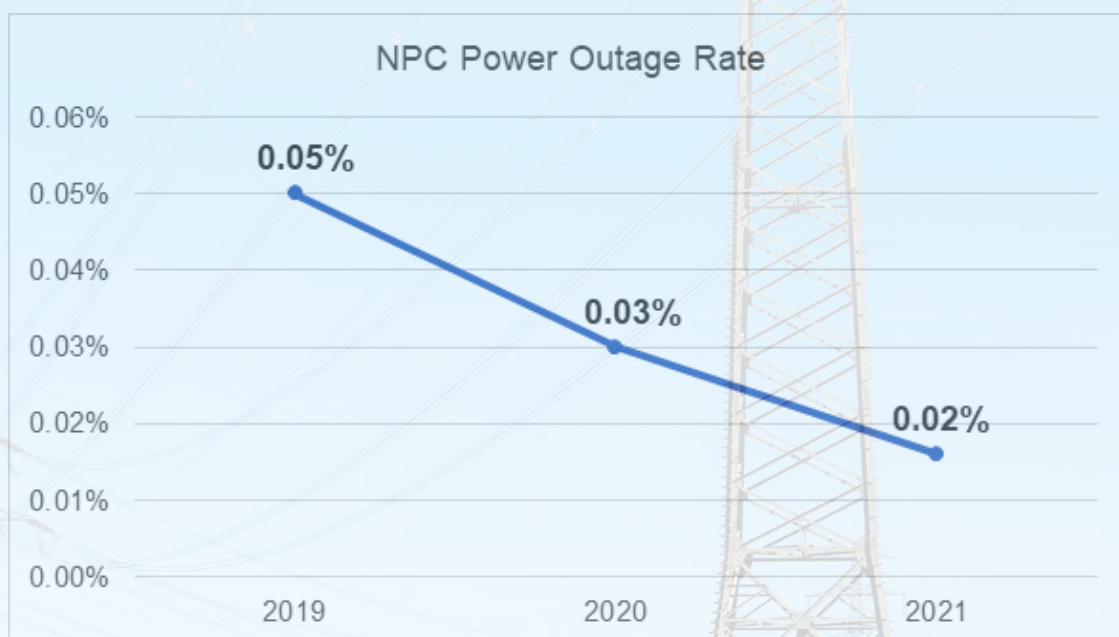
National Electrification Administration (NEA)

Total Number* of Completed and Energized Sitio Projects



National Power Corporation (NPC)

Power Outage Rate



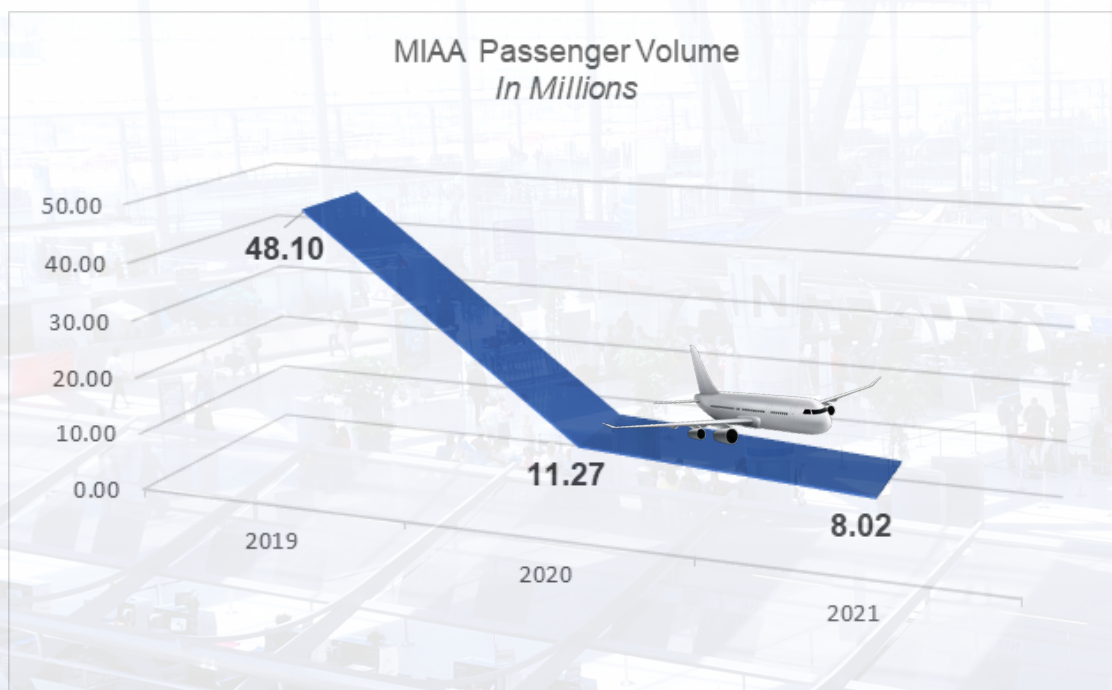
Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.

IMPROVING ACCESSIBILITY AND MOBILITY IN TRADE AND TOURISM



Manila International Airport Authority (MIAA)

Passenger Volume



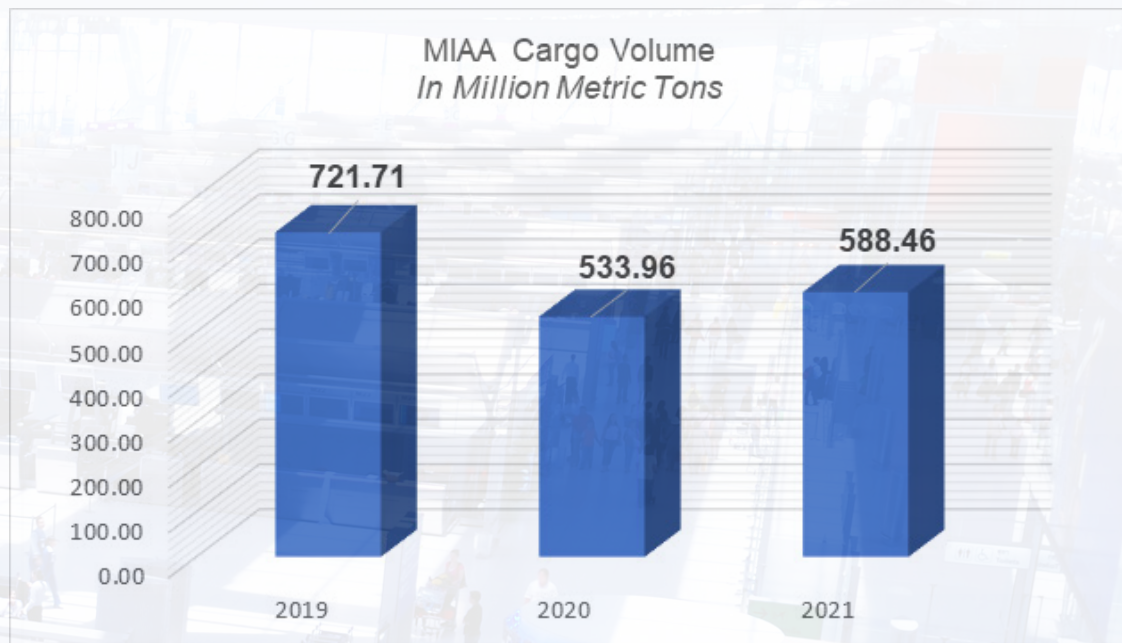
Sustained increase in Passenger Volume from 31.88 Million in 2012 to 48.10 Million in 2019. When airport operations were severely affected by the pandemic, passenger volumes decreased to only 11.27 million in 2020 and further dipped to 8.02 million in 2021..

Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.



Manila International Airport Authority (MIAA)

Cargo Volume



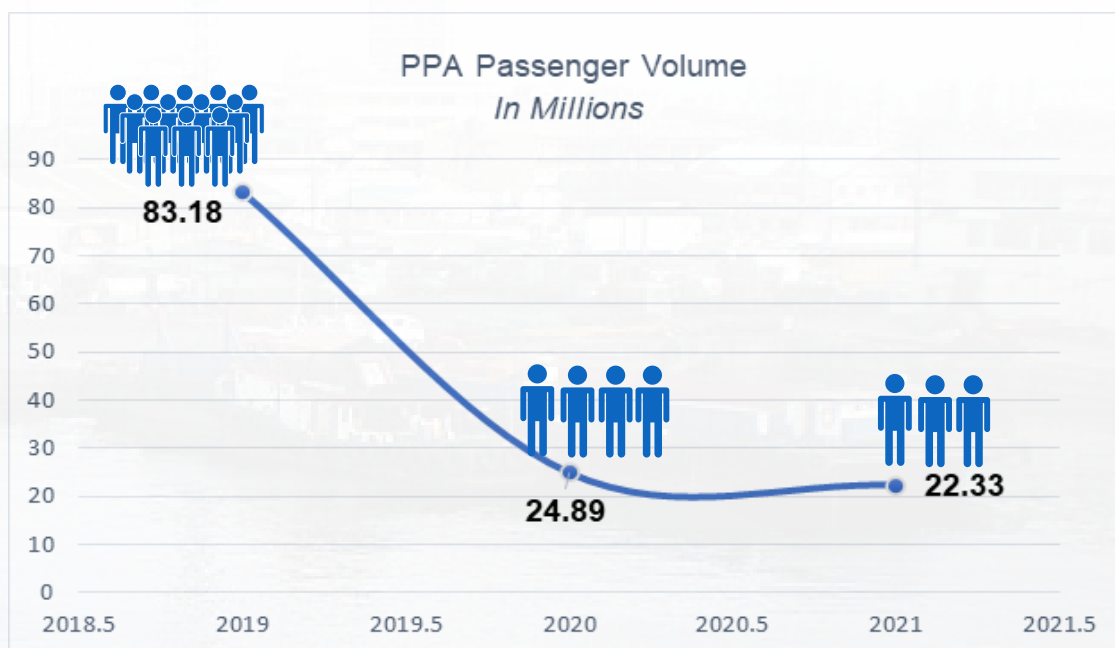
Continued increase in Cargo Volume (In Million Metric Tons) from 460.14 MMT in 2012 to 738.70 MMT in 2018. The 2019 slight decrease is attributed to an overall lower business and consumer confidence. According to IATA, 2019 has been the worst year for air freight (cargo) demand in the past ten (10) years. In 2020, despite the negative effects of the pandemic, cargo volume did not see as much of a substantial dip compared to other airport statistics as movement of goods remained in effect, albeit with challenges. In 2021, a slight increase was noted but still below the pre-pandemic level.

Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.



Philippine Ports Authority (PPA)

Passenger Volume

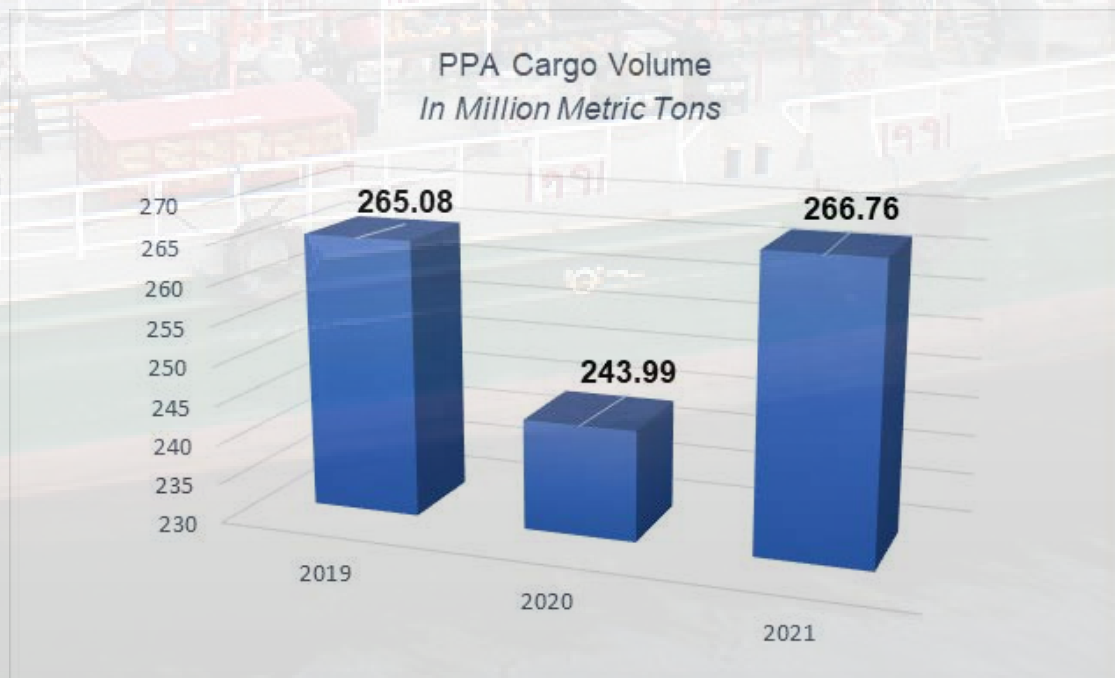


Continued increase in Passenger Volume from around 50 Million in 2012 to 83.72 Million in 2019. Similar to other GOCCs in the Travel Industry, PPA's passenger traffic suffered as the 2020 volume decreased to only 24.89 Million, and further declined to 23.08 million in 2021.



Philippine Ports Authority (PPA)

Cargo Volume



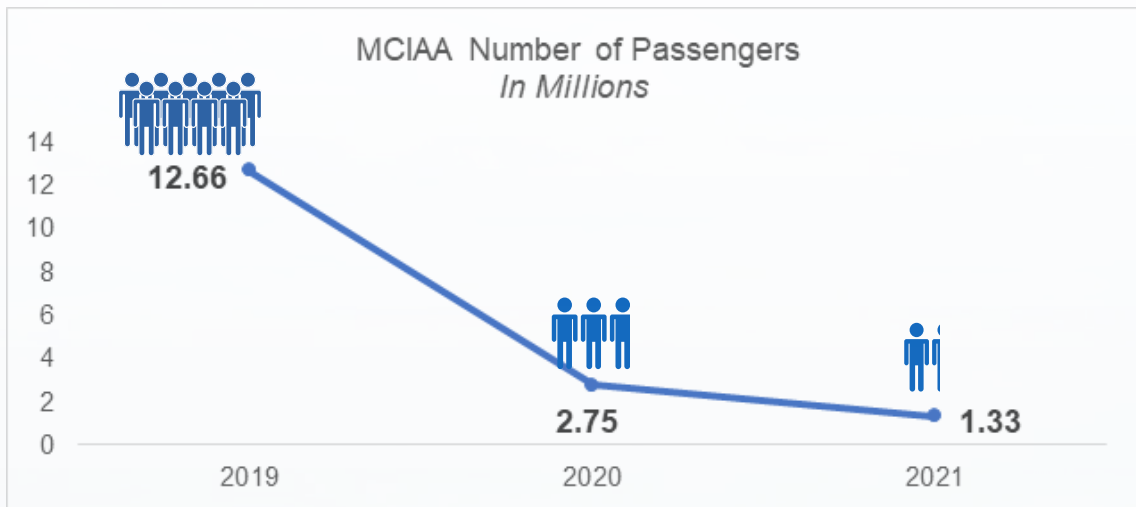
Continued increase in Cargo Volume from 194 Million Metric Tons in 2012 to 266.42 Million Metric Tons in 2019. In 2020, PPA experienced only a minimal decrease in cargo, with actual volume of 243.99 MMT, despite the pandemic. In 2021, cargo volume has slightly surpassed the 2019 pre-pandemic level with 262.05 MMT.

Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.



Mactan-Cebu International Airport Authority (MCIAA)

Number of Passengers

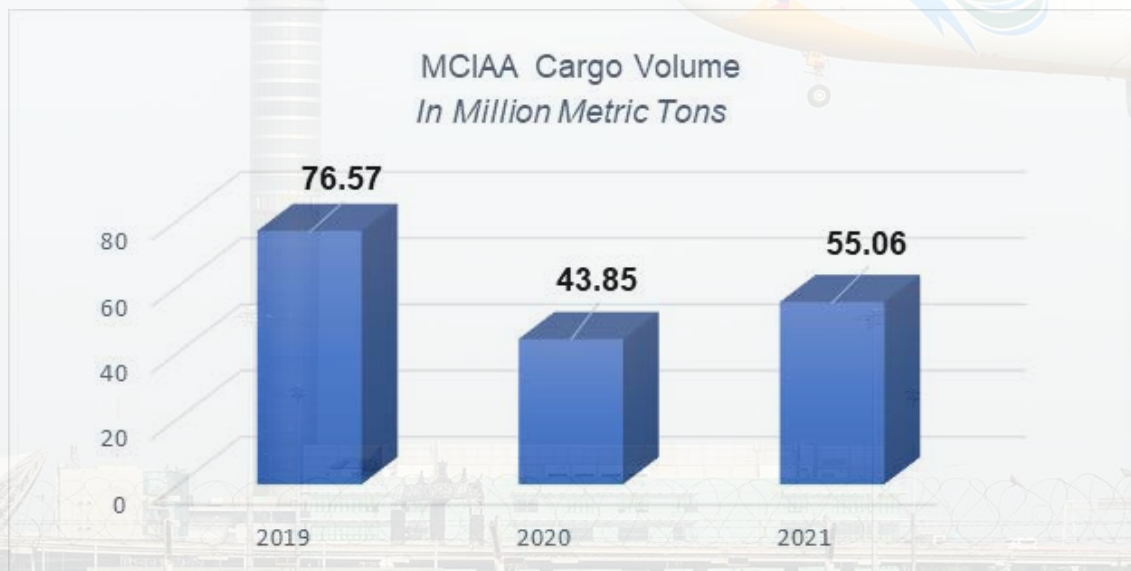


Continued increase in number of passengers from 4.5 Million in 2012 to 12.66 million in 2019. On account of the pandemic, however, passenger volume has declined as the Travel Industry was severely affected, resulting in decreased passengers of only 2.75 million in 2020 and further declined to 1.33 million in 2021.



