



Referendum No. 3 series of 2019

**REFERENDUM ADOPTING THE CY 2020 PERFORMANCE EVALUATION SYSTEM (PES) REQUIREMENTS**

	APPROVED	DISAPPROVED	DATE SIGNED
HON. ALFONSO G. CUSI, Chairman or HON. FELIX WILLIAM B. FUENTEBELLA, Alternate to the Chairman		<i>(Chair only votes in case of a tie)</i>	
HON. AGUSTIN L. MADDATU			8/27/19
HON. ALIPIO CIRILO V. BADELLES			8-27-19
HON. EDGARDO R. MASONGSONG			8-27-19
HON. RENE M. GONZALES			8-27-19

COMMENTS, IF ANY:

HON. ALFONSO G. CUSI, Chairman or HON. FELIX WILLIAM B. FUENTEBELLA, Alternate to the Chairman			
HON. AGUSTIN L. MADDATU			
HON. ALIPIO CIRILO V. BADELLES			
HON. EDGARDO R. MASONGSONG			
HON. RENE M. GONZALES			





**NATIONAL ELECTRIFICATION ADMINISTRATION**  
 "The 1<sup>st</sup> Performance Governance System-Institutionalized National Government Agency"  
 57 NIA Road, Government Center, Diliman, Quezon City 1100



Management System  
 ISO 9001:2015  
 www.tuv.com  
 ID 9105082030



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REPUBLIC OF THE PHILIPPINES  
 NATIONAL ELECTRIFICATION ADMINISTRATION  
 QUEZON CITY  
 OFFICE OF THE CORPORATE SECRETARY  
 CERTIFIED TRUE COPY

*(Signature)*  
 ATTY. MAY FLOR C. ABUEDO



(02) 929-1909  
 www.nea.gov.ph

"Energizing the Countryside. Electrifying the Future"



## CERTIFICATION

This is to certify that the NEA Board of Administrators, in its referendum conducted on August 27, 2019, passed the following resolution. Subject to confirmation in its next regular meeting:

### RESOLUTION NO. 111

WHEREAS, the Board Governance Nomination and Remuneration Committee (BGNRC) in its memorandum to the Board of Administrators dated August 14, 2019 is requesting for the approval of CY 2020 Performance Evaluation System (PES) requirements including the Strategy Map and Proposed Performance Scorecard and its submission to the Governance Commission for GOCCs (GCG) and to grant full authority to the Administrator to negotiate with GCG in behalf of the Board on matters relating to the CY 2020 PES;

WHEREAS, the said requirements will be submitted to the GCG on August 30, 2019;

WHEREAS, the GCG issued a Performance Evaluation System (PES) for the GOCC Sector that provided the framework for setting the organizational targets;

WHEREAS, the achievements of such targets shall serve as basis for the following:

- a) Determining the grant of Performance-Based Bonus (PBB) and Performance-Based Incentive (PBI);
- b) Determining whether Appointive Directors are eligible for re-appointment; and
- c) Ascertain whether a GOCC should be reorganized, merged, streamlined abolished or privatized.

WHEREAS, the following are required PES documents for submission to GCG:

1. Strategy MAP (PES Form 1) – “ANNEX A”
2. Proposed Performance Scorecard (PES Form 2 and 2a) – “ANNEX B”
3. Measure Profile (PES Form 2b) – “ANNEX C”
4. Briefing on the rationale of the CY 2020 targets – “ANNEX D”
5. Corporate Operating Budget (COB) for CY 2020 as submitted to DBM – “ANNEX E”





WHEREAS, the Board undertakes the annual review of the Strategy Map including the Vision and Mission as well as the corresponding strategies for its attainment;

WHEREAS, the Board approved in 2017 as well as in 2018 the adoption of the NEA's Strategy Map which is still relevant at this time;

WHEREAS, the Performance Scorecard and Measure Profile translates the Strategic Objectives in the Strategy Map into critical success indicators while the Briefer discusses in detail the committed performance targets for the year;

WHEREAS, the Board agreed to approved the request through referendum;

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, based on the foregoing and pursuant to authority of the Board under Sections 4 and 7 of Presidential Decree No. 269, as amended; and, Republic Act No. 10531, to approve, as it is hereby approved, the CY 2020 Performance Evaluation System (PES) requirements including the Strategy Map and Proposed Performance Scorecard and its submission to the Governance Commission for GOCCs (GCG) and to grant full authority to the Administrator to negotiate with GCG in behalf of the Board on matters relating to the CY 2020 PES.


Issued this 27<sup>th</sup> day of August 2019 at Quezon City, Philippines.

**ALFONSO G. CUSI**  
Secretary of Department of Energy and Chairman

  
**AGUSTIN L. MADDATU**  
Member

  
**RENE M. GONZALES**  
Member

  
**ATTY. ALIPIO CIRILO V. BADELLES**  
Member

  
**EDGARDO R. MASONGSONG**  
Member and Administrator





# STRATEGY MAP

**VISION** A dynamic and responsive NEA that is a vanguard of sustainable rural development in partnership with globally-competitive Electric Cooperatives and empowered Electricity Consumers

## NATIONAL ELECTRIFICATION ADMINISTRATION

### MANDATED MISSION

- To promote the sustainable development in the rural areas through rural electrification
- To empower and strengthen the NEA to pursue the electrification program and bring electricity, through the Electric Cooperatives as its implementing arm, to the countryside even in missionary or economically unviable areas
- To empower and enable Electric Cooperatives to cope with the changes brought about by the restructuring of the electric power industry

### CORE VALUES

- Absolute Honesty
- Maximum Efficiency
- Total Solidarity

## OPERATIONAL EFFICIENCY

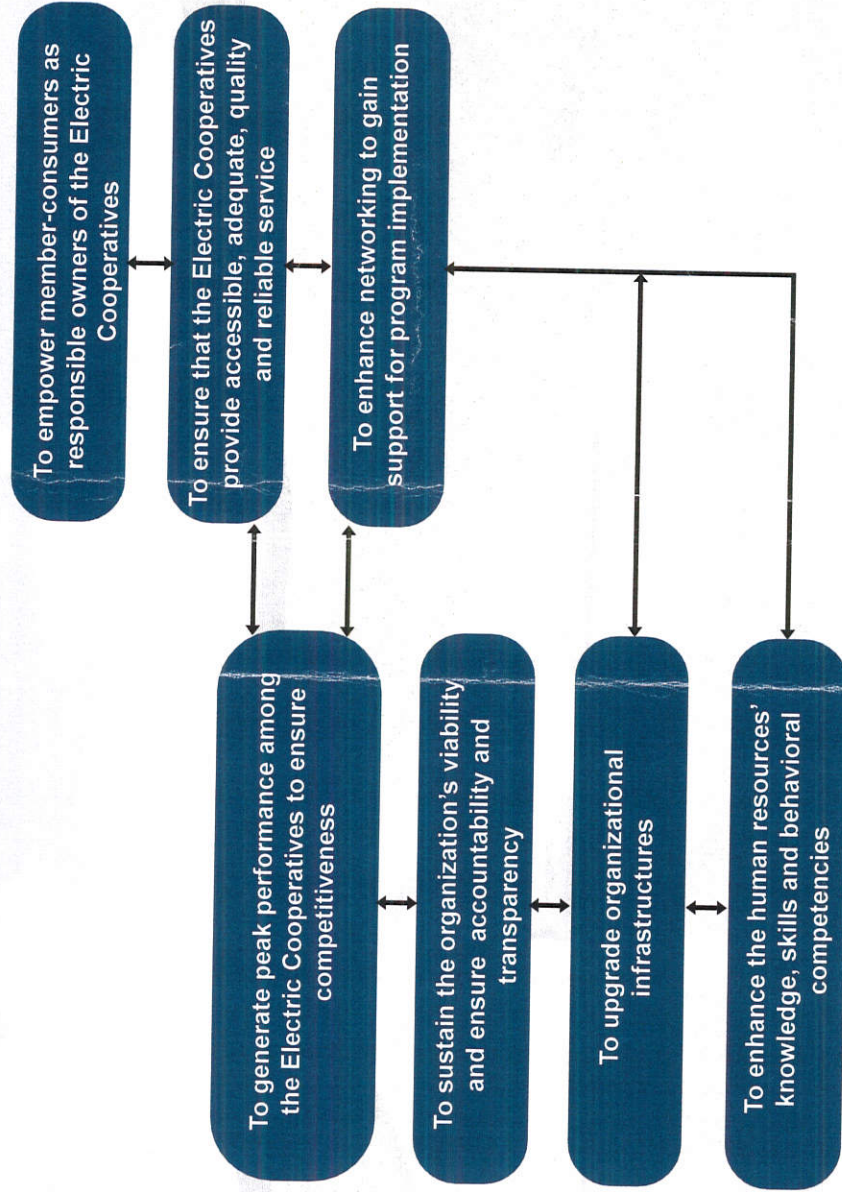
SOCIAL IMPACT

STAKEHOLDERS

FINANCE

INTERNAL PROCESS

LEARNING & GROWTH



## BRIEFER ON NEA'S UPDATED CHARTER STATEMENT AND STRATEGY MAP

*"A dynamic and responsive NEA that is a vanguard of sustainable rural development in partnership with globally-competitive and empowered Electricity Consumers"*

The NEA's Vision has three (3) dreams to fulfill: (1) NEA as a vibrant GOCC that is vigilant in pursuing its Mandated Mission of sustaining development in the rural areas in the midst of industry challenges; (2) Electric Cooperatives with consumer services comparable to world-class standards; and (3) Electricity consumers who are empowered and responsible in: (a) electing or representing their constituents to capable EC Board of Directors; (b) participative in EC undertakings towards informed decision-making; and (c) pro-active in organizing themselves either locally, regionally or nationally, making their voices and interests be heard and considered, even in the halls of Congress.

This Vision operationalizes the Mandated Mission through cascaded and aligned Strategic Objectives and Initiatives:

*"To promote the sustainable development in the rural areas through rural electrification"*

*"To empower and strengthen the NEA to pursue the electrification program and bring electricity, through the Electric Cooperatives as its implementing arm, to the countryside even in missionary or economically unviable areas"*

*"To empower and enable Electric Cooperatives to cope with the changes brought about by the restructuring of the electricity power industry"*

NEA's Mandated Mission is derived from Section 2 of Republic Act No. 10531, or the National Electrification Administration Reform Act of 2013. These marching orders aim for a strengthened NEA and thus, its mission aims for strengthened electric cooperatives, which serve as dynamic partners in implementing the rural electrification program and the greater goal of the countryside development.

In NEA's systematic pursuit of its goals and objectives, the employees have been guided by the retained core values of *"Absolute Honesty, Maximum Efficiency, Total Solidarity."*

Two (2) themes dictate the strategic priorities of NEA to maximize its potentials in ensuring customer satisfaction: Operational Efficiency and Strategic Alliance. Operational Efficiency recognizes the value of lifelong learnings by enhancing human resources' cognitive and behavioral competencies. It also emphasizes organizational infrastructures, encompassing internal systems and procedures, considering that NEA's compliance to public standards is necessary. These inputs aim to sustain the organization's financial viability and ensure accountability and transparency. On the other hand, Strategic Alliance, with coalitions and various stakeholders, is geared towards sustaining a symbiotic relationship with stakeholders for EC peak performance. Double-headed arrows signify causal relationships between and among the Strategic Objectives. As such, there is no particular cause-and-effect order since all Perspectives and Strategic Objectives are equally important. The cycle becomes productive only if the ECs provide accessible, adequate, quality and reliable service and empower their member-consumer-owners as responsible owners of the ECs.

The strategy Map reinforces the importance of NEA to meet the energy consumer demands of the society and to reach the marginalized sectors of the countryside.

*J. Cruz*

NATIONAL ELECTRIFICATION ADMINISTRATION

Impact	Component		Baseline Data					Proposed Target		
	Strategic Objectives (SO)/Strategic Measure (SM)	Formula	Weight	Rating System	2016	2017	2018		2019 (As of 1st Semester)	
Social	SO 1	To empower member-consumers as responsible owners of the Electric Cooperatives								
	SO 2	To ensure that the Electric Cooperatives provide accessible, adequate, quality, and reliable service								
	SM 1	Number of completed/energized sitio projects	Total actual completed/energized sitio projects	20%	Actual/Target	2,708	1,048	1,906	469	775
	SM 2	Number of consumers connected	Total actual consumers connected	20%	Actual/Target	550,560	461,852	640,798	288,134	460,000
	SO 3	To generate peak performance among Electric Cooperatives to ensure competitiveness								
Stakeholders	SM 3	Number of EC officials and employees graduated from certification/competency programs	Absolute Number	5%	Actual/Target	3,559	2,755	3,153	1,117	2,200
	SM 4	Percentage of ECs adopting the Balanced Scorecard Model	ECs adopting performance scorecard Total number of ECs	2%	Actual/Target	48.33% (58 ECs)	69.42% (84 ECs)	91.00% (110 ECs)	95.00% (115 ECs)	99.17% (120 ECs)
	SM 5	Improved EC Overall Performance Rating from "B" and "C" to at least "A" Rating	Number of improved ECs Total number of ECs under "B" and "C"	3%	All or Nothing	-	12	6	-	Baseline established using the new approved criteria
	SO 4	To enhance networking to gain support for program implementation								
	SM 6	Percentage of Satisfied Customers	Number of satisfied respondents Total number of respondents	5%	Actual/Target (0% = if less than 80%)	-	4.0 or 80% (Moderately Satisfied)	90%*	-	90%
Financial	SO 5	To sustain the organization's viability and ensure accountability and transparency								
	SM 7	Amount of loans facilitated (PHP)	Actual amount of loans facilitated $\geq$ PHP 122.5M (Target amount - PHP 121.5 M)+8% X 100%	8%	Actual/Target	2,543 B	2,255 B	1,984 B	395.06 M	245 M
	SM 8	Percentage of ECs under Category B, C, and D provided with loans	Total number of B, C, and D ECs	0%	-	-	-	59% (12 out of 22 ECs)	35% (7 out of 20 ECs)	Report of Actual Accomplishments
	SM 9	High collection efficiency maintained (%)	$\Sigma$ Total collections - advanced payments (due for succeeding year) $\Sigma$ Amortization due for the year	7%	Actual/Target	100%	100%	100%	100%	96%
			Sub-total	15%						