Mactan-Cebu International Airport Authority (MCIAA)

Cargo Volume



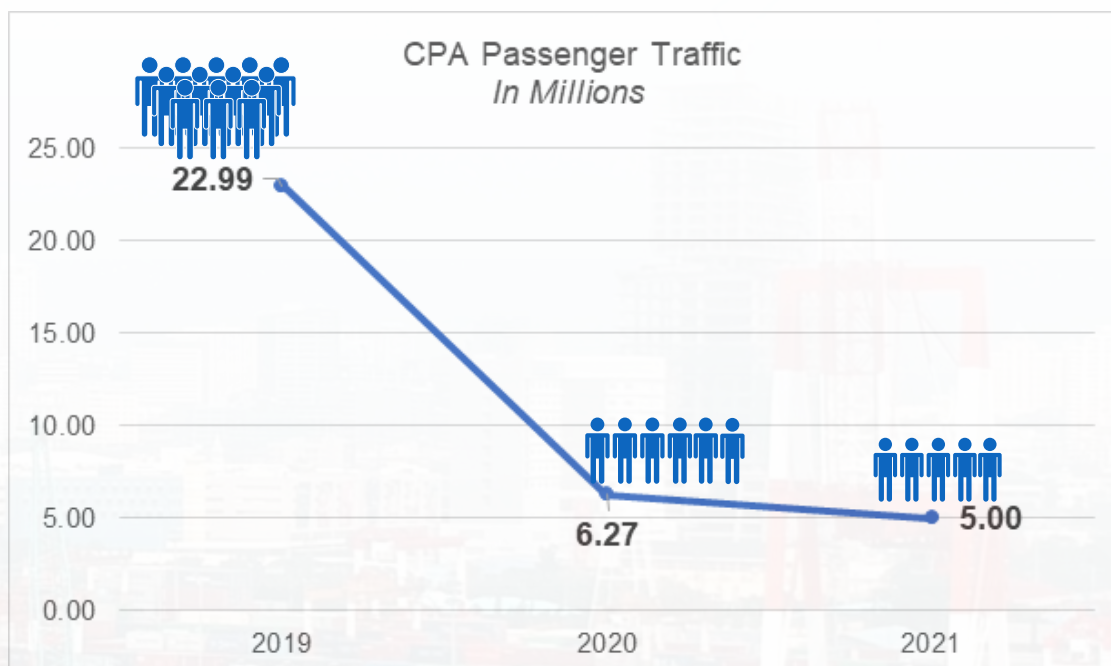
Sustained increase in Cargo Volume (In Million Metric Tons) from 54.13 MMT in 2014 to 82.06 MMT in 2018. Similar with MIAA, MCIAA experienced slight decrease in 2019 cargo volume to 76.57 MMT. Due to the adverse effects of the pandemic, this further went down in 2020 to only 43.85 MMT. In 2021, however, cargo volume had slightly picked up the pace with a slight increase to 55.06 MMT.

Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.



Cebu Port Authority (CPA)

Passenger Traffic

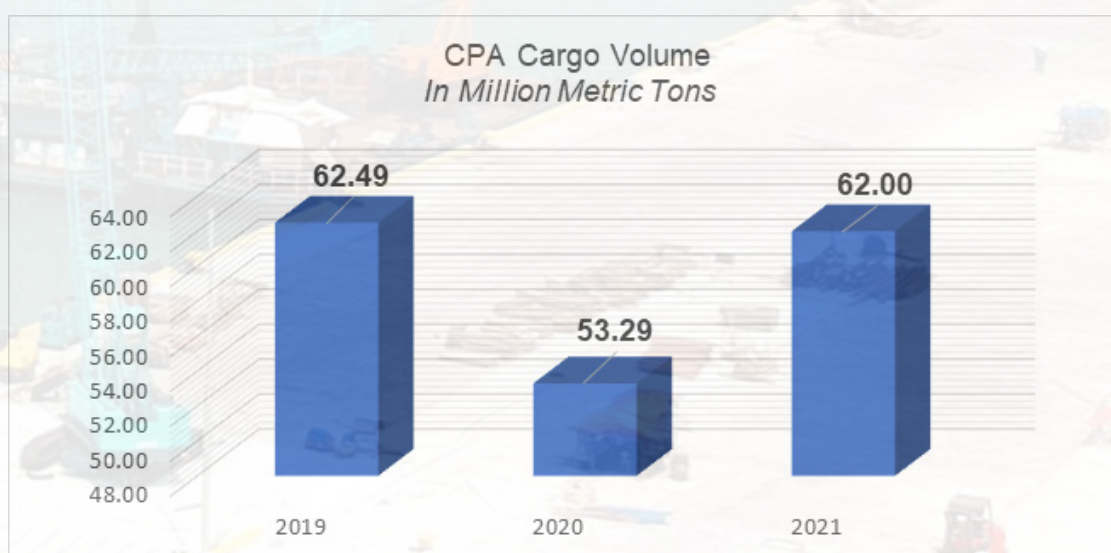


Continued increase in Passenger Traffic (In Million Passengers) from 16.2 Million in 2012 to 22.99 million in 2019. Due to the pandemic and the travel restrictions, a decrease in passenger volume was seen in 2020, which resulted in only 6.27 million passengers and further dipped to only 5.00 million in 2021.



Cebu Port Authority (CPA)

Cargo Volume



Continued increase in Cargo Volume (In Million Metric Tons) from 29.01 MMT in 2012 to 62.49 MMT in 2019. Despite the pandemic, cargo performance had not been as severely affected, noting only a decrease in 2020 of 14.72% from 2019. Notably, cargo volume in 2021 has seen an increase to 61.99 MMT, approximating the pre-pandemic performance level.

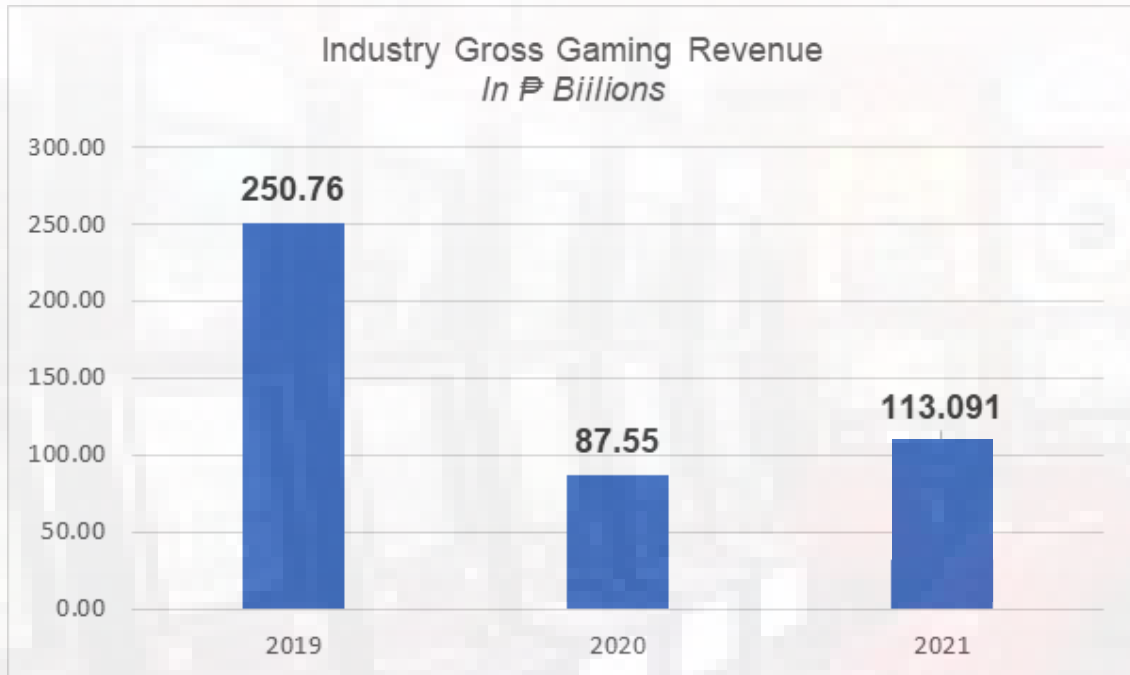
Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.

GAMING AND ENTERTAINMENT INDUSTRY



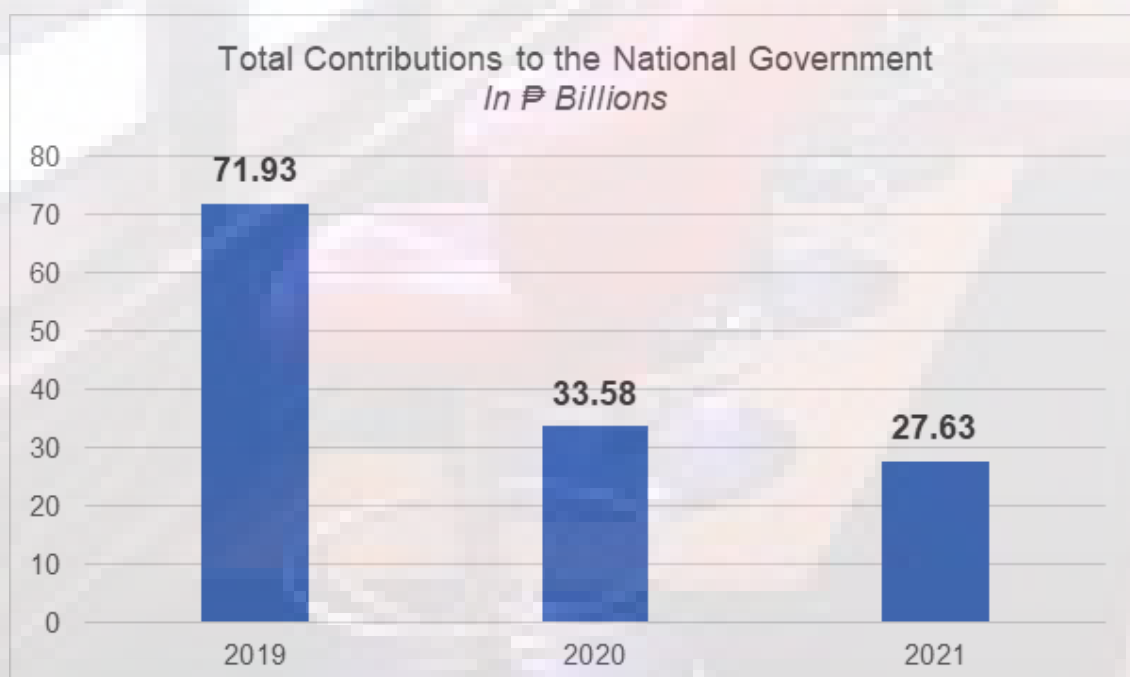
Philippine Amusement and Gaming Corporation (PAGCOR)

Industry Gross Gaming Revenue



Philippine Amusement and Gaming Corporation (PAGCOR)

Total Contributions to the National Government

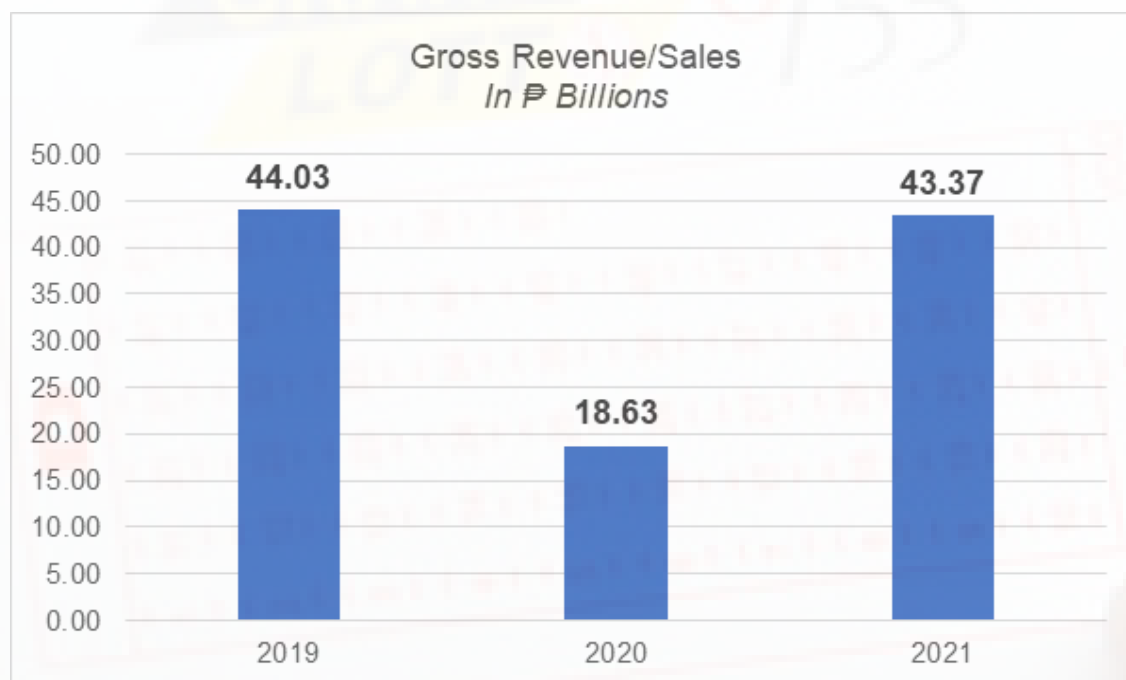


Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.



Philippine Charity Sweepstakes Office (PCSO)

Gross Revenue/Sales



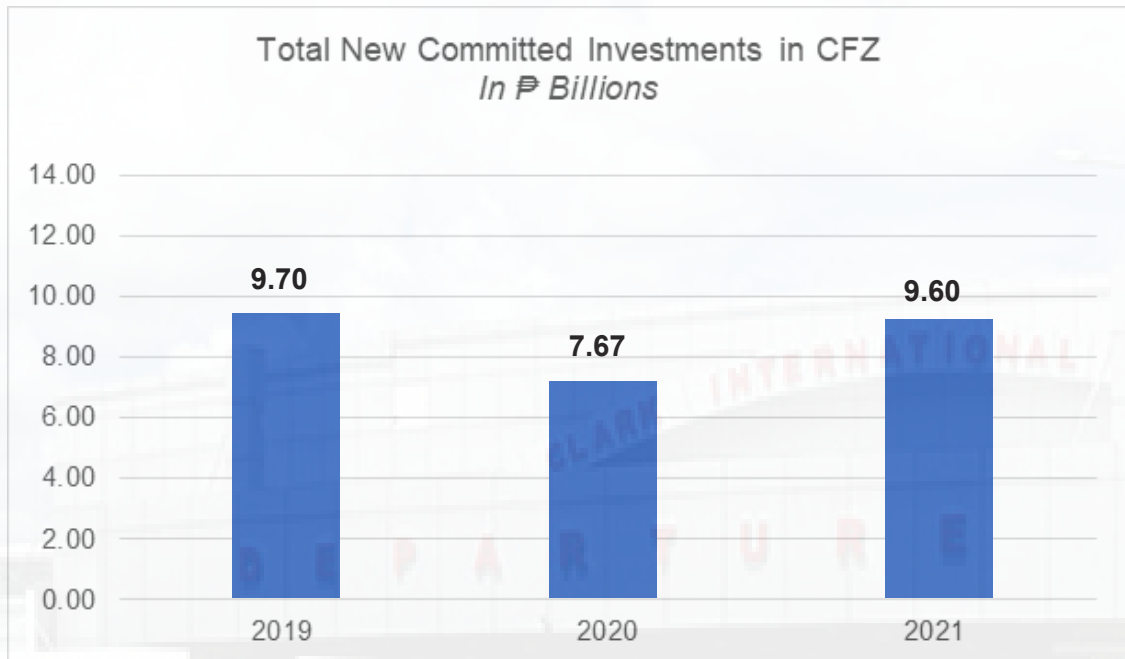
Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.

ACCELERATING GROWTH THROUGH REGIONAL DEVELOPMENT



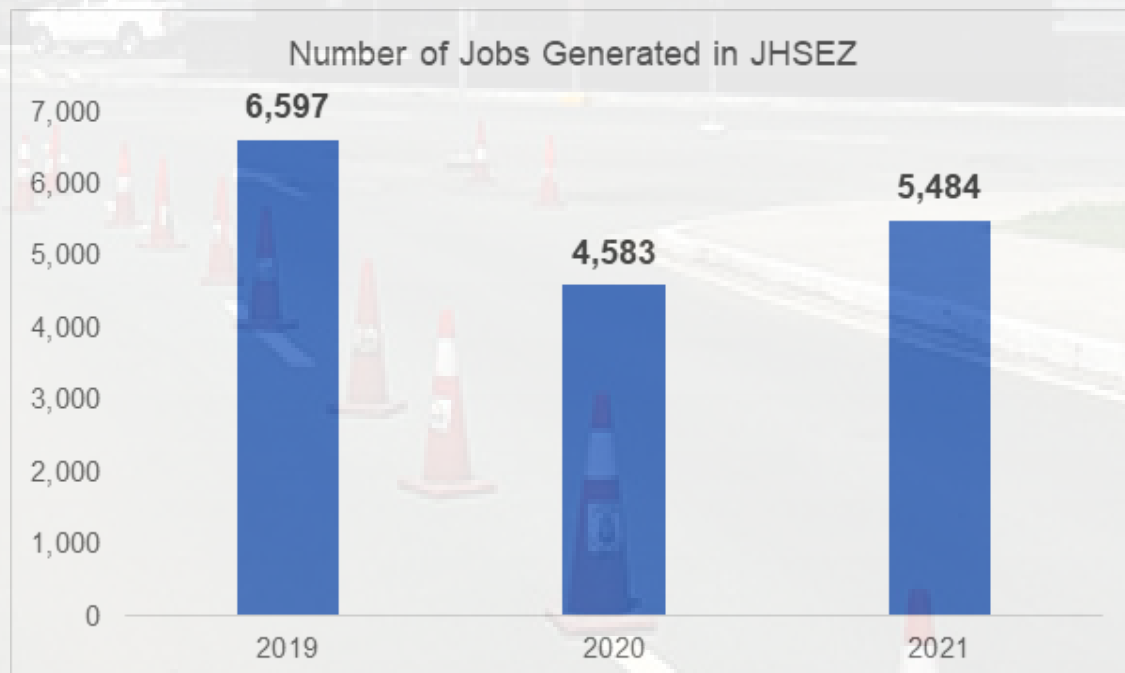
Clark Development Corporation (CDC)

Total New Committed Investments in the Clark Freeport Zone (CFZ)



John Hay Management Corporation (JHMC)

Number of Jobs Generated in the John Hay Special Economic Zone (JHSEZ)

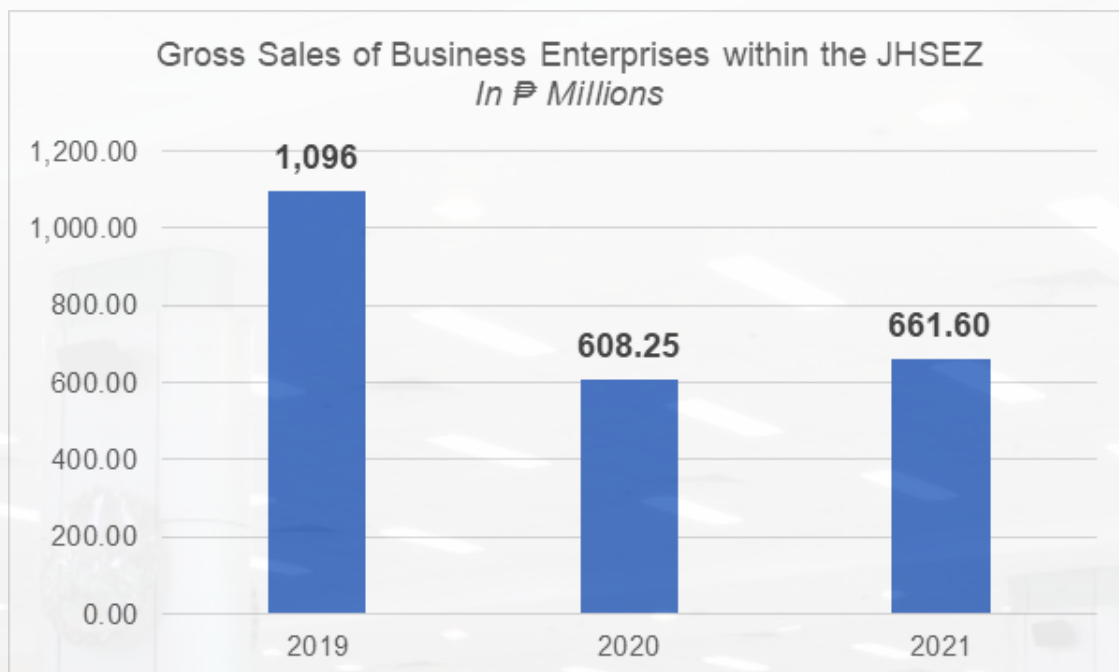


Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.



John Hay Management Corporation (JHMC)

Gross Sales of Business Enterprises Within the John Hay Special Economic Zone (JHSEZ)



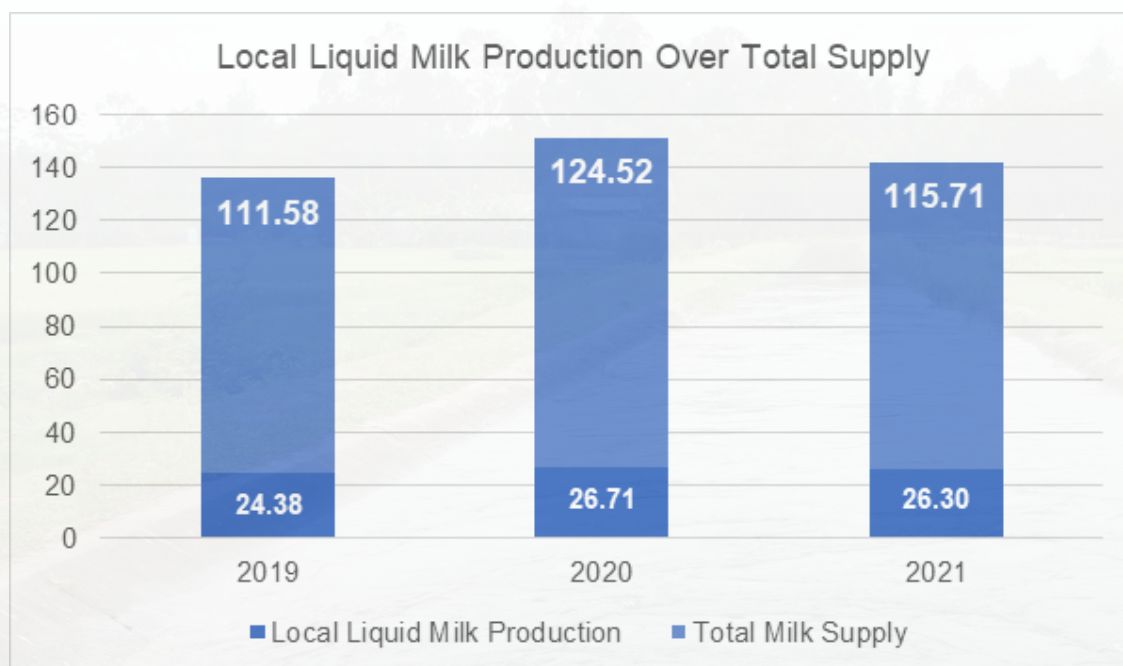
Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.

COMPETITIVE AND SUSTAINABLE FOOD PRODUCTION



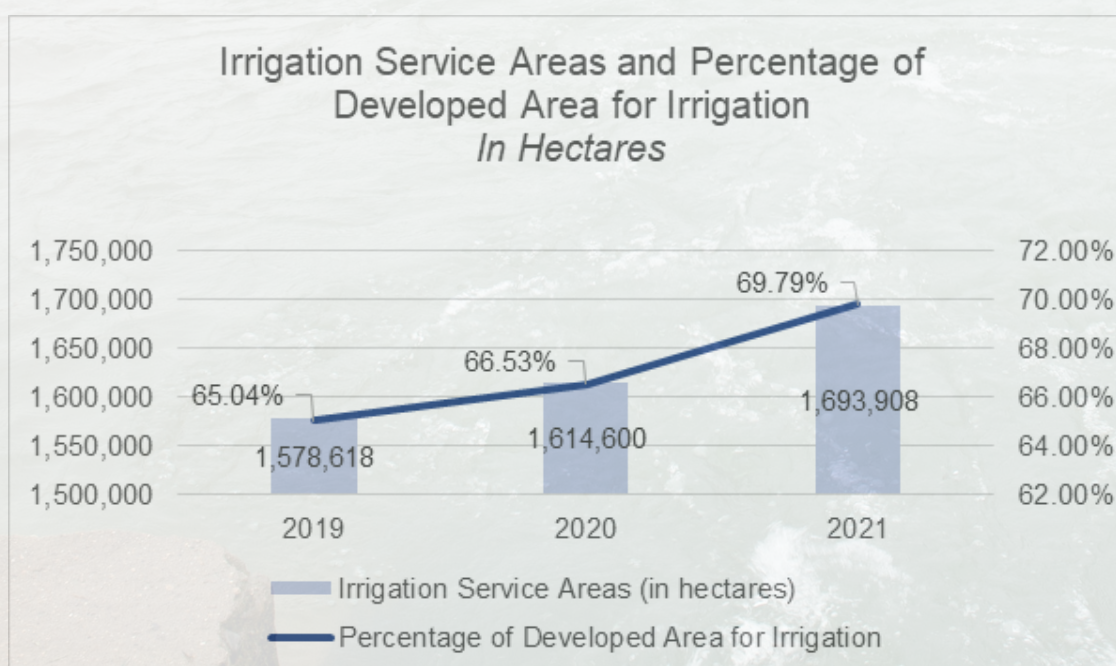
National Dairy Authority (NDA)

Local Liquid Milk Production Over Total Supply



National Irrigation Administration (NIA)

Irrigation Service Areas and Percentage of Developed Area for Irrigation

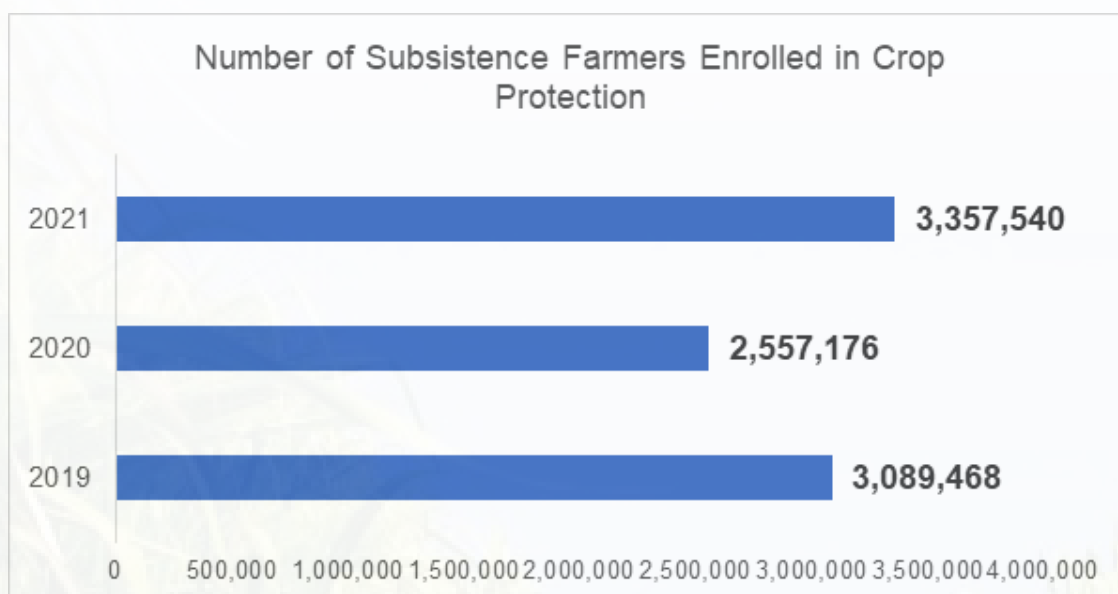


Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.



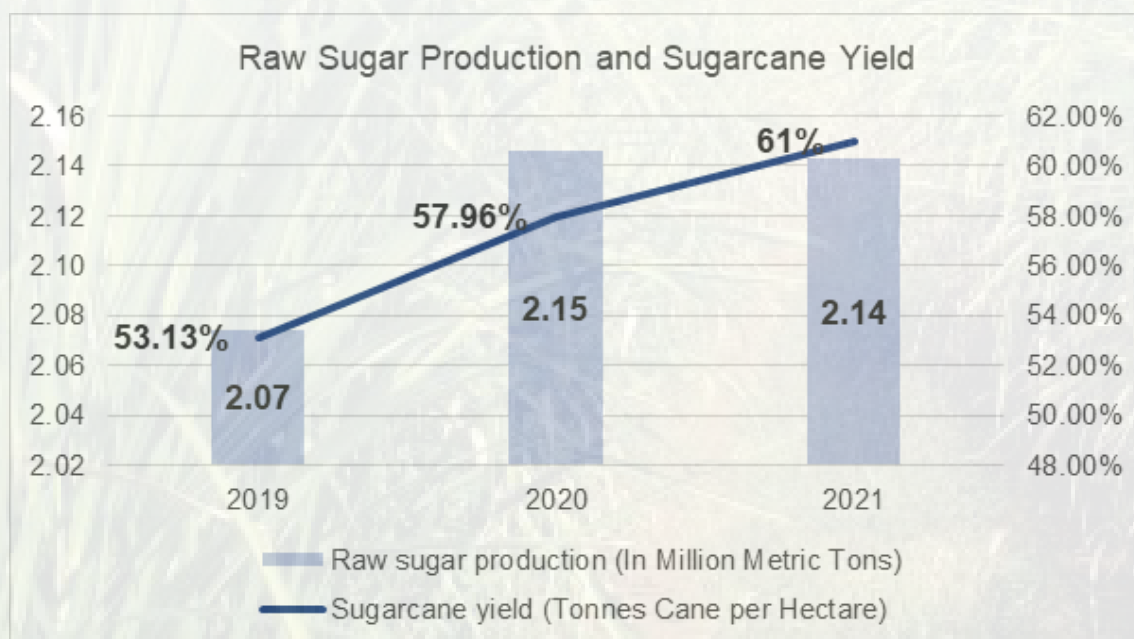
Philippine Crop Insurance Corporation (PCIC)

Number of Subsistence Farmers Enrolled in Crop Protection




Sugar Regulatory Administration (SRA)

Raw Sugar Production and Sugarcane Yield



In 2021, raw sugar production decreased by about 3,000 MT. Such decrease was due to La Niña causing floods in several sugarcane fields located in Negros Occidental.

Note: Figures for the years 2019 and 2020 are validated accomplishments, while figures for 2021 are based on submitted report by GOCCs.



COMPENSATION AND POSITION CLASSIFICATION SYSTEM (CPCS): TOWARDS A COMPETITIVE COMPENSATION SYSTEM

By Director Karen Kreez L. Tangco-Pascasio, CESO IV

COMPENSATION AND POSITION CLASSIFICATION SYSTEM (CPCS): TOWARDS A COMPETITIVE COMPENSATION SYSTEM

One of the principal mandates of the GCG under R.A. No. 10149 is the development of the Compensation and Position Classification System (CPCS), which shall be a competitive remuneration system that will attract and retain talent and allow GOCCs to be financially sound and sustainable.

Since 2012, the GCG has been working towards the standard compensation system for the GOCC Sector. After a long process of evaluation and deliberation, the CPCS was approved and signed on 22 March 2016 through Executive Order (E.O.) No. 203.¹¹

Seeing the need to revisit and reevaluate the CPCS of GOCCs, President Rodrigo R. Duterte issued E.O. No. 36 on 28 July 2017¹² and in effect suspended E.O. No. 203. The Governance Commission, with the participation of key government agencies, the academe, and GOCCs, embarked on a study to develop a new CPCS that incorporates the principles set forth in the "GOCC Governance Act of 2011."

The year 2021 was a milestone for the GCG as it saw the birth of the new CPCS with the President's approval of Executive Order (E.O.) No. 150. The laws directed the GCG, as the implementing agency, to come up with the Implementing Guidelines for the CPCS. This included guidelines, relating to affordability, step increments, hiring rates, overtime pay, night shift differential, merit increases, and separation pay programs, taking into consideration prevailing practices in the private sector and the guiding principles provided in the CPCS.

Under the CPCS, GOCCs under the coverage of R.A. No. 10149 were classified into three (3) categories based on their nature of operations and financial viability to sustain their activities. One would adopt a salary structure that is almost similar to the Salary Standardization Law (SSL) Structure being adopted

by the National Government while other categories will have five (5) different Salary Structures/Tiers that they will adopt based on their financials.

The CPCS allows GOCCs to have the flexibility to either adopt the compensation structure applicable to them based on the evaluation of the GCG or to adopt a uniform lower percentage/salary structure of lower tiers if their financials will not permit the full implementation of the CPCS.

Moreover, the new CPCS under E.O. No. 150 has now standardized the allowances, benefits, and incentives (ABIs) being received by the officers and employees of GOCCs, limiting the same to those enumerated in the CPCS. All other ABIs not provided in the CPCS will be discontinued. However, incumbents of GOCCs that are implementing their compensation framework shall be paid the three (3) year present value of the authorized ABIs that will be removed under the CPCS.

Further, all additional compensation outside the CPCS that GOCCs intend to grant their officers and employees should be approved by the GOCC Governing Board, endorsed by the Supervising Agency, recommended by the GCG, and approved by the President of the Philippines.

The CPCS is set to be adopted by over eighty (80) GOCCs under the coverage of R.A. No. 10149.

The approval of the new CPCS is a landmark in the history of compensation reform in the GOCC Sector. The GCG, together with GOCCs shall embark on the implementation of the CPCS, setting its vision towards a compensation system that will promote performance-driven and efficient organizations.

¹¹Adopting a Compensation and Position Classification System (CPCS) and a General Index of Occupational Services (IOS) for the GOCC Sector Covered by Republic Act No. 10149 and for Other Purposes.

¹²Suspending the Compensation and Position Classification System under Executive Order No. 203 (S. 2016), Providing for Interim Compensation Adjustments, and for Other Purposes



ENSURING COMPETITIVE NEUTRALITY IN THE GOCC SECTOR

By Director Johann Carlos S. Barcena, CESO III

The National Competition Policy (NCP) and Philippine Development Plan (PDP)

On 20 October 2021, the President through Administrative Order No. 44, s. 2021,¹³ directed to adopt and implement the National Competition Policy (NCP) and its key elements, as contained in the National Economic and Development Authority and Philippine Competition Commission (NEDA-PCC) Joint Memorandum Circular No. 01-2020.¹⁴ Among the said key elements of the NCP is competitive neutrality, in that, "GOCCs shall not enjoy net competitive advantages or be subjected to disadvantages over private sector businesses simply by virtue of public sector ownership, unless it can be clearly demonstrated that the greater public interest will be served and there is lack of commercial viability."

To promote competitive neutrality, the NCP specifically enjoined the Governance Commission to undertake the following responsibilities:

- (a) Review the mandates of GOCCs within their respective jurisdictions and recommend appropriate action to the President, subject to the provisions of the GOCC Governance Act of 2011;
- (b) Recommend structural measures to address any identified anti-competitive behavior relating to the mandate and/or operations of GOCCs;
- (c) Recommend the separation of proprietary and regulatory activities of GOCCs;
- (d) Assess and monitor the nature, form, extent, costs and benefits, and impact on the business environment of existing subsidies and state interventions in favor of GOCCs, in consultation with the Department of Finance (DOF) and other relevant government agencies; and
- (e) Implement regulatory and non-regulatory measures necessary to neutralize any advantages or disadvantages that may accrue due to public sector ownership in consultation with appropriate government agencies.

The NCP is consistent with the *Ownership and Operations Manual Governing the GOCC Sector*, that was mandated under R.A. No. 10149 and approved by the President,¹⁵ since among the responsibilities of the National Government in the operations and governance of GOCCs is to ensure competitive neutrality. In order to achieve a level playing field with corporations in the private sector performing similar commercial activities for the public, the National Government shall: (1) ensure that there is a clear separation between the regulatory and proprietary activities of GOCCs;¹⁶ and (2) avoid the granting of advantages and benefits to GOCCs that directly or indirectly compete with the private sector.¹⁷

The inclusion of a new chapter in the 2017-2022 Philippine Development Plan (PDP) on Leveling the Playing Field through a National Competition Policy (Chapter 16), wherein the GCG is among the key agencies, prompted the addition of enhancing competitive neutrality as a strategic objective of the GCG. Among the strategies in Chapter 16, the responsibility to uphold the principle of competitive neutrality and to adopt policies establishing a level playing field where GOCCs and firms compete is upon the government.

¹³Directing the Adoption and Implementation of the National Competition Policy

¹⁴The National Competition Policy of the Philippines

¹⁵GCG M.C. No. 2012-06.

¹⁶See Sec. 2(g), R.A. No. 10149.

¹⁷Art. 11, GCG M.C. No. 2012-06

As with the previous Development Plans, the PDP 2017-2022 has an accompanying Results Matrix that lists the specific programs for the implementing agencies that will be monitored. Below is the indicator and targets of the GCG under the Results Matrix:

Table 1. GCG Results Matrix Indicator and Targets

Indicator	Annual Plan Targets					
	2017	2018	2019	2020	2021	2022
Proportion of GOCCs reviewed on competitive neutrality issues	10%	30%	50%	70%	90%	100%
Proportion of GOCCs with identified competition issues provided with recommendations	-	100%	100%	100%	100%	100%
Proportion of corrective measures for identified GOCCs initiated	-	-	100%	100%	100%	100%

Table 2 shows the accomplishments of the GCG through its Corporate Governance Offices:

Table 2. GCG Results Matrix Accomplishment

Indicator	GCG Accomplishment				
	2017	2018	2019	2020	2021
Proportion of GOCCs reviewed on competitive neutrality issues	10% (12/123)	33% (39/120)	52% (62/120)	72% (86/119)	91% (107/118)
Proportion of GOCCs with identified competition issues provided with recommendations	-	100%	100%	N/A	N/A
Proportion of corrective measures for identified GOCCs initiated	-	-	100%	100%	100%

For 2021, the total number of GOCCs assessed for competitive neutrality issues increased to 107. However, none of the GOCCs subjected to review in 2020 had explicit competitive neutrality issues that significantly impact competition and make market entry or expansion difficult for private companies. Hence, none was recommended for prioritized dispositive action.