\* 2018 NEA Customer Satisfaction Survey result conducted by CASI Research was 90%. However, 0 points was given after GCG validation due to partial compliance with prescribed methodology

*[Handwritten signature]*

Component	Strategic Objectives (SO)/Strategic Measure (SM)				Formula	Weight	Rating System	Baseline Data				Proposed Target
	2016	2017	2018	2019 (As of 1st Semester)								
Internal Process	<b>SO 6 To upgrade organizational infrastructures</b>											
	SM 10	Percentage of sitio electrification projects funded that are fully compliant with NEA standards and specifications	Total compliant projects Total funded projects	7%	Actual/ Target	84.18% of projects done as of end Sept. 2016	60.15% of projects done as of end Sept. 2017	70.88% of projects done as of end Sept. 2018	-	80% of projects done as of end Sept. 2020		
	SM 11	Percentage of sitios completed and energized within 180 calendar days from release of funds to ECs	Actual percentage of sitios completed and energized within 180 calendar days from release of funds to ECs [Target rate]	7%	Actual/ Target	57.14%	89.28%	87.67%	84.43%	80%		
	SM 12	Percentage of regular-term loans released within 24 days	Loans released within the prescribed period Total loan applications with complete documentations	6%	Actual/ Target	-	100%	100%	100%	100%		
<b>Sub-total</b>												
<b>SO 7 To enhance human resources' knowledge, skills and behavioral competencies</b>												
Learning and Growth	SM 13	Compliance to Quality Standards	Actual Accomplishment	5%	All or Nothing	Surveillance Audit with Upgrade to 2015 Standard Passed	Surveillance Audit Passed	Surveillance Audit Passed	-	Re-certification Audit passed		
	SM 14	Percentage of employees with required competencies met	Total number of employees with required competencies met Total number of employees	5%	All or Nothing	Board approved Competency Model submitted	36.40%	66.20%	-	Increase from 2019 Competency Level		
	<b>Sub-total</b>											
<b>TOTAL</b>												
<b>100%</b>												

Certified Correct:

*Francisco A. Caymo*  
 FRANCISCO A. CAYMO  
 Department Manager, Corporate Planning Office

Approved by:

*Edgardo R. Masongsong*  
 EDGARDO R. MASONGSONG  
 Administrator

*Milagros A. Robles*  
 MILAGROS A. ROBLES  
 Acting Department Manager, Finance Services Department



NATIONAL ELECTRIFICATION ADMINISTRATION

Impact	Component				Annual Target	Target			
	Strategic Objectives (SO)/Strategic Measure (SM)	Formula	Weight	Rating System		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
Social	SO 1	To empower member-consumers as responsible owners of the Electric Cooperatives							
	SO 2	To ensure that the Electric Cooperatives provide accessible, adequate, quality, and reliable service							
	SM 1	Number of completed/energized sitio projects	Total actual completed and energized sitio projects	20%	Actual/Target	-	163	382	230
	SM 2	Number of consumers connected	Total actual consumers connected	20%	Actual/Target	115,000	115,000	115,000	115,000
	SO 3	To generate peak performance among Electric Cooperatives to ensure competitiveness							
Stakeholders	SM 3	Number of EC officials and employees graduated from certification/competency programs	Absolute Number	5%	Actual/Target	250	675	675	600
	SM 4	Percentage of ECs adopting the Balanced Scorecard Model	ECs adopting performance scorecard Total number of ECs	2%	Actual/Target	-	-	97.5% (118 ECs)	99.17% (120 ECs)
	SM 5	Improved EC Overall Performance Rating from "B" and "C" to at least "A" Rating	Number of improved ECs Total number of ECs under "B" and "C"	3%	All or Nothing	-	-	Baseline established	-
	SO 4	To enhance networking to gain support for program implementation							
	SM 6	Percentage of Satisfied Customers	Number of satisfied respondents Total number of respondents	5%	Actual/Target (0% = If less than 80%)	-	-	-	90%
Financial	SO 5	To sustain the organization's viability and ensure accountability and transparency							
	SM 7	Amount of loans facilitated (PHP Million)	Actual amount of loans facilitated $\geq$ PHP 122.5M (Target amount - PHP 121.5 M) $\div$ 8% X 100%	8%	Actual/Target	50	75	75	45
	SM 8	Percentage of ECs under Category B, C, and D provided with loans	Category B, C, and D ECs provided with loans Total number of B, C, and D ECs	0%	-	245 M	Report of Actual Accomplishments	Report of Actual Accomplishments	Report of Actual Accomplishments
	SM 9	High collection efficiency maintained (%)	$\Sigma$ Total collections - advanced payments (due for succeeding year) $\Sigma$ Amortization due for the year	7%	Actual/Target	96%	96%	96%	96%
			Sub-total	Sub-total	55%				

Below PHP 122.5 M is 0%. For the amount  $\geq$  PHP 122.5M, 8% is proportionally distributed, i.e.

		Component				Target				
Strategic Objectives (SO)/Strategic Measure (SM)		Formula	Weight	Rating System	Annual Target	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	
Internal Process	<b>SO 6</b>	<b>To upgrade organizational infrastructures</b>								
	<b>SM 10</b>	Percentage of sitio electrification projects funded that are fully compliant with NEA standards and specifications	$\frac{\text{Total compliant projects}}{\text{Total funded projects}}$	7%	Actual/Target	80% of projects done as of end Sept. 2020	-	-	80% of projects done as of end Sept. 2020	
	<b>SM 11</b>	Percentage of sitios completed and energized within 180 calendar days from release of funds to ECs	$\frac{\text{Actual percentage of sitios completed and energized within 180 calendar days from release of funds to ECs}}{[\text{Target rate}]}$	7%	Actual/Target	80%	-	80%	80%	
	<b>SM 12</b>	Percentage of regular-term loans released within 24 days	$\frac{\text{Loans released within the prescribed period}}{\text{Total loan applications with complete documentation}}$	6%	Actual/Target	100%	100%	100%	100%	
			<b>Sub-total</b>	<b>20%</b>						
Learning and Growth	<b>SO 7</b>	<b>To enhance human resources' knowledge, skills and behavioral competencies</b>								
	<b>SM 14</b>	Compliance to Quality Standards	Actual Accomplishment	5%	All or Nothing	Re-certification Audit passed	-	-	-	Re-certification Audit passed
	<b>SM 15</b>	Percentage of employees with required competencies met	$\frac{\text{Total number of employees with required competencies met}}{\text{Total number of employees}}$	5%	All or Nothing	Increase from 2019 Competency Level	-	-	-	Increase from 2019 Competency Level
			<b>Sub-total</b>	<b>10%</b>						
			<b>TOTAL</b>	<b>100%</b>						

**NATIONAL ELECTRIFICATION  
ADMINISTRATION  
MEASURE PROFILE  
2020 PERFORMANCE SCORECARD**

# NATIONAL ELECTRIFICATION ADMINISTRATION

**What is the objective?** To ensure that the Electric Cooperatives provide accessible, adequate, quality and reliable service

**What is the measure?** Number of completed/energized sitio projects (SM 1)

**What is the reason behind choosing this measure?** With the ECs as its implementing arm in the mandated mission of rural electrification, even in missionary or economically unviable areas, the NEA continues to implement the Sitio Electrification Program (SEP). For 2020, NEA commits to extend electric service to 775 sitios, based on the recommended budget level of P1.162 B (P1.5 M/sitio) for NEA by the Department of Budget and Management (DBM).