Guidebook for the Implementation of Competitive Neutrality for GOCCs

It bears emphasis that the review of GOCCs was only preliminary for purposes of determining competitive neutrality issues - with specific focus on the GOCC's position in the market to prioritize the review and assessment of those that significantly impact competition. To further enhance its assessment consistent with its mandate and the current strategy of the Philippine government of promoting market competition as a means to improve market efficiency, the Governance Commission will use as additional reference the Guidebook for the Implementation of Competitive Neutrality for GOCCs. The Guidebook was crafted by the GCG's senior technical staff, Ms. Beatrice Alexa G. Karamihan, with the supervision of the Directors of the Governance Commission, as a Re-Entry Action Plan (REAP) while at the Australia National University under the auspices of the Australia Awards Scholarship. This undertaking is also part of the broader strategy of the Governance Commission to transform its officers into leading corporate governance specialists and enable them to effectively carry out its tasks in the Philippine Development Plan 2017-2022, under its Chapter 16: Leveling the Playing Field through a National Competition Policy.

Roundtable Discussions in Collaboration with the UPPAF-USAID RESPOND Project

Also, among the strategies under Chapter 16 of the PDP 2017-2022 is a subsidiarity analysis on GOCCs, spearheaded by the GCG. The subsidiarity principle helps systematize the two roles that the State plays: as an operator in the market through SOEs and as a regulator. The State does not need to participate as an economic agent if there are – or could be – private agents interested in performing an economic activity or participating in a market. Instead, it is typically more efficient and effective for the State to act as regulator. The application of the subsidiarity principle entails an application of the power of the GCG under Section 5(a)(5) of R.A. No. 10149 to determine whether "the GOCC is involved in an activity best carried out by the private sector".

To carry out this strategy, and in line with its commitment to participatory governance, the Governance Commission collaborated with the University of the Philippines Public Administration Research and Extension Services Foundation, Inc. (UPPAF) through its Regulatory Reform Support Program for National Development (RESPOND) Project. RESPOND is a five-year project made possible through a Cooperative Agreement between the UPPAF and the United States Agency for International Development (USAID) Philippines. It aims to assist the Philippine government improve its regulatory quality and competitiveness to attain higher levels of trade and investment, inclusive growth, and self-reliance. On this account, the project provides technical assistance to enhance market competition and strengthen regulatory capacity and governance.

Through its Public Enterprise Reform Agenda (PERA) program, RESPOND gathered sectoral experts who reviewed, analyzed, and formulated recommendations on select GOCCs and then presented the initial results in a series of roundtable discussions (RTDs) with key stakeholders from concerned national government agencies, GOCCs, private sector organizations, and members of Congress. Throughout the year, the Governance Commission gathered inputs from relevant stakeholders and provided its insights in the following RTDs organized by RESPOND:

- The Role of Government Financial Institutions in a Market-Oriented Financial System: The Case of the Philippines;
- Why Correcting Government Failure is so hard to achieve?
- Conflicted Regulator-Public Enterprises in the Transport Sector: Cases of Philippine Ports Authority (PPA) and Civil Aviation Authority of the Philippines (CAAP)
- Exploring PhilHealth Challenges

- Exploring the impact of government subsidy on the financial and socioeconomic performance of heavily subsidized government corporations
- The Governmental/Regulatory and Proprietary Divide: Issues, Options and Ways Forward for the Philippine Amusement and Gaming Corporation
- The National Food Authority: The Rice and Fall of a Public Enterprise?
- Enhancing the Effectiveness of Government Corporations: The Case of the Philippine Coconut Authority
- Philippine International Trading Corporation (PITC): Reform Agenda for a State Trading Enterprise
- National Development Company Crossroads: Managing Towards the Future
- Government-Owned and Controlled Corporations at the Local Level: Status, Issues, and Directions and Ways Forward
- An Appraisal to Strengthen Government-Owned and Controlled Corporate Specialty Hospitals
- Welfare costs of trade and market policies in the sugar sector and the case of the Sugar Regulatory Administration (SRA)

As the Governance Commission moves closer to completing its commitments under the PDP 2017-2022, it remains steadfast in promoting competitive neutrality in the GOCC Sector. The GCG shall continue working with the national government, academe, and other organizations, towards a competitive Philippine market that promotes inclusive economic growth.



PARTICIPATORY GOVERNANCE FOR CONTINUAL IMPROVEMENT

By Director Jaqueline D. Ponseca, CESO IV and Atty. Maricor E. Lacambacal

In 2013, the GCG institutionalized the Performance Evaluation System (PES) for the GOCC Sector¹⁸ as a framework for setting the organizational targets of a GOCC. Under the PES, a measure on Stakeholder/Customer perspective is required to gauge how GOCCs relate with their customers/stakeholders.

Customer satisfaction is defined as a “person's feeling of pleasure or disappointment which resulted from comparing a product's or service's perceived performance or outcome against his/her expectations.”¹⁹ To capture this, the Governance Commission included customer satisfaction as a standard measure in the Performance Scorecards of all GOCCs beginning 2015. While the performance measure was uniform across all GOCCs under the GCG's jurisdiction, the flexibility to determine the methodology and sampling size was left to the discretion of the GOCC. However, these flexibilities resulted in an unintended drawback – the reported accomplishments had varying standards due to the difference in the methodologies used.

The survey of customer satisfaction serves as an important tool for public participation in the evaluation of the performance of the GOCC as it enables GOCC customers to directly provide feedback on the services they receive. It is also a means for GOCCs to identify which of their services need improvement, from the perspective of their customers. As such, it is essential that how customer satisfaction is determined be at a standard that adequately serves such objectives.

The Governance Commission first rolled out the *Standard Methodology, Prescribed Questionnaire, and Classification of GOCCs per Methodology* for the customer satisfaction survey (CSS) in 2018. The Standard Methodology adopts the industry standard of requiring quality checks and controls during the conduct of the CSS to ensure the reliability and accuracy of reports. It also entailed the development of questionnaires appropriate for GOCC operations, services, and industry for comparability across state-owned enterprises.

On 22 October 2018, the Governance Commission engaged the Consultancy Services of Kantar Philippines, Inc. to assist in the improvement of the existing methodology. As part of the assessment, Kantar conducted interviews or focused group discussions with selected GOCCs from 03 December to 07 December 2018 and a consultation workshop on 12 February 2019 to present and gather inputs on the draft enhanced guidelines.

By the end of September 2019, the Governance Commission transmitted and uploaded the Enhanced Standard Guideline on the Conduct of Customer Satisfaction Survey and the updated Classification of GOCCs per CSS Methodology. The Guidelines and classification would govern the GOCCs under the jurisdiction of GCG in the conduct of the annual customer satisfaction starting 2020.

The updated prescribed questionnaires for the conduct of the CSS was also subsequently transmitted to the GOCCs. Key revisions provided in the Enhanced Guidelines were as follows:

	Standard Methodology	Enhanced Guidelines
Data Gathering Methods	Pen-and-Paper Interview: <ul style="list-style-type: none"> - Intercept - Telephone - Door-to-Door 	Pen-and-Paper Interview Computer-Assisted Personal Interview: <ul style="list-style-type: none"> - Intercept - Telephone - Door-to-Door Online Survey Self-Accomplishment

¹⁸GCG MC No. 2013-02 (Re-Issued)

¹⁹Kotler and Keller, 2006, p. 144.

	Standard Methodology	Enhanced Guidelines
Sample Size, Allocation, and Area Coverage	<ul style="list-style-type: none"> 500 for nationwide coverage → Margin of Error (MOE) of +/-4.3% at 95% confidence level 300 for area-specific coverage → MOE of +/-5.6% at 95% confidence level 100 should be targeted for each sub-segment (e.g., region, age, gender, etc.) if need to be read → MOE of +/-9.8% at 95% confidence level Proportionate sampling should be employed for GOCCs with different customer types 	<p>Sample size should be at the minimum per customer type</p> <ol style="list-style-type: none"> 500 for nationwide coverage → MOE of +/-4.3% at 95% confidence level 300 for area-specific coverage → MOE of +/-5.6% at 95% confidence level 100 for customer type with small universe, MOE of +/-9.8% at 95% confidence level Total universe should be targeted as survey respondents for customer type with total primary customers of less than 100
Frequency of Data Collection	<p>Bi-annual for GOCCs with more than 250,000 customers in a year</p> <p>Annual for GOCCs with 250,000 or less customers in a year</p>	<p>Annual for GOCCs that observe seasonality, the survey should be conducted for each season</p> <p>GOCCs are allowed to conduct the data gathering/survey until January of the succeeding year (except for intercept interviews)</p>
Data Collection Quality Control	General guidelines	A list of reports/documents required for submission is provided
Project Team	Project Team for self-administered survey	Project Teams for third-party provider and self-administered survey
Status Reports and Documents for Submission	None	<p>A list of required documents for submission, deadline of submission per activity is provided</p> <p>The required minimum information to be presented in the Final Report is indicated</p>

Applicability of CSS During the Pandemic

In view of the circumstances brought about by the COVID-19 pandemic, and further considering the safety of the customers and the difficulties that may be encountered in the conduct of the intercept or face-to-face method of interview, the Governance Commission issued a Notice to All GCG Stakeholders dated 14 August 2020 providing for the additional guidelines applicable for the conduct of the CSS for 2020.

In the same year, the GCG validated the performance covering the year 2019 where the number of GOCCs with Performance Scorecard was maintained at 74.²⁰ Of the said number, 39 GOCCs were deemed compliant with the GCG Standard Methodology with an average score of **92.29% satisfied customers**. Based on the consolidated data, only 2 GOCCs failed to reach the minimum requirement of 80% while 34 GOCCs were able to reach a score of at least 90%. The 2019 result showed improvement from the 2018 baseline of 38 GOCCs compliant with the Standard Methodology and Prescribed Questionnaires generating an average of **91.91% satisfied customers**.

2020 Validation Results

Starting performance year 2020, the Governance Commission set a uniform Strategic Measure (SM) of *Percentage of Satisfied Customers* in the Performance Scorecards of GOCCs with a minimum target of 80% across the Sector. The issuance of the Enhanced Standard Guideline and uniform performance measure would allow the Governance Commission to generate a sector-wide result of the satisfaction survey.

The Governance Commission started receiving submissions for the 2020 annual accomplishments as early as March 2021. However, due to the continuing pandemic and declaration of different levels of community quarantine across the country, the Governance Commission and the GOCCs implemented various working arrangements. Accordingly, the GOCCs submitted the additional and lacking supporting documents by the 3rd Quarter of 2021.

The Development Academy of the Philippines (DAP) presented the Service Quality Standards (SQS) during the Government Quality Management Program's (GQMP) 2nd Symposium on Institutionalizing Service Quality Standards held virtually on 08 July 2021. The SQS aims to measure the whole-of-government citizen/business satisfaction. During its implementation in 2018 and 2019, the overall satisfaction results were 86.93% for Government to Citizens/G2C (2018) and 80.53% for Government to Business/G2B (2019). The 2018 satisfaction result for G2C significantly declined to 70.14% in 2020. However, the DAP emphasized that the result remains high and acceptable considering the COVID-19 pandemic in 2020.

To consider the result of the study conducted by the DAP, as well as observations of the Corporate Governance Offices in the evaluation of GOCC submissions, the GCG adopted the following rulings for the validation of CSS results using the Enhanced Guidelines:

A. Grounds for Zero Score

1. Did not utilize GCG prescribed questionnaires in the conduct of annual CSS;
2. Data analysis, interpretation, and report writing conducted internally by the GOCC;

B. Grounds for Consideration

B.1. Applicable only for 2020 CSS Validation

1. Minimum required accomplishment reduced from 80% to 70%;
2. Use of old-GCG prescribed questionnaires;

²⁰HGC was merged with PhilEXIM forming the PhilGuarantee, and PHILSUCOR was abolished, hence no Performance Scorecards for 2019. BSP and PNCC were provided with Performance Scorecard for 2019.

3. GOCC extended its data gathering period beyond what had been requested and approved by the GCG may be considered if the extension did not go beyond 30 calendar days.
4. Data gathering conducted within January to March of the following year without the approval of the Governance Commission.

B.2. Applicable starting 2020 CSS Validation

1. Use of hybrid data collection methodology for the sole purpose of meeting the required sample size. GOCC must provide documentation that it was able to exhaust all possible means to gather data using the initially selected data collection method.
2. Failure to comply either 30% back-check or 30% observation requirement but able to fully satisfy/comply other data collection quality control (conducted pre-test for new survey instrument, training, and supervision and spot check).

For the performance covering the year 2020, the number of GOCCs with Performance Scorecard increased to 79. Despite the alternative work arrangement, the Governance Commission was able to validate 100% of CSS Reports. Of the said number, 46 GOCCs were deemed compliant with the GCG Standard Methodology with an average score of **91.58% satisfied customers**. Based on the consolidated data, only 1 GOCC failed to reach the adjusted minimum requirement of 70% while 32 GOCCs were able to reach a score of at least 90%. The 3-year data on CSS is presented in the table below:

Table 3. Average Annual CSS Rating of Compliant GOCCs

Year	Average Rating
2018	91.91%
2019	92.29%
2020	91.58%

Table 4. Distribution of Scores of Compliant GOCCs

Score	2018	2019	2020
Below 80%	1	2	2
80% - 85%	6	3	4
86% - 90%	5	3	12
91% - 95%	15	19	14
96% - 100%	11	12	14
Total	38	39	46

The number of GOCCs deemed non-compliant decreased to 19 from the baseline of 22 in 2019. Notably, 11 GOCCs reported to have failed to conduct the CSS in 2020 despite the additional guidelines provided by the Governance Commission. Provided below is an illustration of GOCCs' compliance for 2020 and table on common non-compliance of GOCCs:

Figure 1: 2020 Summary of GOCC Compliance

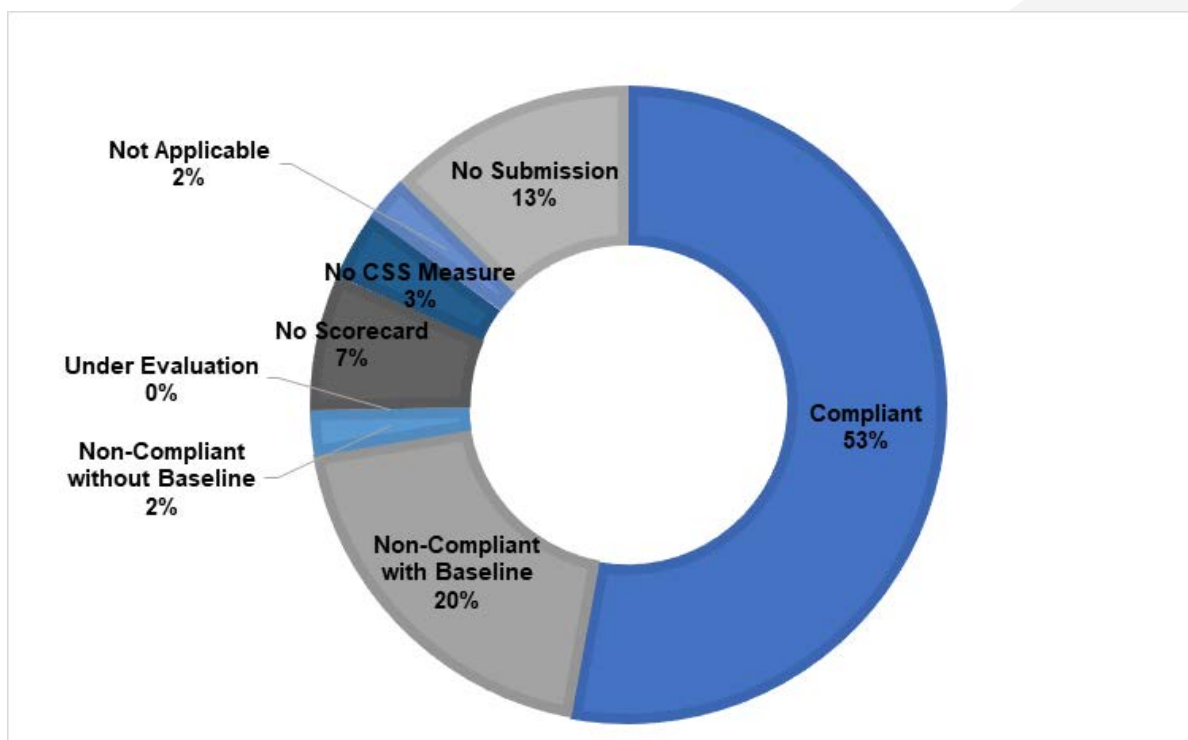


Table 5: Distribution of Reasons for Zero Rating of CSS Measure

Reason	2018	2019	2020
Not Applicable	71	52	34
No CSS Report Submitted	3	12	4
No Survey Conducted	6	8	11
CSS Report Submitted Non-Compliant with the Requirements	2	0	5
Not Compliant with Data Collection Quality Control Requirement	6	9	5
Minimum Sample Size Not Met	4	3	1
Not Compliant with Respondent Criteria	4	4	2
Not Compliant with Prescribed Data Gathering Method	0	3	2
Not Compliant with Prescribed Sampling Procedure	4	2	1
Not Compliant with Prescribed Survey Questionnaire	4	4	3
Required Timing of Data Collection Not Met	0	3	1
Required Frequency of Data Collection Not Met	2	2	0

Through the standard CSS, the Governance Commission envisions GOCCs going beyond compliance and utilizing the CSS to harness and determine vital data and information on customer satisfaction for policy and operational improvements. Moving forward, the consolidated GOCC Sector result on CSS will not only focus on the overall satisfaction rating but also on factors that lead to the satisfaction or dissatisfaction of GOCC clients.



UPHOLDING TRANSPARENCY AND ACCOUNTABILITY

By Director Michael D. Pabalinas and the Office of the General Counsel

The enactment of Republic Act (R.A.) No. 10149 or the *GOCC Governance Act of 2011* gave birth to the Governance Commission for GOCCs (GCG), which is mandated, among others, to ensure that the governance of GOCCs is carried out in a transparent, responsible, and accountable manner. It must also ensure that GOCC governance is carried out with the utmost degree of professionalism and effectiveness;²¹ and that the governing boards of every GOCC and its subsidiaries are competent to carry out its functions, fully accountable to the State as its fiduciary, and act in the best interest of the State.²²

The GCG receives various complaints against GOCCs, their Directors or Trustees and Officers, in pursuit of its mandate. Due to the numerous complaints received by the Governance Commission against alleged erring GOCCs, it initially issued GCG Memorandum Circular (M.C.) No. 2014-04 or the *Whistleblowing Policy for the GOCC Sector* and enhanced the same through its re-issuance under GCG M.C. No. 2016-02 or the *Revised Whistleblowing Policy for the GOCC Sector*.

The Whistleblowing Policy of the Governance Commission aims to enable any concerned individual to report, anonymously provide information, and testify on the actions or omissions of the GOCCs' Directors or Trustees, Officers, and Employees, including that of the GCG's Chairperson, Commissioners, Officers, and Employees. Individuals may report actions that are illegal, unethical, against public policy and morals, violate good governance principles, promote unsound and unhealthy business practices, and are grossly disadvantageous to the GOCC and/or the Government.²³

As provided by the Whistleblowing Policy, the GCG, through the Office of the General Counsel (OGC), particularly its Integrity Division (ID), is at the forefront of its implementation.