**How often is the measure updated/calculated?**

Quarterly

**What is the unit of measure used?**

Number

**How is the measure calculated? Clarify the terms in the formula**

Total actual completed/energized sitio projects

**What data is required in calculating the measure? Where/how is it acquired?** (specify document or person)

SEP Accomplishment Report

**Is information about the measure available?**

- Currently available
- Available with minor changes
- Still to be formulated

**When will this information be available?**

**Who is responsible for setting targets?**

TEREDD/CPO

**Who is accountable for targets?**

TEREDD

**Who is responsible for tracking and reporting targets? TEREDD/CPO**

## BASELINE

2017	2018	2019*
1,048	1,906	469

\* As of First Semester of 2019

## TARGETS

2020	2021	2022
775	To be determined	To be determined

*Handwritten signature*

# NATIONAL ELECTRIFICATION ADMINISTRATION

**What is the objective?** To ensure that the Electric Cooperatives provide accessible, adequate, quality and reliable service

**What is the measure?** Number of consumers connected (SM 2)

**What is the reason behind choosing this measure?** In support of President Rodrigo R. Duterte's 5-point Electricity Agenda and the Department of Energy's 9-point Energy Agenda, NEA commits to connect 460,000 consumers as a result of its electrification programs.

**How often is the measure updated/calculated?**

Quarterly  
**What is the unit of measure used?**  
Number

**How is the measure calculated? Clarify the terms in the formula**

Total actual consumers connected

**What data is required in calculating the measure? Where/how is it acquired? (specify document or person)**

Status of Energization Report

**Is information about the measure available?**

- Currently available
- Available with minor changes
- Still to be formulated

**When will this information be available?**

**Who is responsible for setting targets?**

ITCSD

**Who is accountable for targets?**

ITCSD

**Who is responsible for tracking and reporting targets? ITCSD/CPO**

## BASELINE

2017	2018	2019*
461,852	640,798	238,747

\* As of First Semester of 2019

## TARGETS

2020	2021	2022
460,000	To be determined	To be determined

*J. Carandang*

# NATIONAL ELECTRIFICATION ADMINISTRATION

**What is the objective?** To generate peak performance among Electric Cooperatives to ensure competitiveness

**What is the measure?** Number of EC officials/employees graduated from certification/competency programs (SM 3)

**What is the reason behind choosing this measure?** NEA will continue to be a learning institution as it mandates that all of the EC employees have completed certification/competency programs for the year. Some 2,200 EC graduates of these skill-building programs are expected in 2020.

**How often is the measure updated/calculated?**

Quarterly

**What is the unit of measure used?**

Number

**How is the measure calculated? Clarify the terms in the formula**

Absolute Number

**What data is required in calculating the measure? Where/how is it acquired? (specify document or person)**

Training Certificates of EC officials/employees  
Attendance sheets of certification/competency programs conducted

**Is information about the measure available?**

- Currently available
- Available with minor changes
- Still to be formulated

**When will this information be available?**

**Who is responsible for setting targets?**

NETI

**Who is accountable for targets?**

NETI

**Who is responsible for tracking and reporting targets? NETI/CPO**

## BASELINE

2017	2018	2019*
2,755	3,153	1,117

\* As of First Semester of 2019

## TARGETS

2020	2021	2022
2,200	To be determined	To be determined

*S. O'Connell*

# NATIONAL ELECTRIFICATION ADMINISTRATION

**What is the objective?** To generate peak performance among Electric Cooperatives to ensure competitiveness

**What is the measure?** Percentage of ECs adopting the Balanced Scorecard Model (SM 4)

**What is the reason behind choosing this measure?** NEA has reaped the benefits it gained from adopting the Performance Governance System using the BSC Model. To cascade to the ECs the importance of using the BSC in monitoring their performance, NEA commits that 99.17% or 120 ECs shall adopt the BSC.

**How often is the measure updated/calculated?**

Quarterly

**What is the unit of measure used?**

Percentage

**How is the measure calculated? Clarify the terms in the formula**

ECs adopting performance scorecard

Total number of ECs

**What data is required in calculating the measure? Where/how is it acquired?** (specify document or person)

Board Resolutions/Memorandum of Undertaking from the ECs adopting the Balanced Scorecard Model

**Is information about the measure available?**

Currently available

Available with minor changes

Still to be formulated

**When will this information be available?**

**Who is responsible for setting targets?**

CPO

**Who is accountable for targets?**

CPO

**Who is responsible for tracking and reporting targets? CPO**

## BASELINE

**2017**

69.42%  
(84 ECs)

**2018**

91%  
(110 ECs)

**2019\***

95%  
(115 ECs)

\* As of First Semester of 2019

## TARGETS

**2020**

99.17%  
(120 ECs)

**2021**

-

**2022**

-

*D. Ojeda*

# NATIONAL ELECTRIFICATION ADMINISTRATION

**What is the objective?** To generate peak performance among Electric Cooperatives to ensure competitiveness

**What is the measure?** Improved EC Overall Performance Rating from "B" to "C" to at least "A" Rating (SM 5)

**What is the reason behind choosing this measure?** NEA assesses yearly the level of EC performance based on sets of operational standards and parameters duly approved by the NEA Board of Administrators.

**How often is the measure updated/calculated?**

Quarterly

**What is the unit of measure used?**

Number

**How is the measure calculated? Clarify the terms in the formula**

Number of improved ECs

Total number of ECs under "B" and "C"

**What data is required in calculating the measure? Where/how is it acquired?** (specify document or person)

EC Overall Performance Assessment Report

**Is information about the measure available?**

Currently available

Available with minor changes

Still to be formulated

**When will this information be available?**

**Who is responsible for setting targets?**

OPASS/MCSO

**Who is accountable for targets?**

OPASS/MCSO

**Who is responsible for tracking and reporting targets?** OPASS/MCSO/CPO

## BASELINE

2017	2018	2019
12 ECs	6 ECs	-

## TARGETS

2020	2021	2022
Baseline established using the new approved criteria	To be determined	To be determined

*D. O. A. M.*



# NATIONAL ELECTRIFICATION ADMINISTRATION

**What is the objective?** To enhance networking to gain support for program implementation

**What is the measure?** Percentage of Satisfied Customers (SM 6)

**What is the reason behind choosing this measure?** To ensure enhancement of NEA's delivery of services and to secure stakeholders' requirements, the Customer Satisfaction Survey is established as one of its main performance indicators. Monitoring and measuring customer satisfaction is also one of the key elements under the ISO 9001 standard. NEA targets to achieve a 90% Satisfactory Rating.

**How often is the measure updated/calculated?**

Biennially

**What is the unit of measure used?**

Percentage

**How is the measure calculated? Clarify the terms in the formula**

Number of satisfied respondents

Total number of respondents

**What data is required in calculating the measure? Where/how is it acquired?** (specify document or person)

Survey Report of the third party

**Is information about the measure available?**

Currently available

Available with minor changes

Still to be formulated

**When will this information be available?**

**Who is responsible for setting targets?**

CCSMO

**Who is accountable for targets?**

CCSMO

**Who is responsible for tracking and reporting targets? CCSMO/CPO**

## BASELINE

2017	2018	2019
4.0 or 80% (Moderately Satisfied)	90% *	-

\* 2018 NEA Customer Satisfaction Survey result conducted by CASI Research was 90%. However, 0 points was given after GCG validation due to partial compliance with prescribed methodology.

## TARGETS

2020	2021	2022
90%	To be determined	To be determined

*D. Ojeda*

# NATIONAL ELECTRIFICATION ADMINISTRATION

**What is the objective?** To sustain the organization's viability and ensure accountability and transparency

**What is the measure?** Amount of loans facilitated (SM 7)

**What is the reason behind choosing this measure?** In order to continually support the ECs' financial requirements and ensure sustainability and financial viability, NEA commits to lend PHP 245 million. The target was reduced compared to P450 Million for 2019 due to the payment of NEA to the Department of Finance of its debt-service obligations and DOF-approved conversion of National Government (NG) advances in the amount of P1.826 Billion.

**How often is the measure updated/calculated?**

Quarterly

**What is the unit of measure used?**

PHP Billion

**How is the measure calculated? Clarify the terms in the formula**

Below PHP 122.5 M is 0%. For the amount  $\geq$  PHP 122.5M, 8% is proportionally distributed, i.e.

$$\text{Actual amount of loans facilitated} \geq \text{PHP } 122.5\text{M} \times 100$$

$$(\text{Target amount} - \text{PHP } 121.5\text{M}) \div 8\%$$

**What data is required in calculating the measure? Where/how is it acquired?** (specify document or person)

EC loan availment

**Is information about the measure available?**

- Currently available
- Available with minor changes
- Still to be formulated

**When will this information be available?**

**Who is responsible for setting targets?**

AMGD

**Who is accountable for targets?**

AMGD

**Who is responsible for tracking and reporting targets? AMGD/CPO**

## BASELINE

2017	2018	2019*
2.255	1.984	0.395

\* As of First Semester of 2019

## TARGETS

2020	2021	2022
0.245	To be determined	To be determined

*2019*

# NATIONAL ELECTRIFICATION ADMINISTRATION

**What is the objective?** To sustain the organization's viability and ensure accountability and transparency

**What is the measure?** Percentage of ECs under Category B, C, and D provided with loans (SM 8)  
**What is the reason behind choosing this measure?** RA 10531 requires for NEA to assist ECs even those who are financially challenged, to be able to continue with their commitment of delivering efficient and reliable electric service even in missionary or economically unviable areas. With this, NEA commits to also provide loans to ECs under Category B, C, and D.

**How often is the measure updated/calculated?**

Quarterly  
**What is the unit of measure used?**  
 Percentage

**How is the measure calculated? Clarify the terms in the formula**

Category B, C, and D ECs provided with loans  
 Total number of B, C, and D ECs

**What data is required in calculating the measure? Where/how is it acquired?** (specify document or person)

Status of EC Loan Repayments

**Is information about the measure available?**

- Currently available
- Available with minor changes
- Still to be formulated

**When will this information be available?**

**Who is responsible for setting targets?**

AMGD

**Who is accountable for targets?**

AMGD

**Who is responsible for tracking and reporting targets? AMGD/CPO**

## BASELINE

2017	2018	2019*
---	59% (12 out of 22 ECs)	35% (7 out of 20 ECs)

\* As of First Semester of 2019

## TARGETS

2020	2021	2022
Report of actual accomplishments	To be determined	To be determined

*St. Cayetano*

# NATIONAL ELECTRIFICATION ADMINISTRATION

**What is the objective?** To sustain the organization's viability and ensure accountability and transparency

**What is the measure?** High collection efficiency maintained (SM 9)

**What is the reason behind choosing this measure?** NEA collection efficiency refers to collection on amortizations due for the period, divided by total amortization due for the same period. For 2020, NEA's target is 96% collection efficiency due to consistent non-payment of some critically challenged ECs.

**How often is the measure updated/calculated?**

Quarterly

**What is the unit of measure used?**

Percentage

**How is the measure calculated? Clarify the terms in the formula**

- Σ Total collections - advanced payments (due for succeeding year)
- Σ Amortization due for the year

**What data is required in calculating the measure? Where/how is it acquired?** (specify document or person)

Status of EC Loan Repayments

**Is information about the measure available?**

- Currently available
- Available with minor changes
- Still to be formulated

**When will this information be available?**  
3<sup>rd</sup> week after the end of the quarter

**Who is responsible for setting targets?**

FSD

**Who is accountable for targets?**

FSD

**Who is responsible for tracking and reporting targets? FSD/CPO**

## BASELINE

2017	2018	2019*
100	100	100

\* As of First Semester of 2019

## TARGETS

2020	2021	2022
96%	To be determined	To be determined

*do*

# NATIONAL ELECTRIFICATION ADMINISTRATION

**What is the objective?** To upgrade organizational infrastructures  
**What is the measure?** Percentage of sitio electrification projects funded that are fully compliant with NEA standards and specifications (SM 10)  
**What is the reason behind choosing this measure?** NEA assures its stakeholders that electrification projects are constructed according to the Philippine Distribution Code and issued set of standards and specifications that the ECs must comply with. It is expected that 80% of all sitio projects implemented as of end September of each planning year are certified to be compliant. This will provide enough time for the ECs to prepare all the necessary requirements before project close-outs.

**How often is the measure updated/calculated?**  
Quarterly  
**What is the unit of measure used?**  
Percentage

**How is the measure calculated? Clarify the terms in the formula**

$$\frac{\text{Total compliant projects}}{\text{Total funded projects}}$$

**What data is required in calculating the measure? Where/how is it acquired?** (specify document or person)  
Certificate of Final Inspection and Acceptance

**Is information about the measure available?**

- Currently available
- Available with minor changes
- Still to be formulated

**When will this information be available?**

**Who is responsible for setting targets?**

TEREDD

**Who is accountable for targets?**

TEREDD

**Who is responsible for tracking and reporting targets? TEREDD/CPO**

## BASELINE

2017	2018	2019
60.15	70.88	-

## TARGETS

2020	2021	2022
80	80	80

# NATIONAL ELECTRIFICATION ADMINISTRATION

**What is the objective?** To upgrade organizational infrastructures

**What is the measure?** Percentage of sitios completed and energized within 180 calendar days from release of funds to ECs (SM 11)

**What is the reason behind choosing this measure?** It is set that for each planning year, 80% of the targeted sitios should be completed and energized within 180 calendar days from the release of subsidy funds to the ECs. This will ensure that service delivery to the intended beneficiaries of the program will be facilitated.