The ID processes whistleblowing reports and complaints received through reporting channels such as the GCG Whistleblowing Web Portal, email hotline through feedback@gcg.gov.ph, 8888 Citizens Complaint Center, Presidential Complaint Center, Civil Service Commission - Contact Center ng Bayan (CSC-CCB) and at times through Face-to-Face meetings. Furthermore, the Integrity Division is designated as the Deputized Resident Evaluators of the Presidential Anti-Corruption Commission (PACC).

In evaluating the reports or complaints, the ID is guided by the provisions of GCG Memorandum Circular No. 2016-02.

Some reports are referred to the GOCCs concerned for appropriate comment and/or action. However, if the report is found to be vague, ambiguous, patently without merit, or simply made with malicious intent to tarnish the name and reputation of the person(s) complained, it may be disregarded pursuant to the aforementioned memorandum circular.

At all times, the Governance Commission adheres to the rules on data privacy and assures that the reports are treated with the utmost confidentiality. Complainants, meanwhile, are given the option of whether to disclose their identity in referring the matters to the concerned GOCCs or other agencies. Nonetheless, the GCG treats the report as anonymous if the complainant failed to provide his/her consent.

In acting or disposing of the whistleblowing reports or complaints, the GCG also considers the thrust of R.A. No. 10149, which is to place on the shoulders of the Board and Management, the formulation and communication within the GOCC of matters pertaining to its rules and procedures. Further, the GCG adheres to and respects the provision of Adequate Operational Flexibility for the GOCCs to function properly and efficiently, especially under the conditions of market competition. Nonetheless, such flexibility shall still be consistent with the requirements of public accountability.

As of 2021, the Integrity Division processed 276 reports/complaints. By processing the reports, it was observed that raising concerns, reports, or complaints to the GOCCs is significant in improving the services of the GOCCs. By doing so, the GOCCs have committed to strive better to achieve quality and efficiency.

Notably, the ID created its Stakeholders Satisfaction Survey in compliance with the requirements under ISO 9001:2015. This survey measures the quality of its service and the baseline for future assessments and improvement of the same. The survey was designed through A.O. 25 Inter-Agency Task Force's (IATF) Memorandum Circular No. 2020-01, Executive Order (E.O.) No. 80, s. 2012,²⁴ and E.O. No. 201, s. 2016.²⁵

Moving forward, the GCG will remain steadfast in its commitment to addressing the whistleblowing reports/complaints involving the GOCCs and concerned stakeholders, with the end goal of ensuring and upholding transparency and accountability in the governance of GOCCs and GCG.

²¹Section 2(c), RA 10149.

²²Section 2(e), RA 10149.

²³Background and Purpose of GCG M.C. No. 2016-02

²⁴Directing the Adoption of a Performance-Based Incentive System for Government Employees

²⁵Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits for both Civilian and Military and Uniformed Personnel

Hand in hand with ensuring accountability and transparency in the GOCC Sector, the GCG also did its part in promoting transparency in accordance with E.O. No. 2, s. 2016, which operationalized the right to and freedom of information (FOI) in the Executive Branch. The FOI Program was rolled out for implementation on 25 November 2016 by the Office of the President - Presidential Communications Operations Office (PCOO).

E.O. No. 2 upholds access to information, official records, public records, and documents about official acts, transactions, or decisions, as well as to government research data used as a basis for policy development.

Following the requirements thereunder, the GCG crafted an updated FOI Manual to meet the current exigencies of the people's right to access information.

The right to information is an essential tool that empowers the people to demand transparency and accountability from the government. As such, the GCG plays a crucial role in advocating this right by successfully processing all FOI requests lodged through the standard mode or the electronic FOI portal.

Since the FOI program's implementation, the GCG has persistently complied with all the requirements, policies, and circulars issued by the PCOO.

Additionally, the GCG actively participates in various FOI activities and events organized by the PCOO to keep the GCG FOI Decision Maker (DM) and Receiving Officers (RO) abreast with recent developments in the FOI program.

Being a key component of a transparent and accountable government, the GCG exerts its best efforts to provide the requested documents/information through coordination with other offices in the GCG that may have custody of the information. In the event that such document/information is not available, the FOI request is referred to the government agency that may be the document owner, or the GCG suggests that a similar request be lodged through the agencies' respective channels.

Moreover, in effecting full public disclosure of its transactions, some information and documents are made accessible on the GCG website, subject, of course, to existing statutory limitations.

As a best practice in the GCG, the FOI Processing Office (FPO) would closely monitor FOI requests to ensure that these would be addressed and disposed of before the eleventh (11th) day of the fifteen (15)-day turnaround time. With this practice, the GCG, as a public office, exercises accountability to the public as it seeks to act immediately on FOI requests.

In fact, the GCG was identified in 2021 as one of the shortlisted agencies, which qualified for the FOI awards. The award intended to recognize the efforts of government agencies, individuals, and organizations, who contributed to the development and progress of the FOI Program.

Over the years, the GCG has faced challenges in the implementation of its FOI program. Among these are FOI requests which are not within the custody of the GCG, requests which are essentially a complaint, those which necessitate the government agencies' opinion, and those which would entail research work. The GCG, however, endeavors to provide assistance notwithstanding the nature of the request.

Since implementing the FOI Manual in 2017, the GCG has received two hundred nine (209) requests. All 209 requests²⁶ were acted upon accordingly, 75% of which were successfully processed, while the rest were information that is not maintained by the GCG, that is under the exceptions list, or that has been proactively disclosed. Other requests were invalid, awaiting clarification or no clarification, or are under process as of this writing.

In the course of the FOI Program's implementation, the PCOO always validated that the GCG is compliant with the set of FOI requirements under the Memoranda Circulars issued by the Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information, and Reporting Systems.

Ultimately, these efforts show the Governance Commission's support for the objectives of E.O. No. 2, s. 2016, as the government's mechanism to respond to the call for transparency and accountability. Similar to its Whistleblowing Policy, the GCG will continue to adhere to the Executive Department's initiatives that promote good governance in the government, particularly in the GOCC Sector.

²⁶As of 17 June 2022



A BIGGER AND STRONGER GCG

By Director Jaypee O. Abesamis

The Governance Commission started as a small government organization tasked with a gargantuan responsibility: to put order into the loosely regulated GOCC Sector. GCG's story for the last ten years, is one for the books. The agency's growth is a journey of overcoming challenges one pace at a time, geared towards continuous improvement in processes and at par with best practices and standards.

The Administrative and Finance Office (AFO), one of the GCG support offices, oversees the "household management" of the Commission involving various tasks such as human resources management, financial management, and other day-to-day operations.

This is AFO's narrative on how a small government agency's transformation into a bigger and stronger organization is achieved by heavily investing in its greatest asset: GCG's human capital.

Increase in Plantilla Personnel

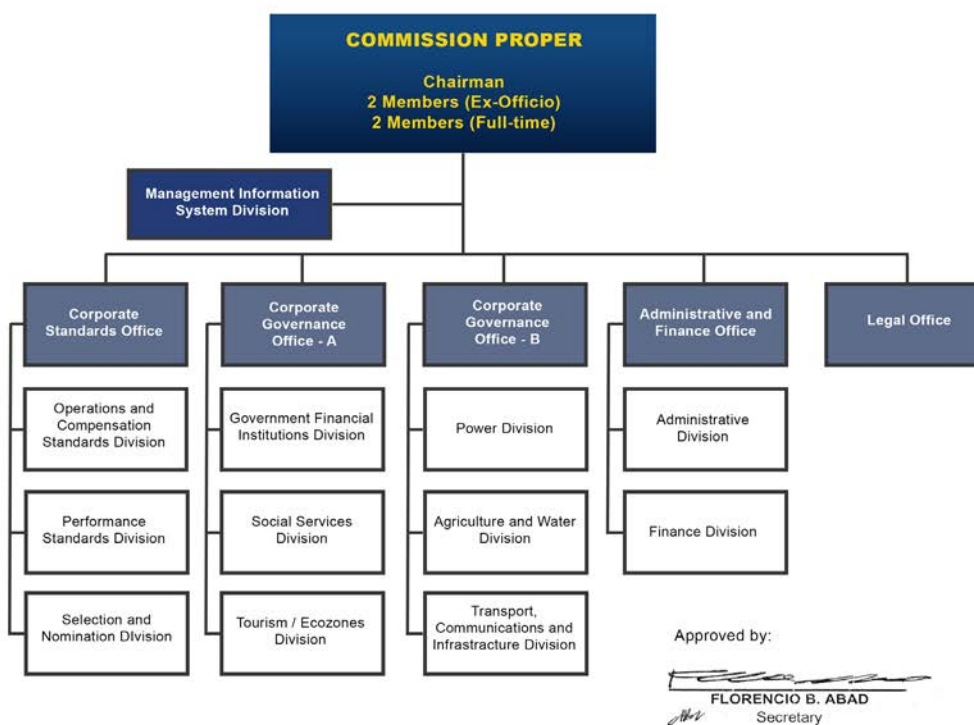
GCG in the First Five Years

In 2012, the Department of Budget and Management (DBM) approved sixty-five (65) positions under the GCG's Organizational Staffing and Structure Pattern (OSSP). This consisted of the entire Governance Commission's personnel complement for both operations and support services, with the first organizational structure as shown below:

Figure 2. The GCG's First Organizational Structure

Annex A

Governance Commission for Government-Owned or -Controlled Corporations (GCG)



Under the original OSSP, there were 17 positions for the Office of the Commission Proper and 11 each for the Corporate Standards Office and the Corporate Governance Offices A and B. There were another 10 for the Administrative and Finance Office and 5 for the Legal Office.

A couple of years after, the GCG requested the modification and augmentation of its OSSP to address operational gaps for institutional strengthening based on the Governance Commission's 2016 strategy map.

In 2014, the DBM approved the creation of five divisions:

Under the Office of the Commission Proper:

1. Strategy Management Division (SMD) - The SMD shall coordinate and execute management strategies and initiatives, including performance monitoring and evaluation, communications planning, and stakeholder engagement.
2. Applications Management Division (AMD) - The AMD shall be responsible for management systems development and enhancement.

Under the Legal Office:

3. Legislative Division (LD) - The LD shall draft comments and position papers on pending legislation and represent the Commission during Committee hearings.
4. Corporate and Litigation Division (CLD) - The CLD shall handle legal cases involving corporate processes and fraud prevention.

Under the Administrative and Finance Office:

5. Human Capital Management Division (HCMD) - The HCMD shall handle personnel management, training, and development.

To reflect the actual functions of the divisions in the GCG, the DBM also approved renaming the following Divisions:

From	To
Government and Financial Institutions Division	Banking and Financial Institutions A
Social Services Division	Social Security and Financial Institutions Division B
Tourism/Ecozone Division	Area Development, Trade and Tourism and Gaming Division
Power Division	Energy and Materials Division
Agricultural and Water Division	Agriculture, Food and Fisheries, Education and Culture Division
Transport, Communications and Infrastructure Division	Utilities and Communications Division

With the changes above, the DBM approved 31 new positions, consisting of 3 Key positions (Division Chiefs) and 28 Rank and File positions. The OSSP was further modified in 2016 with the creation of the Procurement Management Division with four personnel. By the end of the previous Commission, the GCG had 99 approved positions.

GCG in the Last Five Years

The GCG has been at the forefront of pursuing governance reforms in the GOCC Sector. One of the many initiatives is institutionalizing a Whistleblowing Policy in the Sector. In 2018, the DBM approved the Integrity Division (ID) under the Legal Office, which was vital in assessing and validating whistleblowing complaints and preparing reports or recommendations on the same. In that year, 11 new positions were approved, which allotted 5 positions to the ID, 3 personnel to the newly created Records Section under the AD, 1 to the SMD, and 2 new IT positions.

In the same year, Republic Act No. 11032, or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, was promulgated. All government agencies were required to re-engineer their processes and systems to conform with the requirements of the new law in reducing bureaucratic red tape. The GCG conducted a series of re-engineering sessions and considered stakeholders' requirements, risk mitigations, and other regulatory compliance. Accordingly, the Governance Commission resolved to further modify and augment its OSSP. The need to improve, streamline, and restructure the operations group of the GCG and to reinforce the support group served as an anchor of the subsequent request for additional offices and positions.

In 2020, the DBM informed the GCG of its favorable consideration of creating the Internal Audit Division (IAD). Likewise, the DBM approved the creation of three (3) Internal Auditor (IA) positions to serve as the staffing complement and perform the functions of the IAD. The DBM also approved 19 additional positions for support services:

Area of Deployment	Position Title	No. of Positions
Office of the Commission Proper		
Office of the Commissioner A	Executive Assistant (EA) IV	1
	Administrative Assistant (ADAS) III	1
	Administrative Aide (ADA) VI (Clerk III)	1
Office of the Commissioner B	EA IV	1
	ADAS III	1
	ADA VI (Clerk III)	1
Administrative and Finance Office		
Office of the Director	ADAS III	1
Finance Division	Accountant II	1
Human Capital Management Division (HCMD)	Administrative Office (AO) V (Human Resource Management Officer [HMRO] III)	2
	AO IV (HRMO II)	1
	AO II (HRMO I)	2
Procurement Management Division	AO I	2
Legal Office		
Office of the Director	ADAS III	1
Corporate Governance Office (CGO) – A		
Office of the Director	ADAS III	1
CGO – B		
Office of the Director	ADAS III	1
Corporate Standards Office		
Office of the Director	ADAS III	1

Organizational Shifts

The 2020 modification was just an initial approval to the GCG's request. The biggest modification to the GCG's OSSP was released in 2021. This was after a series of meetings, submissions of clarifications and justifications, and a number of follow-ups made by Chairman Dagpin in pursuit of an effective, stronger, and bigger organizational set-up.

And so, in 2021 a total of 106 new positions were approved, which included creating new Offices and renaming and transferring Divisions.

The DBM approved changing the names of the following Divisions to properly identify the current coverage of their work:

From	To
Strategy Management Division (SMD)	Strategy Management and Communications Division (SMCD)
CGO-A	
Area Development, Trade and Tourism and Gaming Division	Tourism and Gaming Division
CGO-B	
Agriculture, Food and Fisheries, Education and Culture Division	Agriculture Division
Utilities and Communications Division	Communications, Utilities, Transportation and Infrastructure Division

To meet the evolving needs of the GCG's stakeholders, the DBM also allowed the creation of the following Offices:

- Strategy, Communications and Information Technology Office (SCITO)
- Enterprise Risk Management Unit (ERMU) and Public Information Unit (PIU) under the SMCD
- Disposition and Asset Management Office (DAMO) and two divisions under it, i.e., Division A and Division B
- CGO-C and 3 divisions under it, i.e., Education, Socio-Civic and Culture Division, General Industry (Trade and Manufacturing) Division, and Realty and Area Development Division

The SMCD, AMD, and the MISD were also effectively transferred from the Office of the Commission Proper to the SCITO.

Staffing Shifts

The table below summarizes the creation of 106 positions to support the performance of the GCG's mandate:

Area of Deployment	Position Title	No. of Positions
SCITO	Director IV	1
	Administrative Assistant (ADAS) III	1
ERMU, SMCD	Planning Officer (PO) II	1
	PO 1	1
PIU, SMCD	Information Officer (IO) II	1
	IO I	1

Area of Deployment	Position Title	No. of Positions
DAMO		
Office of the Director (OD)	Director IV	1
	ADAS III	1
Division A	Corporate Governance Officer (CGO) V	1
	CGO IV	1
	CGO III	1
	CGO II	1
	CGO I	1
Division B	CGO V	1
	CGO IV	1
	CGO III	1
	CGO II	1
	CGO I	1
CGO-A		
Banking and Financial Institutions Division A	CGO III	2
	CGO II	2
	CGO I	2
Social Security and Financial Institutions Division B	CGO III	2
	CGO II	2
	CGO I	2
Tourism and Gaming Division	CGO III	2
	CGO II	2
	CGO I	2
CGO-B		
Energy and Materials Division	CGO III	2
	CGO II	2
	CGO I	2
Agriculture Division	CGO III	2
	CGO II	2
	CGO I	2
Communications, Utilities, Transportation and Infrastructure Division	CGO III	2
	CGO II	2
	CGO I	2
CGO-C		
OD	Director IV	1
	Director III	1
	ADAS III	1
Education, Socio-Civic and Culture Division	CGO V	1
	CGO IV	1
	CGO III	3

Area of Deployment	Position Title	No. of Positions
	CGO II	3
	CGO I	3
General Industry (Trade and Manufacturing) Division	CGO V	1
	CGO IV	1
	CGO III	3
	CGO II	3
	CGO I	3
Realty and Area Development Division	CGO V	1
	CGO IV	1
	CGO III	3
	CGO II	3
	CGO I	3
Corporate Standards Office		
Operations and Compensation Standards Division	CGO III	1
	CGO II	1
	CGO I	1
Performance Standards Division	CGO III	1
	CGO II	1
	CGO I	1
Selection and Nomination Division	CGO III	1
	CGO II	1
	CGO I	1
Administrative and Finance Office		
Finance Division	Accountant III	1
	Accounting Analyst	1
Administrative Division	AO III	1
	AO I	2

Despite the creation of new offices, the Director positions in the SCITO, DAMO, and CGO-C still needed endorsement to the Office of the President since the creation of positions higher than Division Chief is subject to the approval of the President. Meanwhile, the ADAS positions for the said Director positions are deferred pending the said authorization.

The DBM also approved converting the Management and Audit Analyst II position into Accountant II under the Finance Division.

Integrating the Competency Framework in HR Systems

The success of any organization is vitally driven by the quality of its employees. It either positively or negatively influences the Governance Commission's productivity. As such, a highly effective recruitment and selection plan and learning and development plan are vital for a productive workplace and an empowered workforce. To support the objectives of the GCG, the HCMD is empowered to enhance and maintain procedures to ensure that GCG personnel are competent based on education, training, eligibility, and experience. Further, the HCMD enhances its process with the following functions:

- a) Determining the competency required for personnel performing work affecting service quality;
- b) Developing a competency-based Recruitment and Selection Process to ensure the hiring of qualified personnel;
- c) Developing a competency-based Learning and Development Plan as an intervention to meet training gaps or those requiring coaching and mentoring;
- d) Establishing a monitoring system for employee performance evaluation to identify proper Human Resource intervention;
- e) Evaluating the effectiveness of Human Resource interventions; and
- f) Determining and acquiring the knowledge necessary for the operations of GCG processes to conform to the products and services of the organization.

In 2015, the Governance Commission initiated an in-house project to develop the agency's competency framework, which resulted in eleven (11) Functional Effectiveness Competencies, four (4) Leadership Effectiveness Competencies, five (5) Employee Effectiveness Competencies, seven (7) GCG Effectiveness Competencies, and five (5) GOCC Governance Effectiveness Competencies.

In June 2017, the Governance Commission, through the Administrative and Finance Office, engaged the services of a consultant to further review and re-develop the GCG's competency framework.