**How often is the measure updated/calculated?**

Quarterly

**What is the unit of measure used?**

Percentage

**How is the measure calculated? Clarify the terms in the formula**

Actual percentage of sitios completed and energized within 180 calendar days from release of funds to ECs  
[Target rate]

**What data is required in calculating the measure? Where/how is it acquired? (specify document or person)**

Certificate of Final Inspection and Acceptance

**Is information about the measure available?**

- Currently available
- Available with minor changes
- Still to be formulated

**When will this information be available?**

**Who is responsible for setting targets?**

TEREDD

**Who is accountable for targets?**

TEREDD

**Who is responsible for tracking and reporting targets? TEREDD/CPO**

## BASELINE

2017	2018	2019*
89.28	87.67	84.43

\* As of First Semester of 2019

## TARGETS

2020	2021	2022
80	80	80

*Dr. Goyen*

# NATIONAL ELECTRIFICATION ADMINISTRATION

**What is the objective?** To upgrade organizational infrastructures

**What is the measure?** Percentage of regular-term loans released within 24 days (SM 12)

**What is the reason behind choosing this measure?** One hundred percent release of regular-term loans to ECs is pegged to be released on an average of 24 days. This target is reflective of NEA's goal of providing timely service to its clientele.

**How often is the measure updated/calculated?**

Quarterly

**What is the unit of measure used?**

Percentage

**How is the measure calculated? Clarify the terms in the formula**

Loans released within the prescribed period  
Total loan applications with complete documentations

**What data is required in calculating the measure? Where/how is it acquired? (specify document or person)**

EC loan availment

**Is information about the measure available?**

Currently available

Available with minor changes

Still to be formulated

**When will this information be available?**

**Who is responsible for setting targets?**

AMGD

**Who is accountable for targets?**

AMGD

**Who is responsible for tracking and reporting targets? AMGD/CPO**

## BASELINE

2017	2018	2019*
100	100	100

\* As of First Semester of 2019

## TARGETS

2020	2021	2022
100	100	100

*2/2/20*

# NATIONAL ELECTRIFICATION ADMINISTRATION

**What is the objective?** To enhance human resources, knowledge, skills and behavioral competencies  
**What is the measure?** Compliance to Quality Standards (SM 13)  
**What is the reason behind choosing this measure?** To comply with Executive Order No. 605 s. 2007, "Institutionalizing the Structure, Mechanisms and Standards to Implement the Government Quality Management Program, amending for the purpose Administrative Order No. 161, s. 2006," and GCG's good governance conditions. NEA continuously implements and improves the relevant ISO management systems and standards to institutionalize a culture of quality and integrity and governance. By Yearend, NEA commits to pass the Re-certification Audit by the certifying body.

**How often is the measure updated/calculated?**  
Annually  
**What is the unit of measure used?**  
Certification

**How is the measure calculated? Clarify the terms in the formula**

Actual Accomplishment

**What data is required in calculating the measure? Where/how is it acquired?** (specify document or person)

QMS ISO certification by any international certification body (ICB) accredited by an International Accreditation Forum (IAF)

**Is information about the measure available?**

- Currently available
- Available with minor changes
- Still to be formulated

**When will this information be available?**

**Who is responsible for setting targets?**

QMR/CPO

**Who is accountable for targets?**

QMR/CPO

**Who is responsible for tracking and reporting targets? QMR/CPO**

## BASELINE

2017	2018	2019
Recertification passed	Surveillance Audit passed	-

## TARGETS

2020	2021	2022
Recertification passed	Surveillance Audit passed	Surveillance Audit passed

*20 Gajon*



# NATIONAL ELECTRIFICATION ADMINISTRATION

**What is the objective?** To enhance human resources, knowledge, skills and behavioral competencies  
**What is the measure?** Percentage of employees with required competencies met (SM 14)  
**What is the reason behind choosing this measure?** In 2016, NEA had developed its Board-approved Competency Framework. The Competency Framework or Model is a written description of the competencies required for successful or exemplary performance in a job category, work team, work setting, profession, organization or industry. It is the output of analyses conducted to differentiate high performers from average and low-performers. As the next step, NEA established a baseline of the competencies of its employees using this framework. In 2020, NEA targets to have an increase in the competency level of its employees compared to the previous year.

**How often is the measure updated/calculated?**  
Annually  
**What is the unit of measure used?**  
percentage

**How is the measure calculated? Clarify the terms in the formula**

Total number of employees with required competencies met  
 Total number of employees

**What data is required in calculating the measure? Where/how is it acquired?** (specify document or person)

- Baseline Data is required
- Number of employees with acquired competency met
- Total number of employees

**Is information about the measure available?**

- Currently available
- Available with minor changes
- Still to be formulated

**When will this information be available?**

**Who is responsible for setting targets?**

HRAD  
 Who is accountable for targets?  
 HRAD  
 Who is responsible for tracking and reporting targets?  
 HRAD/CPO

## BASELINE

2017	2018	2019
36.40	66.20	-

## TARGETS

2020	2021	2022
Increase from 2019 Baseline	Increase from 2020 Baseline	Increase from 2021 Baseline

*20. Carvajal*

**NATIONAL ELECTRIFICATION ADMINISTRATION (NEA)**  
**Briefer on the Rationale of CY 2020 Targets**

For fifty years, NEA has undertaken the task of improving the socio-economic welfare of the people in the countryside through the Rural Electrification Program (REP). As such, it provided legal, institutional, financial and technical (LIFT) assistances to 121 electric cooperatives (ECs) which in turn distribute power on an area coverage basis. As of June 30, 2019, NEA has enabled the ECs to energize 100% of municipalities and cities, 99% of the barangays and 85% of the potential consumer connections. At present, it is now in the level of energization for sitios and households.

In its efforts to institute good governance, the agency adopted the Performance Governance System (PGS) in 2007, a local version of the Kaplan-Norton Balanced Scorecard (BSC), which is also the model being used by the Governance Commission for GOCCs (GCG). The agency's Performance Scorecard translates the Strategic Objectives in the Strategy Map into critical success indicators that will measure progress and guide the decision making of NEA towards its vision.

**A. SOCIAL IMPACT PERSPECTIVE**

**Objective 1: To empower member-consumers as responsible owners of the Electric Cooperatives**

To encourage consumers participation in order to promote united and concerted action for the attainment of nationwide cooperatives' development goals, a measurement to gauge empowerment shall be developed for the MCOs' engagement, involvement and participation in decision-making, during district elections and general assembly meetings in their respective ECs which improves responsible citizenship and induces social mobility at the grassroots level. This shall be done on a department level.