The revision resulted in the **GCG 2017 COMPETENCY FRAMEWORK** with forty-one (41) competencies classified into four (4) groups, namely foundational, organizational, technical, and leadership competencies. The project included the alignment of job descriptions with the competency framework.

Developing competency-based HR processes not only aligns with the quality procedures of the Governance Commission but also ensures that the GCG personnel to be hired and onboarded for placement are equipped with the necessary skills and traits that will allow them to adapt to the culture, processes, and values of the GCG. More so, by developing competency-based HR processes, the GCG is compliant with the Program to Institutionalize Meritocracy and Excellence in Human Resource Management (PRIME-HRM) of the Civil Service Commission.

Notable Learning and Development Initiatives for GCG Personnel

Since the GCG performs technical and highly specialized functions, it requires technical competencies relative to its mandates. Its personnel must also be armed with the latest knowledge and best practices to perform their duties. Thus, employees underwent several technical and highly specialized training over the years, such as training on the Performance Governance System, Merger and Acquisition Review, Data Analytics, and Auditing Tools and Techniques.



The Governance Commission for GOCCs' (GCG) Human Capital Management Division (HCMD,) in partnership with Institute for Solidarity in Asia (ISA), conducted a training on the Performance Governance System (PGS) on 18 October 2019 attended by its Directors and its Corporate Governance Officers.



GCG personnel participated in a Seminar on SOE Reform and Governance for Developing Countries sponsored by the Ministry of Commerce and organized by the International Cooperation Centre of the National Development and Reform Commission of the People's Republic of China from 08 to 28 September 2017.

Chairman Dagpin has been supportive of personnel improvement through learning interventions. It has been his marching order to allow and support any employee seeking new skills and competency enhancements. He sent GCG officials and rank-and-file employees to foreign training for exposure and benchmarking. Foreign learning opportunities include seminars conducted by the Organisation for Economic Co-operation and Development (OECD) and the Asian Productivity Organization (APO).

This included an in-country Training Program from counterpart organizations in various countries that partner with the GCG and offer capacity-building development programs.

Several employees attended highly specialized local learnings, such as those offered by the Development Academy of the Philippines – Public Management Development Program (i.e., Senior Executive Class and Middle Managers Class), the National Defense College of the Philippines program on Masters in National Security Administration, and the Japan International Cooperation Center – Human Resource Development Scholarship.

The concerted effort of the staff, Directors, and Commissioners, and the guidance of Chairman Samuel Dagpin have been integral in realizing the expanded organizational structure and strong employee support of the Governance Commission geared towards making the organization effective in pursuing governance reforms in the GOCC Sector.



CAPITALIZING ON TECHNOLOGY AND INNOVATION

By Director Irving V. Occeña

The Governance Commission for GOCCs (GCG) has always been ardent in introducing strategic innovations by leveraging the possibilities and opportunities of new technologies to better perform its mandate. The GCG believes that Information and Communications Technology (ICT) is an effective tool for good governance and a lever for development. However, the challenge to transform public services through digital technologies is no easy feat. Digital transformation can be a long, challenging, and overwhelming endeavor for most organizations.

When the Governance Commission started operating in 2012, it performed all its services manually. The agency lacked the necessary ICT resources to support its activities. The ICT Team was then composed of only three (3) personnel under the Management Information Systems Division (MISD). Through the years, as the GCG began to expand, its ICT and human resources also increased. Manual operations and processes started becoming automated, and the agency began gaining the necessary ICT resources for its day-to-day work.

Moreover, the Governance Commission formed a new IT division, the Applications Management Division (AMD), which led to the creation of the agency's Information and Communications Technology Group (ICTG).

Notable innovations in the GCG include its up-to-date and well-maintained Information Systems for internal and external use, such as the Corporate Website, Integrated Corporate Reporting System (ICRS), Whistleblowing System (WBS), Intranet, Document Management System (DMS) and Performance Scorecard Tracker. Most of these Information Systems are developed in-house by the GCG's internal Systems Development Team under the AMD.

Embracing Digitalization Amid the Pandemic

In 2021, the AMD strategically developed several Information Systems despite the challenges brought by the pandemic. One of those is the Employee Information Management System or the EIMS, intended to securely manage and monitor the time and attendance, schedule, and identification of GCG employees during the alternative work arrangement.

The Performance Scorecard Tracker, or the PST, is another internally developed Information System. It automates the planning, monitoring, and validation of the GCG's Enterprise Scorecard, Office Performance Commitment and Review (OPCR), Division Performance Commitment and Review (DPCR), and Individual Performance Commitment and Review (IPCR). This system follows the agency's CSC-approved Strategic Performance Management System (SPMS).

Moreover, as part of the improvement of the ICRS, the Director's Performance and Attendance and Compensation System, or DACS, was developed. It facilitates a more stable, confidential, secure, and reliable database system that houses information on the attendance and compensation of all the GOCC Governing Board members under the GCG's jurisdiction. This system will play an important role in the effective implementation of the Performance Evaluation for Directors in the GOCC Sector (PED).

Lastly, the enhancement of the ICRS - GOCC Monitoring System or GMS in 2021 is another successful big project of the Governance Commission. The GMS is a web-based Information System that allows the electronic submission of GOCC financial reports using the prescribed Revised Chart of Accounts (RCA) and financial reporting templates for GOCCs by the Commission on Audit (COA). The enhanced ICRS-GMS aims to generate more comprehensive GOCC financial data for business intelligence in the future and to automate the collection of financial information as input to the GCG Annual Report.

To ensure the availability and hosting of the aforesaid Information Systems, the GCG's MISD established its enterprise Hyperconverged Infrastructure (HCI) and Data Management System (DMS) Solutions. The HCI enables adjustment of hosted applications according to the agency's needs. It also allows deployment or migration of such applications into the platform without directly affecting the hardware. Also, the HCI permits the deployment of these applications on their latest versions, which results in an improved performance and upgraded security.

On the other hand, the DMS provides longer retention period for backup copies, which means that the GCG can store data longer and can return to a specific period where data is not corrupted. The DMS also improved the management of backup procedure, wherein backup activities can be scheduled and triggered without the need of physical human resource.

Likewise, the GCG established its enterprise Disaster Recovery Site to protect the agency's data and information assets in case of a security breach or natural disaster. Using its HCI System Solutions, the GCG can recover and restore its web hosting infrastructure and operations when the production site becomes unavailable or compromised.

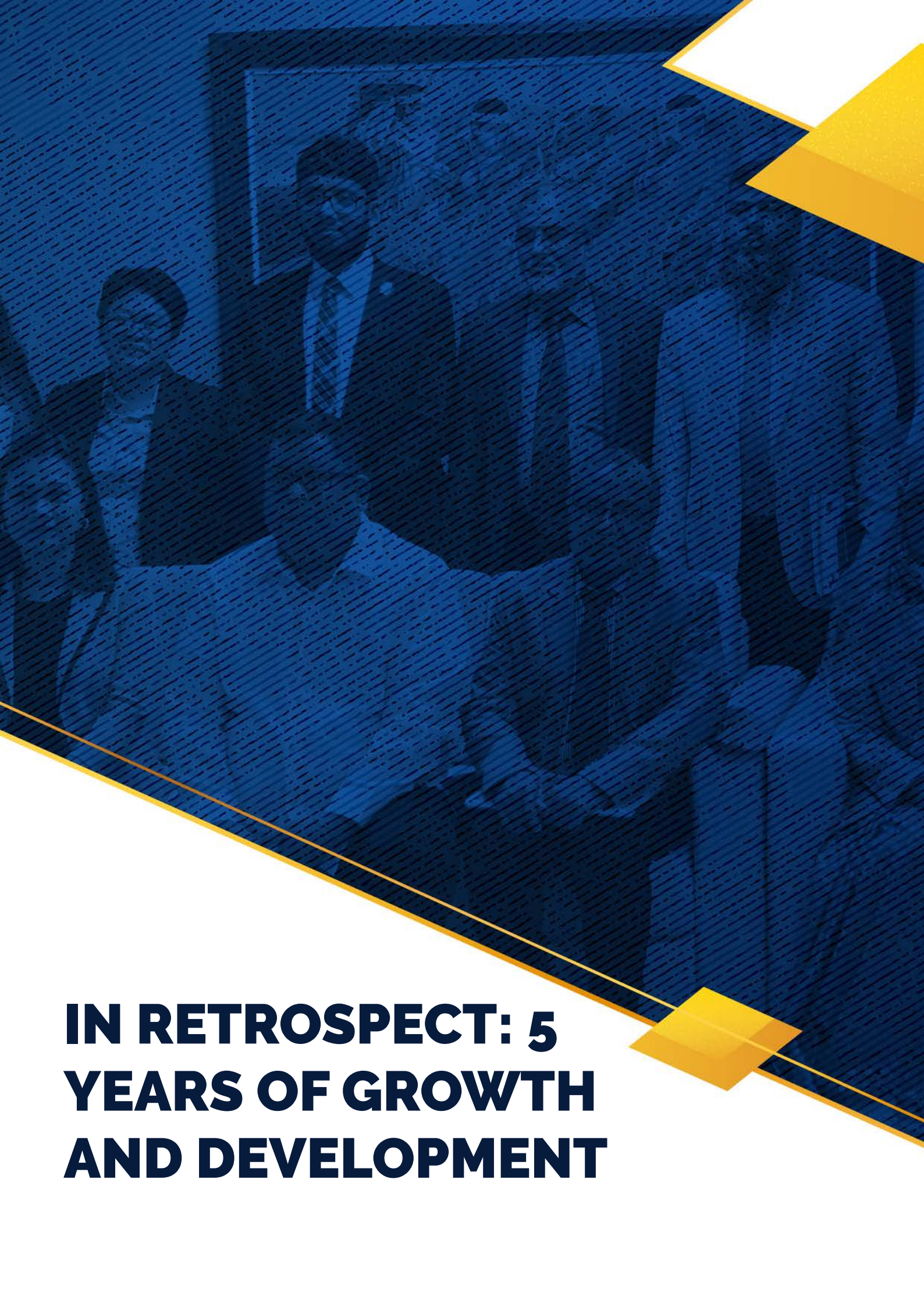
Data and Infostructure Security and Management

Given the number of available Information Systems and infrastructure maintained by the agency and following the National Cybersecurity Plan 2020, the GCG established its Information and Cybersecurity (ICyS) Policy Framework in 2018.

The ICyS contains the framework for establishing the activities and protocols that must be put in place in designing its enterprise data and information security processes, including but not limited to *enhancing employee awareness and knowledge, shifting employee paradigms on information and cyber security, and acquisition of relevant and appropriate security infrastructure*. It also emphasizes that information and cyber security is not only a function of the GCG's ICTG but is a whole-of-enterprise responsibility.

In response to the emerging cyber threats, while the world is experiencing a pandemic, the Governance Commission released an issuance to all GOCCs aimed at promoting the development and implementation of the Information and Cybersecurity (ICyS) for the GOCC Sector. This issuance was also in support of the Department of Information and Communications Technology (DICT) Cybersecurity program and of laws, policies, and standards in force relating to cyber and information security.

The Governance Commission has truly transformed into a technology-driven agency. Despite all the challenges it has encountered in a decade of operation, the GCG has remained steadfast and will continuously strive for more innovation in technology and service delivery.



IN RETROSPECT: 5 YEARS OF GROWTH AND DEVELOPMENT

Through the years, the Governance Commission forged strong partnerships with local government agencies and formed linkages with international bodies in its pursuit of policy reforms and good governance. The GCG strengthened these relationships and established new collaborative initiatives in the past 5 years, which enabled a better and shared understanding of ownership of state enterprises. It also provided an opportunity to involve stakeholders and work on solutions together.

Working in partnership with various stakeholders enabled the Governance Commission to continuously grow into an effective GOCC oversight body. More importantly, it created a strong community of corporate governance reform in the state-owned enterprise Sector.

Collaboration for Continued Improvement

Philippine Open Government Partnership

In 2017, the Governance Commission participated in the Philippine Open Government Partnership (PH-OGP). The Open Government Partnership, which was launched on 20 September 2011, created a multilateral initiative that developed programs from governments across the globe to strengthen governance.

GCG committed to the PH-OGP its strategic initiative of implementing a standardized methodology on the conduct of the GOCCs' Customer Satisfaction Survey. The methodology, which measures and monitors the satisfaction levels of customers, supports the country's efforts in promoting transparency, citizen empowerment, and anti-corruption initiatives.

Joining the PH-OGP further intensified the Governance Commission's advocacy on transparency and accountability in the GOCC Sector. More than that, it also highlighted the adoption of the Open Government principle of public participation. The cooperation with the PH-OGP boosted citizen engagement in GOCCs and provided them, as well as the GCG, with inputs towards a more responsive, innovative, and effective governance.

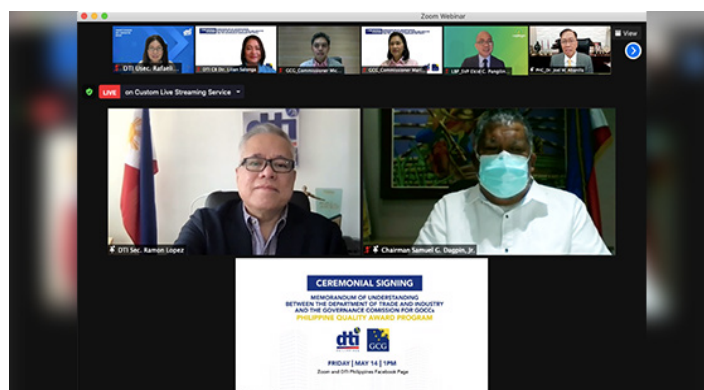
Department of Trade and Industry

In June 2021, the GCG signed a Memorandum of Understanding (MOU) with the Department of Trade and Industry (DTI) for the promotion of the Philippine Quality Award (PQA) program in the GOCC Sector. The PQA Program, pursuant to Republic Act (R.A.) No. 9013,²⁷ encourages GOCCs to improve and strengthen their operations. It aims to enhance and recognize organizational performance.

The partnership entails GCG's active involvement in the PQA orientation and training program. The GCG shall also work with the DTI in the development of an incentive program and supplemental programs to promote the PQA in GOCCs.

The PQA award is the highest level of national recognition for exemplary organizational performance patterned after the Malcolm Baldrige National Quality Award of the United States.

The GCG and DTI's partnership contributes to a stronger GOCC Sector as it reinforces positive reforms to achieve outstanding results. It is a testament to the Governance Commission's commitment to operational excellence and efficiency, and stakeholder satisfaction in GOCCs, all of which manifests true public service.



²⁷The Philippine Quality Award Act

International Linkages for Knowledge Sharing

On Railway and Logistics Policy

The Governance Commission participated in the Railway Policy and Safety Course and the Logistics Policy and Operation Course conducted by the Korean Railroad Corporation (KORAIL) and sponsored by the Korean Government through its Ministry of Land, Infrastructure and Transport (MOLIT).

The program aimed to enhance capacity in railway policy and safety and railway train and station operation. It also intended to increase cooperation and establish mutual understanding among the countries.

The GCG gleaned valuable insights on railway advancements and safety policies that shed light on what makes the Korean transport industry efficient and reliable. Through this international knowledge sharing activity, the GCG gained useful knowledge on what can be applied in the Philippines to improve its transport sector.

Meeting Japanese Key Officials



The meetings of President Rodrigo R. Duterte and Japanese Prime Minister Shinzo Abe in 2016 and 2017 to support inclusive growth and sustainable development in the Philippines set a precedent for a future collaboration between the Philippines and Japan.

Taking cue from the meetings of President Duterte, the Governance Commission took a proactive role in hosting a dialogue where key officials can share business operations, insights, and interests in 2017.

The meeting was attended by Senator Tetsuro Yano, President of the Association of African Economy and

Development (AFRECO), Mr. Yoshitaka Kitaguchi, President and CEO of JASA Corporation, Mr. Yuji Asano, General Manager of Oriental Consultants Co., Ltd., and key officials from GOCCs from the utilities, energy and materials, area development, and fisheries sectors, and ecozone authority.

The event opened an avenue for GOCCs and the Japanese delegation to establish a relationship and begin a fruitful cooperation.

Strengthening Bonds with International Counterparts

The GCG formed a connection with the State-Owned Assets Supervision and Administration Commission (SASAC) of the People's Republic of China (PRC) in 2017 at the latter's seminar on SOE Reform and Governance for Developing Countries.

The program enabled the Governance Commission to learn about China's supervision and management of its state-owned enterprises, including their corporate governance practices. It also presented an opportunity for the GCG to share its own reforms and governance programs to the SASAC and other Asian delegates.



The GCG encountered SASAC later on in 2019 with the latter's official visit in the Philippines to discuss the respective functions and SOE landscape of both countries with Mr. Hongbin Ren, Vice Chairman of SASAC, leading the Chinese delegation.

Both agencies provided a briefing on their functions, SOE reform agenda, SOE landscape, and outlook on future reforms. The meeting enabled both agencies to share knowledge regarding their respective mandates and corporate governance practices. The SASAC also introduced an opportunity for future partnership in training programs that may further strengthen knowledge sharing between the countries.

The Governance Commission has also represented the Philippines in the Asia-Pacific SOE Network meetings since its relaunch in 2015, together with Organisation for Economic Co-operation and Development (OECD) member countries. Participating in meetings of the Asia-SOE Network and the OECD Working Party allows the GCG to share its progress and learn from the best practices and reforms adopted by similar agencies across Asia and the world.



In 2019, the GCG in partnership with the OECD, gathered around 120 policy makers, practitioners, and experts from Asia to evaluate current SOE corporate governance policy frameworks, benchmark international best practices, and share recommendations for effective reform. The Korea Institute of Public Finance (KIPF) and the Asian Development Bank (ADB) supported the event.

The Bangladesh Ministry of Finance and the Governance Commission held a separate learning event at the GCG Office in 2019. In coordination with the World Bank office in the Philippines, representatives from the Finance Division of the Bangladesh Ministry of Finance and the World Bank Office in Dhaka met with the GCG. Ms. Arfin Ara Begum, Director General, led the Bangladesh delegates together with Additional Director General, Mr. Md. Hakim Uddin.



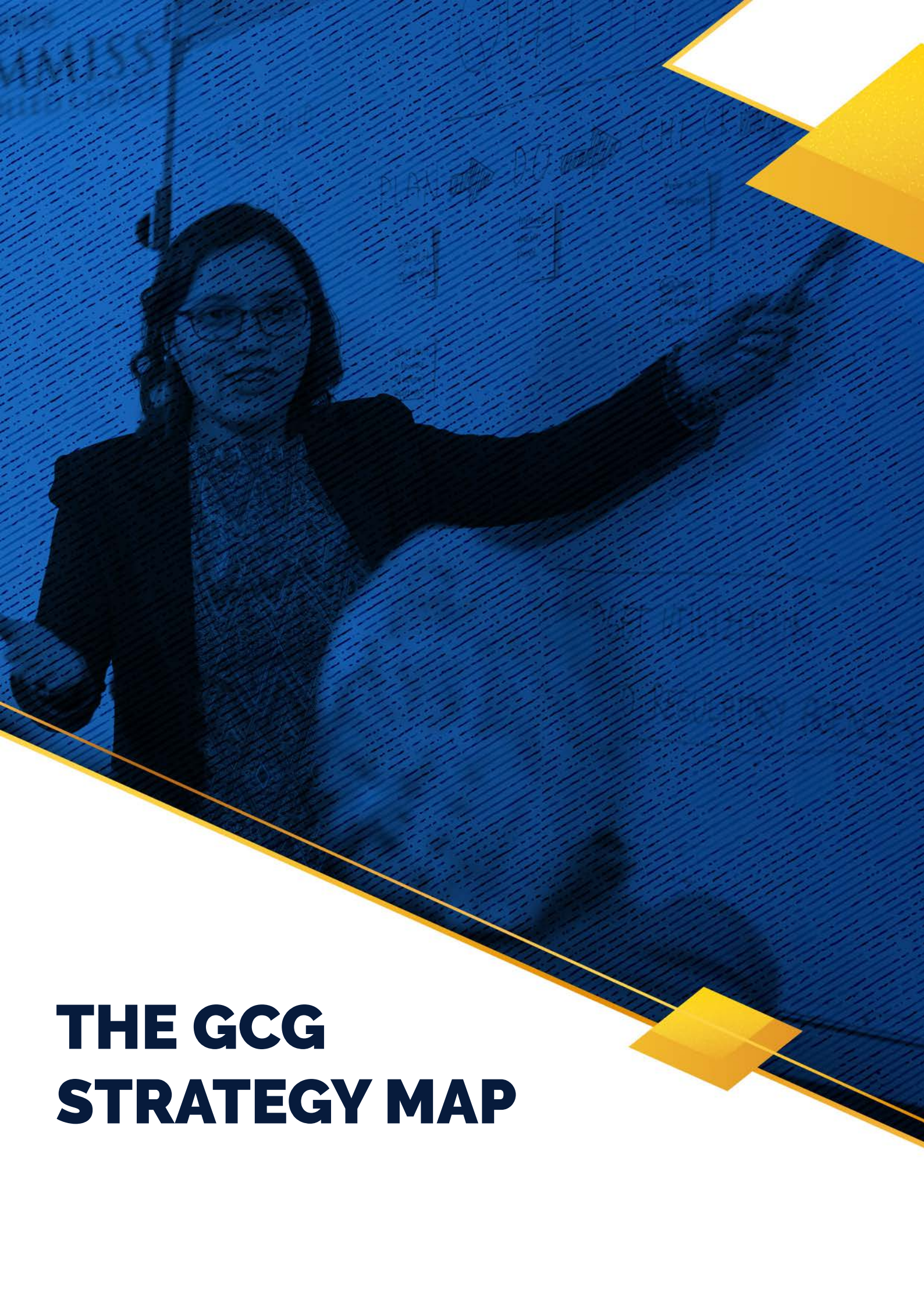
The event provided an avenue for the Bangladesh delegates to learn about the performance management and evaluation process for state-owned enterprises in the Philippines. The GCG also shared about its systems for strategic and efficient monitoring, performance-based incentives, and mechanisms to ensure accountability.

Reinforcing Policies

The GCG strengthened the corporate governance reforms built during its first few years. In 2019 and 2021, it made significant updates to the Performance Based Incentives (PBI), Performance Evaluation for Directors (PED), and the Corporate Governance Scorecard (CGS) of GOCCs.

To ensure alignment with other performance evaluation policies of the GCG, the PBI application of GOCCs now comes upon receipt of their PBB authorization and the result of the Performance Evaluation for Directors (PED) for the applicable year.

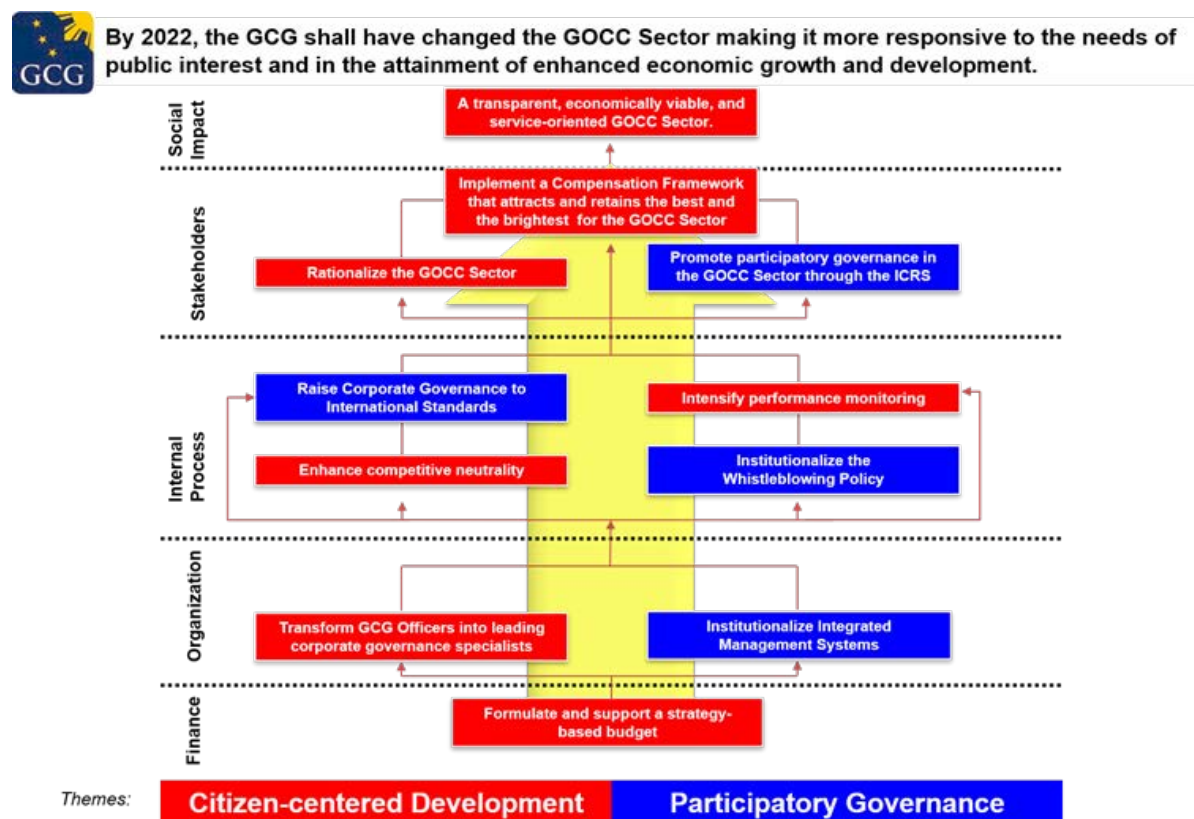
The updates on the CGS guidelines entailed an evaluation over two assessment periods to encourage GOCCs to regularly update their official websites and keep the public abreast with current information regarding their corporate governance policies and activities. The CGS rating has also been linked to the PED Score of GOCC Board Members. Connecting the CGS evaluation to Appointive Directors' performance supports the policy of the State to ensure that the governance of GOCCs is carried out in a transparent, responsible and accountable manner and with the utmost degree of professionalism and effectiveness.



THE GCG STRATEGY MAP

Midway through the decade of its existence, the Governance Commission updated its vision and revamped its strategy to meet the evolving demands of its stakeholders. The GCG envisioned a GOCC Sector that is more responsive to the needs of public interest while significantly contributing to the attainment of inclusive growth and economic development. The management built on the sturdy foundation set by the first Commission by renewing previous strategies that were closely tied to the agency's mandates. They also introduced new approaches to heighten the agency's monitoring of GOCC performance and improve its oversight of the Sector toward achieving the GCG's vision.

Figure 3. The GCG Strategy Map



The Commission focused on four breakthrough goals by 2022: CPCS implementation, GOCC Customer Satisfaction, GOCC Corporate Governance, and ICRS User Satisfaction. The management resolved to implement the CPCS for GOCCs. They also endeavored to leverage measuring GOCC customer satisfaction towards leading GOCCs to be more responsive to their stakeholders. To ensure that corporate governance standards for GOCCs remain at par with global best practices, the Commission aimed to improve their Corporate Governance Scorecard performance. Lastly, the management maximized the GCG's strength in information and communications technology to fortify its oversight capability through participatory governance via the ICRS. Measuring users' satisfaction with the ICRS would show the effectiveness of the ICRS in this aspect.

By the end of 2021, the GCG achieved all its breakthrough goals for the year. It obtained President Duterte's approval of the CPCS. The agency aimed for 70% of GOCCs to have a Satisfactory rating; it recorded 98% of GOCCs that achieved the minimum target of 70% satisfied customers. For the target of 70% GOCC Sector average score in the CGS, the GCG reached 72.34%. Regarding the ICRS users' satisfaction, the GCG received a rating of Very Satisfactory from 81% of user respondents against the target of 60%.

In pursuit of its Vision, the Governance Commission accomplished the following in 2021:



Validated the Customer Satisfaction Survey of 79 GOCCs that implemented the Standard Methodology. Recorded 98% of GOCCs achieved the minimum target of 70% satisfied customers.

This feedback system encourages civic participation and provides a way for GOCCs to know which of their services need improvement. It also serves as an indicator of customer satisfaction. As GOCCs strive to achieve an exemplary rating, they are also driven to continually improve their delivery of services.



Obtained approval of the Compensation and Position Classification System (CPCS) from the Office of the President on 01 October 2021.

The GCG submitted the Compensation and Position Classification System (CPCS) Study on 06 May 2021.



Received a rating of Very Satisfactory from 81% of Integrated Corporate Reporting System (ICRS) user-respondents

The ICRS, mandated under R.A. No. 10149, is a web-based platform intended to enhance the transparency and disclosure policies under the said law. GOCCs use the ICRS to report information on their operations, finances, and management.



Validated 86% of GOCCs with quarterly monitoring reports

GCG aimed to validate 75% of GOCCs in 2021 as part of its objective to intensify the monitoring of GOCCs' performance to better deliver its mandate.



Reached a 72.34% GOCC Sector average score in the Corporate Governance Scorecards (CGS) for CY 2020

The CGS annually assesses the Corporate Governance performance of GOCCs to help identify and evaluate the latter's strengths and weaknesses compared to existing corporate governance provisions and their adherence to best practices and international standards. Along with the Performance Scorecard of GOCCs, the CGS ensures improvement of transparency of corporate governance initiatives and practices.



Reviewed 91% of GOCCs in terms of competitive neutrality issues. Of those reviewed for 2020, none were determined to be exhibiting dominance in their respective markets that would significantly impact fair competition.

The Governance Commission is a member of the Technical Working Group for the competition chapter of the Philippine Development Plan together with the Philippine Competition Commission (PCC), National Economic and Development Authority (NEDA), Department of Justice (DOJ), and Department of Trade and Industry (DTI).



Retained ISO 9001:2015 certification

The Governance Commission is dedicated to serve its stakeholders following the international standards on Quality Management.

The GCG Strategy Map is an overarching strategy that seeks buy-in and participation from all GCG stakeholders. It is directed towards attaining the Vision for the whole GOCC Sector to be "more responsive to the needs of public interest and in the attainment of enhanced economic growth and development."

The strategic objectives contained in the GCG Strategy Map are anchored on the themes of Citizen-centered Development and Participatory Governance. Each objective is a step towards changing the GOCC Sector into a tool for citizen-centered development and engaging the public in the process of creating policies for providing quality programs and services for the Filipino people.

In a nutshell, the GCG Strategy Map tells how it must sufficiently allocate its resources to be able to equip and capacitate the organization. The organization is supported by efficient internal processes to effectively perform its mandate and to beneficially deliver services that will impact its stakeholders. By doing all these, the Governance Commission hopes that it will have a more transparent, economically-viable, and service-oriented GOCC Sector.

Within ten years of its existence, the Governance Commission saw the GOCC Sector becoming responsive to the needs of the public interest. The Sector that previously had significant financial losses became an essential driver of the government's response to the COVID-19 pandemic. The GOCCs under GCG remitted **₱90.8** billion in dividends to fund various efforts to address and mitigate the pandemic. In addition, other state-owned enterprises conducted relief operations and other initiatives.

The GCG has taken great strides to harness the potential of the GOCC Sector to be a significant tool for economic growth and development. As it continues to deliver its mandates, the agency recognizes that there is still more to improve and new challenges to meet. The Governance Commission remains at the service of the Filipinos and unwavering in pursuing its mandates in the succeeding decade.



GCG CULTURE AND VALUES

The men and women of the Governance Commission continued to carry the mandate with unperturbed dedication as the pandemic crossed over to 2021. With the ongoing pandemic, the 2019 Coronavirus Disease variants surfaced and led to the imposition of restrictions on logistics, core operations, and processes. In these times, the GCG management, personnel, and Employees Association collaborated for everyone's welfare.

The GCG manifested its core values of integrity, professionalism, independence, and love of country throughout this uncertain time to create a productive, healthy, and conducive working environment. The agency's concerted efforts provided the necessary support to the well-being of the employees. It also broadened their knowledge of relevant social issues during the pandemic.

Its constant exercise of commitment to pursue innovative reforms in itself and the GOCC Sector shows the very culture of the GCG.

Well-being in the GCG

In 2021, the Philippine Commission on Women noted that the pandemic posed challenges and opportunities for women. During the National Women's Month celebration, the PCW observed the gender issues that became more prominent and the women who thrived despite the health crisis.

In honor of the women of GCG, the agency celebrated Women's Month by joining the PCW's organized activities. The GCG personnel participated in the Online Forum Series, which discussed women's experiences in dealing with the pandemic. Through the discussions, the GCG personnel learned practical information and tips on how to support women and about COVID-19 management.

The GCG Gender and Development - Technical Working Group (GAD-TWG) also conducted sessions on Sexual Orientation, Gender Identity, Gender Expression and Sex Characteristics (SOGI-ESC), Well-Being, and Inclusion in the Workplace during Pride Month. As part of its projects under the FY 2021 GAD Plan and Budget, the GCG aims to expand awareness of gender issues through these activities.

Apart from these, the GAD-TWG continued its regular activities, such as the collection of Sex-Disaggregated Data (SDD) of the agency and the GOCC Sector, the Gender Sensitivity Training for GCG employees, the conduct of the GAD Orientation, and the maintenance of the GAD Corner.

The GAD-TWG, in partnership with the GCG Employees Association (EA), also launched the GCG COVID-19 Help Desk to address the employees' pandemic-related concerns. The project involved providing the services of a medical doctor for employees. The Help Desk also pointed employees to relevant COVID-19 information through the Department of Health's *Katuwang ng Impormasyon para sa Responsableng Aksyon* (KIRA) Project and the Crisis Hotline of the National Center for Mental Health (NCMH).

The GAD-TWG and GCG-EA helped establish the agency's internal guidelines on COVID-19 Testing for personnel. They also created a Community Group Chat where all personnel can crowdsource and share information and inspiration amidst the health crisis.

To amplify these efforts, the GCG-EA extended support to the employees by continuing the information drive on mental and physical well-being. The GCG-EA shared weekly articles and insights about work-life balance, fitness, stress management, and COVID-19 awareness. This initiative served to improve employee productivity and their working environment.

The GCG-EA also played an integral role in ensuring the health and safety of the personnel by spearheading the development of the Health and Safety Manual for the Prevention and Control of COVID-19, which contains all COVID-19 health and safety protocols being implemented by the Governance Commission. They also distributed COVID care kits containing a finger pulse oximeter, digital thermometer, and multivitamins to help the personnel should they contract the disease.

Recognizing the GCG's Transparency, Integrity, and Professionalism: 8th Year Unqualified Opinion and AGAP Hall of Famer

The Governance Commission for GOCCs (GCG) was created to become the primary regulator tasked to infuse or strengthen good corporate governance practices over public corporations. Corporate governance in public corporations had its fair share of controversies, such as their continued dependency on the national budget, share in the public debt, and lack of financial discipline.

As a regulator, the GCG is aware that it must be the very standard of that level of governance it wants to instill over the sector it regulates. With that in mind, the GCG never wavered as an example or version of good corporate governance since its inception one decade ago.

The management of public affairs and resources is the crux of governance, and one cannot simply separate that from the culture and values of that public institution and its people.

Despite the COVID-19 pandemic, the GCG sustained transparent, efficient, and streamlined processes. This is why the Governance Commission received an Unqualified Opinion for the presentation of the financial statement for the 8th time. Meriting such a rating entails consistently following the Generally Accepted Accounting Principles and Philippine Public-Sector Accounting Standards.

In obtaining this rating, the GCG Management presented financial statements that complied with applicable laws, rules, and regulations.

The recommendations of the COA and other stakeholders presented future improvement opportunities to aid the GCG in enhancing its processes and operations.

By addressing findings and implementing recommendations, the GCG becomes more effective in its role as the central advisory, monitoring, and oversight body of the GOCC Sector.

Likewise, the Association of Government Accountants of the Philippines, Inc. (AGAP) conferred GCG with the Outstanding Accounting Office Award in 2015, 2016, 2018, 2019, and 2020 as part of the hall of fame as the latter gained the people's trust by maintaining the integrity of the GCG financial documents.

AGAP recognized the quality, timeliness, and accuracy of the Governance Commission's financial reports. These recognitions and awards are a testament to GCG's demonstration of its culture and values for GCG's openness, honesty, and consistency to act in accordance with what is right, moral, and legal.

The awards also demonstrate the GCG's use of public resources, which follows the fundamental principles in government transactions, sound management, and fiscal administration.

The culture, values, officials, and employees in the GCG are living proof of putting to practice that public office is a public trust.