**B. STAKEHOLDERS PERSPECTIVE**

**Objective 2: To ensure that the Electric Cooperatives provide accessible, adequate, quality and reliable service**

**Strategic Measure 1: Number of completed and energized sitio projects**

With the ECs as its implementing arm in the mandated mission of rural electrification, even in missionary or economically unviable areas, the NEA continues to implement the Sitio Electrification Program (SEP). For 2020, NEA commits to extend electric service to 775 sitios, based on the recommended

*D. Cayul*

budget level of P1.162 B (P1.5 M/sitio) for NEA by the Department of Budget and Management (DBM).

**Strategic Measure 2: Number of consumers connected**

In support of President Rodrigo R. Duterte's 5-point Electricity Agenda and the Department of Energy's 9-point Energy Agenda, NEA commits to connect 460,000 consumers as a result of its electrification programs.

**Objective 3: To generate peak performance among Electric Cooperatives to ensure competitiveness**

**Strategic Measure 3 – Number of EC officials and employees graduated from certification/competency programs**

NEA will continue to be a learning institution as it mandates that all of the EC employees have completed certification/competency programs for the year. Some 2,200 EC graduates of these skill-building programs are expected in 2020.

**Strategic Measure 4 – Percentage of ECs adopting the Balanced Scorecard Model**

NEA has reaped the benefits it gained from adopting the Performance Governance System using the BSC Model. To cascade to the ECs the importance of using the BSC in monitoring their performance, NEA commits that 99% or 120 ECs shall adopt the BSC.

**Strategic Measure 5 – Improved EC Overall Performance Rating from "B" and "C" to at least "A" Rating**

NEA assesses yearly the level of EC performance based on sets of operational standards and parameters duly approved by the NEA Board of Administrators.

To further determine the credit worthiness, level of development, protection, empowerment and satisfaction of member-consumer-owners and also promote accountability and responsibility in ECs' compliances and fiduciary obligations, NEA has enhanced the performance assessment criteria. For performance year 2019, the baseline shall be established based on the improved criteria to determine the level of improvement of the "B" and "C" ECs.

*J. Cayanan*

**Objective 4: To enhance networking to gain support for program implementation**

**Strategic Measure 6 – Percentage of Satisfied Customers**

To ensure enhancement of NEA's delivery of services and to secure stakeholders' requirements, the Customer Satisfaction Survey is established as one of its main performance indicators. Monitoring and measuring customer satisfaction is also one of the key elements under the ISO 9001 standard. NEA targets to achieve a 90% Satisfactory Rating.

**C. FINANCIAL PERSPECTIVE**

**Objective 5: To sustain the organization's viability and ensure accountability and transparency**

**Strategic Measure 7 – Amount of loans facilitated (PHP Million)**

In order to continually support the ECs' financial requirements and ensure sustainability and financial viability, NEA commits to lend PHP 245 million. The target was reduced compared to P450 Million for 2019 due to the payment of NEA to the Department of Finance of its debt-service obligations and DOF-approved conversion of National Government (NG) advances in the amount of P1.826 Billion.

**Strategic Measure 8 – Percentage of ECs under Category B, C, and D provided with loans**

RA 10531 requires for NEA to assist ECs even those who are financially challenged, to be able to continue with their commitment of delivering efficient and reliable electric service even in missionary or economically unviable areas. With this, NEA commits to also provide loans to ECs under Category B, C, and D.

**Strategic Measure 9 – High collection efficiency maintained**

NEA collection efficiency refers to collection on amortizations due for the period, divided by total amortization due for the same period. For 2020, NEA's target is 96% collection efficiency due to consistent non-payment of some critically challenged ECs.

*Signature*

## **D. INTERNAL PROCESS PERSPECTIVE**

### **Objective 6: To upgrade organizational infrastructures**

#### **Strategic Measure 10 – Percentage of sitio electrification projects funded that are fully compliant with NEA standards and specifications**

NEA assures its stakeholders that electrification projects are constructed according to the Philippine Distribution Code and issued set of standards and specifications that the ECs must comply with. It is expected that 80% of all sitio projects implemented as of end September of each planning year are certified to be compliant. This will provide enough time for the ECs to prepare all the necessary requirements before project close-outs.

#### **Strategic Measure 11 – Percentage of sitios completed and energized within 180 calendar days from release of funds to ECs**

It is set that for each planning year, 80% of the targeted sitios should be completed and energized within 180 calendar days from the release of subsidy funds to the ECs. This will ensure that service delivery to the intended beneficiaries of the program will be facilitated.

#### **Strategic Measure 12 – Percentage of regular-term loans released within 24 days**

One hundred percent release of regular-term loans to ECs is pegged to be released on an average of 24 days. This target is reflective of NEA's goal of providing timely service to its clientele.

Short-term and calamity loans were not targeted this year due to limited funds for relending. In addition, funding of damaged distribution systems due to calamity will be sourced from subsidy.

*D. Aguirre*

## **E. LEARNING AND GROWTH PERSPECTIVE**

**Objective 7: To enhance human resources' knowledge, skills and behavioral competencies**

### **Strategic Measure 13 – Compliance to Quality Standards**

To comply with Executive Order No. 605 s. 2007, "Institutionalizing the Structure, Mechanisms and Standards to Implement the Government Quality Management Program, amending for the purpose Administrative Order No. 161, s. 2006," and GCG's good governance conditions, NEA continuously implements and improves the relevant ISO management systems and standards to institutionalize a culture of quality and integrity and governance. By yearend, NEA commits to pass the Re-certification Audit by the certifying body.

### **Strategic Measure 14 – Percentage of employees with required competencies met**

In 2016, NEA had developed its Board-approved Competency Framework. The Competency Framework or Model is a written description of the competencies required for successful or exemplary performance in a job category, work team, work setting, profession, organization or industry. It is the output of analyses conducted to differentiate high performers from average and low-performers. As the next step, NEA established a baseline of the competencies of its employees using this framework. In 2020, NEA targets to have an increase in the competency level of its employees compared to the previous year.

*D. Cruz*



**NATIONAL ELECTRIFICATION ADMINISTRATION**  
 "The 1<sup>st</sup> Performance Governance System-Institutionalized National Government Agency"  
 57 NIA Road, Government Center, Diliman, Quezon City 1100



Management System  
 ISO 9001:2015  
 www.tuv.com  
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July 29, 2019

**ATTY. JANET B. ABUEL**

OIC-Secretary  
 Department of Budget and Management  
 General Solano St.  
 Malacañang, Manila

Dear **OIC Abuel**:

In compliance with your requirements for inclusion in the Budget of Expenditures and Sources of Financing (BESF) tables, we submit the following revised forms:

1. Corporate Objectives, Priorities and Measures (DBM Form No. 700);
2. Statement of Financial Position (DBM Form No. 702);
3. Statement of Financial Performance (DBM Form No. 703);
4. Statement of Cash Flows (DBM Form Nos. 704);
5. Uses of Funds by Expense Class (DBM Form No. 706); and
6. Narrative presentation of the FY 2020 NEA COB.