GCG AUDITED FINANCIAL STATEMENT

The Commission on Audit audited the accompanying financial statements of the Governance Commission for Government Owned or Controlled Corporations (GCG), which comprise the statement of financial position as at 31 December 2021, and the statement of financial performance, statement of cash flows, statement of changes in net assets/equity, statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

The COA finds that:

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the GCG as at 31 December 2021, and its financial performance, statement of cash flows, statement of changes in net assets/equity, statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies in accordance with International Public Sector Accounting Standards (IPSASs).²⁸

**STATEMENT OF FINANCIAL POSITION REGULAR AGENCY FUND
AS AT 31 DECEMBER 2021
(In Philippine Peso)**

	Note	2021	2020 (As Restated)
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	3,519,254.21	2,034,033.56
Receivables	5	1,091,820.80	852,183.21
Inventories	6	570,820.88	520,523.42
Other Current Asset	7	1,346,849.16	336,763.07
Total Current Assets		6,528,745.05	3,743,503.26
Non-Current Assets			
Property, Plant and Equipment	8	110,050,750.72	107,771,547.31
Intangible Assets	9	5,859,710.04	2,112,946.68
Total Non-Current Assets		115,910,460.76	109,884,493.99
Total Assets		122,439,205.81	113,627,997.25
LIABILITIES			
Current Liabilities			
Financial Liabilities	10	5,095,710.05	9,218,382.82
Inter-Agency Payables	11	2,910,889.36	2,386,012.69
Trust Liabilities	12	3,285,350.70	3,053,549.69
Other Payables	13	2,051,078.18	2,089,890.40
Total Current Liabilities		13,343,028.29	16,747,835.60
Total Liabilities		13,343,028.29	16,747,835.60
Total Assets less Total Liabilities		109,096,177.52	96,880,161.65
NET ASSETS/EQUITY			
Accumulated Surplus/(Deficit)		109,096,177.52	96,880,161.65
Total Net Assets/Equity		109,096,177.52	96,880,161.65

²⁸Independent Auditor's Report, Annual Audit Report on the Governance Commission for GOCCs for Calendar Year 2021

STATEMENT OF FINANCIAL PERFORMANCE
REGULAR AGENCY FUND
FOR THE YEAR ENDED 31 DECEMBER 2021
(In Philippine Peso)

	Note	2021	2020 (As Restated)
REVENUE			
Service and Business Income	14	605,787.46	699.19
Total Revenue		605,787.46	699.19
Less: Current Operating Expenses			
Personnel Services	15	106,633,684.40	91,059,545.86
Maintenance and Other Operating Expenses	16	64,873,788.19	60,850,223.66
Non-Cash Expenses	17	11,164,720.43	9,815,229.57
Total Current Operating Expenses		182,672,193.02	161,724,999.09
Surplus/(Deficit) from Current Operations		(182,066,405.56)	(161,724,299.90)
Net Financial Assistance/ Subsidy	18	193,105,906.03	178,090,973.19
Gains	19	86,087.00	16,391.00
Surplus/(Deficit) for the Period		11,125,587.47	16,383,064.29

This statement should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN NET
ASSETS/EQUITY
REGULAR AGENCY FUND
FOR THE YEAR ENDED 31 DECEMBER 2021
(In Philippine Peso)**

	Note	2021	2020 (As Restated)
Balance at January 1 as previously reported		96,515,644.09	82,384,189.35
Add / (Deduct):			
Prior period errors	20	250,677.90	136,708.93
Other adjustments	21	113,839.66	180,687.12
Restated balance		96,880,161.65	82,701,585.40
 Changes in net assets/equity for Calendar Year			
Add / (Deduct):			
Surplus/ (Deficit) for the period		11,125,587.47	16,383,064.29
Adjustment of net revenue recognized directly in net assets/equity	22	(194,903.28)	(2,204,488.04)
Others	23	1,285,331.68	
 Balance at December 31		109,096,177.52	96,880,161.65

This statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS REGULAR AGENCY FUND
FOR THE YEAR ENDED 31 DECEMBER 2021
(In Philippine Peso)

	Note	2021	2020
Cash Flows From Operating Activities			
Cash Inflows			
Receipt of Notice of Cash Allocation	24	206,446,881.00	169,808,580.00
Collection of Income/Revenues	25	86,715.08	17,055.09
Collection of Receivables	26	-	2,135,060.94
Trust Receipts	27	138,335.97	251,552.08
Other Receipts	28	164,367.43	35,199.51
Adjustments	29	28,775.56	-
Total Cash Inflows		206,865,075.04	172,247,447.62
Cash Outflows			
Remittance to National Treasury	30	194,903.28	2,204,488.04
Payment of Expenses	31	124,190,699.44	114,797,197.66
Purchase of Inventories	32	90,100.00	41,003.17
Grant of Cash Advances	33	2,082,200.00	1,464,147.00
Refund of Deposits	34	1,112,586.16	64,263.00
Payment of Accounts Payable	35	16,743,369.67	3,639,495.34
Remittance of Personnel Benefit Contributions and Mandatory Deductions	36	18,300,501.27	12,285,895.06
Release of Inter-Agency Fund Transfers	37	4,481,498.76	5,469,808.96
Other Disbursements	38	2,488,702.96	171,692.15
Reversal of Unutilized NCA	39	29,792,170.85	12,058,200.36
Adjustments	40	2,509,372.00	295,488.00
Total Cash Outflows		201,986,104.39	152,491,678.74
Net Cash Provided By (Used in) Operating Activities		4,878,970.65	19,755,768.88
Cash Flows from Investing Activities			
Cash Outflows			
Purchase/Construction of Property, Plant and Equipment	41	-	18,458,225.00
Purchase of Intangible Asset	42	3,393,750.00	1,331,250.00
Total Cash Outflows		3,393,750.00	19,789,475.00

Net Cash Provided By (Used In) Investing Activities	(3,393,750.00)	(19,789,475.00)
Increase (Decrease) in Cash and Cash Equivalents	1,485,220.65	(33,706.12)
Cash and Cash Equivalents, January 1	2,034,033.56	2,067,739.68
Cash and Cash Equivalents, December 31	3,519,254.21	2,034,033.56

This statement should be read in conjunction with the accompanying notes.

GOCC SECTOR FINANCIAL SUMMARIES

In ₱ Millions

CLASSIFICATION OF GOCCs BY SECTORS		ASSETS In ₱ Millions		% Change	LIABILITIES In ₱ Millions		% Change	NET WORTH In ₱ Millions		% Change
GOCC Name	GOCC	2020	2021		2020	2021		2020	2021	
I. GOVERNMENT FINANCIAL INSTITUTIONS SECTOR										
		<u>7,255,596.18</u>	<u>7,939,654.25</u>	<u>9%</u>	<u>13,742,872.22</u>	<u>15,013,523.03</u>	<u>9%</u>	<u>6,487,276.04</u>	<u>7,073,868.78</u>	<u>-9%</u>
	Banking Institutions	3,762,254.39	4,100,293.25	9%	3,497,203.49	3,781,437.87	8%	265,050.90	318,855.39	20%
1	Al-Amanah Islamic Investment Bank of the Philippines	694.62	841.85	21%	685.40	771.45	13%	9.22	70.41	664%
2	Development Bank of the Philippines	1,042,404.96	1,160,118.49	11%	977,950.59	1,082,440.11	11%	64,454.37	77,678.39	21%
3	DBP Data Center, Inc.	496.67	422.87	-15%	419.80	352.79	-16%	76.87	70.08	-9%
4	Land Bank of the Philippines	2,364,315.16	2,593,799.80	10%	2,188,288.02	2,374,189.38	8%	176,027.13	219,610.42	25%
5	Land Bank Countryside Dev't. Foundation, Inc.	88.73	86.24	-3%	3.85	2.83	-27%	84.88	83.41	-2%
6	LBP Resources and Development Corporation	756.03	822.55	9%	131.50	170.46	30%	624.53	652.08	4%
7	Overseas Filipino Bank, Inc.	3,682.98	3,886.42	6%	2,696.66	3,026.35	12%	986.32	860.07	-13%
8	United Coconut Planters Bank	327,768.14	321,714.56	-2%	307,738.72	304,238.25	-1%	20,029.42	17,476.31	-13%
9	UCPB Savings Bank	22,047.10	18,600.48	-16%	19,288.95	16,246.25	-16%	2,758.15	2,354.23	-15%
	Non-Banking Institutions	<u>447,440.61</u>	<u>492,423.45</u>	<u>10%</u>	<u>167,925.88</u>	<u>170,420.20</u>	<u>1%</u>	<u>279,514.72</u>	<u>322,003.25</u>	<u>15%</u>
10	Credit Information Corporation	126.84	92.16	-27%	64.29	46.76	-27%	62.55	45.39	-27%
11	DBP Leasing Corporation	3,552.89	2,804.95	-21%	2,466.17	1,812.92	-26%	1,086.72	992.03	-9%
12	LBP Insurance Brokerage, Inc.	1,586.74	1,750.38	10%	388.00	438.34	13%	1,198.74	1,312.04	9%
13	LBP Leasing and Finance Corporation	5,039.24	4,967.33	-1%	3,270.47	3,346.80	2%	1,768.76	1,620.53	-8%
	Masaganang Sakahan, Inc.	83.53	81.46	-2%	0.82	0.89	9%	82.70	80.56	-3%
14	National Development Company	23,167.48	25,787.83	11%	5,385.82	5,644.57	5%	17,781.66	20,143.27	13%

[illegible]

CLASSIFICATION OF GOCCs BY SECTORS			ASSETS In ₱ Millions			LIABILITIES In ₱ Millions			NET WORTH In ₱ Millions		
	GOCC Name	GOCC	2020	2021	% Change	2020	2021	% Change	2020	2021	% Change
II. TRADE, AREA DEVELOPMENT AND TOURISM SECTOR											
					1%	136,719.49	123,762.95	-9%	353,860.46	369,745.07	4%
	Trade		35,782.84	18,981.20	-47%	34,931.29	18,645.40	-47%	851.55	335.80	-61%
29	Center for International Trade Expositions and Missions	CITEM	795.09	718.54	-10%	243.80	145.00	-41%	551.29	573.54	4%
30	Duty Free Philippines Corporation	DFPC	1,948.42	1,023.59	-47%	1,528.98	1,179.38	-23%	419.44	(155.80)	-137%
31	Philippine International Trading Corporation	PITC	32,196.95	15,744.35	-51%	31,829.40	15,332.40	-52%	367.56	411.95	12%
32	PITC Pharma Procurement, Inc.	PPPI	842.38	1,494.72	77%	1,329.12	1,988.61	50%	(486.74)	(493.89)	-1%
	Area Development		431,431.84	449,685.35	4%	82,283.58	84,209.03	2%	349,148.26	365,476.32	5%
33	Bases Conversion Development Authority	BCDA	199,918.81	207,759.92	4%	37,568.95	43,635.36	16%	162,349.86	164,124.56	1%
34	Clark Development Corporation	CDC	9,836.29	10,716.95	9%	3,942.31	4,165.29	6%	5,893.99	6,551.66	11%
35	John Hay Management Corporation	JHMC	242.38	228.69	-6%	38.97	20.34	-48%	203.41	208.35	2%
36	Laguna Lake Development Authority	LLDA	1,042.11	1,350.28	30%	407.17	648.29	59%	634.94	701.99	11%
37	National Housing Authority	NHA	165,868.60	177,200.23	7%	23,896.48	20,148.07	-16%	141,972.12	157,052.16	11%
38	Palacio Del Gobernador Condominium Corporation	PDGCC	49.40	61.69	25%	8.42	10.14	20%	40.98	51.55	26%
39	Philippine Reclamation Authority	PRA	30,761.38	29,662.01	-4%	13,993.30	13,192.86	-6%	16,768.08	16,469.15	-2%
40	Poro Point Management Corporation	PPMC	248.96	239.81	-4%	111.68	134.48	20%	137.28	105.33	-23%
41	Quezon City Development Authority	QCDA	-	-	-	-	-	-	-	-	-
42	Southern Philippines Development Authority	SPDA	11,660.04	11,672.05	0%	23.85	25.09	5%	11,636.19	11,646.96	0%
43	Tourism Infrastructure & Enterprise Zone Authority	TIEZA	11,803.87	10,793.73	-9%	2,292.45	2,229.12	-3%	9,511.42	8,564.61	-10%

CLASSIFICATION OF GOCCs BY SECTORS			ASSETS In ₱ Millions			LIABILITIES In ₱ Millions			NET WORTH In ₱ Millions		
GOCC Name	GOCC		2020	2021	% Change	2020	2021	% Change	2020	2021	% Change
Tourism											
44 Corregidor Foundation, Inc.	CFI		23,365.27	24,841.47	6%	19,504.62	20,908.52	7%	3,860.65	3,932.95	2%
45 Marawi Resort Hotel, Inc.	MRHI		42.62	41.97	-2%	2.22	2.82	27%	40.40	39.15	-3%
46 Philippine Retirement Authority	PRetA		20,332.55	21,747.49	7%	18,276.54	19,743.86	8%	2,056.01	2,003.63	-3%
47 Tourism Promotions Board	TPB		2,919.60	2,983.27	2%	1,208.16	1,147.09	-5%	1,711.43	1,836.18	7%
III. EDUCATIONAL AND CULTURAL SECTOR			18,761.97	18,871.08	1%	2,393.04	2,473.86	3%	16,368.93	16,397.22	0%
Educational			6,474.64	6,578.86	2%	1,252.08	1,297.37	4%	5,222.56	5,281.49	1%
48 Boy Scouts of the Philippines	BSP		4,904.16	4,870.68	-1%	271.47	302.25	11%	4,632.69	4,568.43	-1%
49 Development Academy of the Philippines	DAP		1,570.48	1,708.18	9%	980.61	995.13	1%	589.87	713.06	21%
50 Girl Scouts of the Philippines	GSP		-	-	-	-	-	-	-	-	-
51 Philippine Tax Academy	PTA		-	-	-	-	-	-	-	-	-
Cultural			12,287.33	12,292.21	0%	1,140.96	1,176.49	3%	11,146.37	11,115.73	0%
52 Cultural Center of the Philippines	CCP		2,371.98	2,360.27	0%	345.24	343.98	0%	2,026.74	2,016.28	-1%
53 Nayong Pilipino Foundation, Inc.	NPF		9,915.36	9,931.94	0%	795.72	832.50	5%	9,119.64	9,099.44	0%
IV. GAMING SECTOR			83,726.60	84,530.92	1%	42,607.65	46,900.71	10%	41,118.95	37,630.21	-8%
54 Philippine Amusement and Gaming Corporation	PAGCOR		51,600.37	47,690.66	-8%	26,617.37	26,726.85	0%	24,983.00	20,963.81	-16%
55 Philippine Charity Sweepstakes Office	PCSO		32,126.22	36,840.25	15%	15,990.28	20,173.85	26%	16,135.95	16,666.40	3%

CLASSIFICATION OF GOCCs BY SECTORS			ASSETS In ₱ Millions			LIABILITIES In ₱ Millions			NET WORTH In ₱ Millions		
GOCC Name	GOCC		2020	2021	% Change	2020	2021	% Change	2020	2021	% Change
VII. UTILITIES AND COMMUNICATIONS SECTOR											
			1,150,401.26	1,181,337.80	3%	476,510.35	492,400.02	3%	673,890.91	688,937.78	2%
			1,132,896.26	1,163,009.85	3%	467,258.18	482,832.78	3%	665,638.08	680,177.06	2%
83	Cebu Port Authority	CPA	8,159.49	8,605.05	5%	627.50	834.13	33%	7,531.99	7,770.93	3%
84	Civil Aviation Authority of the Philippines	CAAP	60,444.19	59,199.83	-2%	3,571.23	3,737.03	5%	56,872.96	55,462.80	-2%
85	Clark International Airport Corporation	CIAC	6,722.46	7,118.69	6%	5,708.06	6,296.25	10%	1,014.40	822.45	-19%
86	Light Rail Transit Authority	LRTA	56,330.08	53,515.17	-5%	58,684.69	59,497.72	1%	(2,354.61)	(5,982.56)	-154%
87	Local Water Utilities Administration	LWUA	15,479.58	15,265.45	-1%	5,248.54	5,553.71	6%	10,231.04	9,711.74	-5%
88	Mactan-Cebu International Airport Authority	MCIAA	128,370.70	128,970.62	0%	1,074.43	1,868.26	74%	127,296.27	127,102.36	0%
89	Manila International Airport Authority	MIAA	52,543.90	49,249.84	-6%	6,261.66	5,336.04	-15%	46,282.24	43,913.80	-5%
90	Metropolitan Waterworks and Sewerage System	MWSS	233,233.53	247,420.48	6%	183,996.38	200,209.15	9%	49,237.15	47,211.33	-4%
91	National Irrigation Administration	NIA	324,764.34	337,510.29	4%	118,442.80	115,902.42	-2%	206,321.54	221,607.87	7%
	North Luzon Railways Corporation	NORTHRAIL	7,549.25	7,508.62	-1%	18,033.28	18,298.60	1%	(10,484.03)	(10,789.98)	-3%
92	PEA Tollway Corporation	PEA-TC	252.07	198.56	-21%	247.79	194.28	-22%	4.28	4.28	0%
93	Philippine Aerospace Development Corporation	PADC	198.28	207.54	5%	116.10	112.74	-3%	82.18	94.81	15%
94	Philippine National Construction Corporation	PNCC	38,970.54	43,122.83	11%	20,914.44	20,416.17	-2%	18,056.10	22,706.66	26%
95	Philippine National Railways	PNR	59,338.57	62,368.00	5%	33,437.40	34,975.05	5%	25,901.17	27,392.95	6%
96	Philippine Ports Authority	PPA	140,539.28	142,748.88	2%	10,893.87	9,601.24	-12%	129,645.42	133,147.63	3%
	Communications		17,505.00	18,327.95	5%	9,252.17	9,567.24	3%	8,252.83	8,760.72	6%
97	APO Production Unit, Inc.	APO-PUI	3,430.24	3,772.93	10%	2,847.95	3,009.59	6%	582.29	763.35	31%

CLASSIFICATION OF GOCCs BY SECTORS			ASSETS In ₱ Millions			LIABILITIES In ₱ Millions			NET WORTH In ₱ Millions		
GOCC Name	GOCC		2020	2021	% Change	2020	2021	% Change	2020	2021	% Change
98 People's Television Network, Inc.	PTNI		3,299.19	3,466.61	5%	715.16	642.12	-10%	2,584.03	2,824.50	9%
99 Philippine Postal Corporation	PHLPOST		10,775.56	11,088.40	3%	5,689.06	5,915.53	4%	5,086.50	5,172.87	2%
VIII. HEALTHCARE SERVICES SECTOR			378.14	-	-100%	82.02	-	-100%	296.12	-	-100%
100 La Union Medical Center	LUMC		378.14	-	-100%	82.02	-	-100%	296.12	-	-100%
IX. REALTY/HOLDING COMPANIES			135.12	8,975.46	6542%	64.53	2,287.19	3444%	78.16	6,695.73	8466%
101 Batangas Land Company, Inc.	BLCI		74.27	8,928.86	11922%	21.49	2,246.68	10354%	52.78	6,682.18	12561%
First Cavite Industrial Estate, Inc.	FCIEI					15.87	15.86	0%	(8.29)	(8.41)	-1%
102 G.Y. Real Estate, Inc.	GYREI		21.85	13.05	-40%	13.04	13.25	2%	8.81	(0.20)	-102%
103 Kamayan Realty Corporation	KRC		33.73	27.59	-18%	13.32	9.50	-29%	20.42	18.09	-11%
104 Pinagkaisa Realty Corporation	PIRC		5.27	5.96	13%	0.81	1.90	133%	4.46	4.07	-9%
105 ASC Investors, Inc.											
106 ARC Investors, Inc.											
107 AP Holdings, Inc.											
108 Anglo Ventures Corporation											
109 Fernandez Holdings, Inc.											
110 First Meridian Development, Inc.											
111 Randy Allied Ventures, Inc.											
112 Rock Steel Resources, Inc.											
113 Roxas Shares, Inc.											
114 San Miguel Officers Corp. Inc.											
115 Te Deum Resources, Inc.											
116 Toda Holdings, Inc.											
117 Soriano Shares, Inc.											
118 Valhalla Properties, Inc.											
TOTAL GOCC SECTOR			10,166,553.86	10,817,613.00	6%	15,438,849.57	16,626,961.34	8%	(5,272,288.13)	(5,809,340.89)	-10%