The adjusted forms are consistent with the DBM recommended level of PhP14,147,006,000.00 broken down as follows:

PARTICULARS	Amount (PhP'000)
Rural Electrification Projects	1,776,263
Conversion of NG Advances into Subsidy	10,869,482
In-house Expenditures	623,654
Debt Servicing	877,607
<b>TOTAL</b>	<b>14,147,006 *</b>

\* net of non-cash item: PhP23.39 million depreciation expenses

We hope these meet your requirements. Thank you.

Very truly yours,

**EDGARDO R. MASONGSONG**  
 Administrator

NATIONAL ELECTRIFICATION  
 ADMINISTRATION  
 Office of the Administrator



NEA-OA261750

7-30-19

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"Energizing the Countryside. Electrifying the Future"

*DBM Recommended Level*  
*FY 2020*



Republic of the Philippines  
**NATIONAL ELECTRIFICATION ADMINISTRATION**  
*The 1<sup>st</sup> Performance Governance System – Institutionalized National Government Agency*

## **NARRATIVE PRESENTATION OF NEA'S CORPORATE OPERATING BUDGET FOR THE YEAR 2020**

The total Corporate Operating Budget (COB) of NEA for FY 2020 amounts to **PhP14,147.01 million**, broken down as follows:

**1. Rural Electrification Projects- PhP1,776.26 million or 13%**

The amount of PhP1,531.26 million subsidy from the National Government (NG) will finance the energization of 775 sitios, electrification of LGUs/NGOs Resettlement Sites, Phil. Cost Counterpart on JICA Donation for ARMM ECs and emergency resiliency fund for ECs.

The Internally Generated Fund (IGF) of PhP245.00 million will be made available to ECs to finance the following:

- a.) Capital expenditure projects; and
- b.) Working capital requirements.

**2. Conversion of NG Advances into Subsidy- PhP10,869.48 Million or 77%**

DOF approved the conversion into subsidy of PhP14,915.57 million NG Advances on NEA's foreign loans, PhP8,100.00 million of which is for principal portion and PhP6,815.57 million for interest.

The PhP14,915.57 million conversion is included in the FY 2019 COB of NEA, however, only the amount of PhP4,046.09 million, as computed by the DBM, will be funded in the FY 2019 Unprogrammed Appropriation. The remaining PhP10,869.48 million was recommended by the DBM for FY 2020 NEA COB.

**3. Payment of NG Advances not recommended for Conversion by the DOF- PhP877.61 million or 6%**

NEA will pay the balance not recommended for conversion amounting to PhP3,246.64 million in 4 years plus corresponding interest. Total obligation for 2020 is PhP877.61 million which comprises of PhP811.66 million principal and interest of PhP65.95 million.

**4. In-house Expenditures- PhP623.66 million or 4%**

This account includes personnel services cost, maintenance and other operating expenses, acquisition of airconditioning units, cost to complete the installation of elevator, technical/ engineering equipment and motor vehicles, health and wellness program, payment of corporate income tax and remittance of dividend to the national government. These will be funded out of NEA's corporate funds.





January 24, 2020

**MEMORANDUM**

**FOR : BOARD OF ADMINISTRATORS**

**SUBJECT : Request for Approval of the 2019 Performance Scorecard Accomplishment Report and its Submission to the Governance Commission for GOCCs (GCG)**

---

Management respectfully requests for the Board Committee's approval and endorsement to the Board of Administrators the attached 2019 Performance Scorecard Accomplishment Report, and its subsequent submission to GCG.

This is pursuant to GCG Memorandum Circular No. 2017-02 which indicates that the performance of a GOCC shall be evaluated based on a Performance Scorecard duly adopted by its Governing Board and approved by the Commission. The achievement of organizational targets based on the Performance Scorecard shall serve as the basis for the following:

1. Determining the grant of Performance-Based Bonus (PBB) and Performance-Based Incentive (PBI);
2. Determining whether Appointive Directors are eligible for reappointment; and
3. Ascertain whether a GOCC should be reorganized, merged, streamlined, abolished or privatized.

Accordingly, GCG Memorandum Circular No. 2019-02 provides that in order for a GOCC to be eligible to grant PBB, it must achieve a weighted average score of **at least 90%** in its Performance Scorecard, among others.

Management is pleased to report that upon assessment, subject to validation by the GCG, NEA was able to meet **one hundred percent (100%)** of its targets as contained in the 2019 Performance Scorecard.

Thank you.

  
**ATTY. MAY FLOR C. ABUEDO**  
Corporate Board Secretary



Referendum No. 1 series of 2020

**REFERENDUM ON THE APPROVAL OF THE 2019 PERFORMANCE SCORECARD ACCOMPLISHMENT REPORT AND ITS SUBMISSION TO THE GOVERNANCE COMMISSION FOR GOCCs (OCG)**

	APPROVED	DISAPPROVED	DATE SIGNED
HON. ALFONSO G. CUSI, Chairman or HON. EMMANUEL P. JUANEZA, Alternate to the Chairman			12 FEB '20
HON. AGUSTIN L. MADDATU			1/28/2020
HON. ALIPIO CIRILO V. BADELLES			
HON. EDGARDO R. MASONGSONG			
HON. RENE M. GONZALES			
<u>COMMENTS, IF ANY:</u>			
HON. ALFONSO G. CUSI, Chairman or HON. EMMANUEL P. JUANEZA, Alternate to the Chairman			
HON. AGUSTIN L. MADDATU			
HON. ALIPIO CIRILO V. BADELLES			
HON. EDGARDO R. MASONGSONG			
HON. RENE M. GONZALES			



## CERTIFICATION

This is to certify that the NEA Board of Administrators, in its referendum conducted on 27 January 2020, passed the following resolution subject to confirmation in its next regular meeting:

### RESOLUTION NO. 21

WHEREAS, the Board Governance Nomination and Remuneration Committee (BGNRC) in its memorandum to the Board of Administrators dated 24 January 2020 is requesting for the approval of the 2019 Performance Scorecard Accomplishment Report and its Submission to the Governance Commission for GOCCs (GCG);

WHEREAS, the Management respectfully requests for the Board Committee's approval and endorsement to the Board of Administrators the attached 2019 Performance Scorecard Accomplishment Report, and its subsequent submission to GCG;

WHEREAS, this is pursuant to GCG Memorandum Circular No. 2017-02 which indicates that the performance of a GOCC shall be evaluated based on a Performance Scorecard duly adopted by its Governing Board and approved by the Commission. The achievement of organizational targets based on the Performance Scorecard shall serve as the basis for the following:

1. Determining the grant of Performance-Based Bonus (PBB) and Performance-Based Incentive (PBI);
2. Determining whether Appointive Directors are eligible for reappointment; and
3. Ascertain whether a GOCC should be reorganized, merged, streamlined, abolished or privatized.

WHEREAS, accordingly, GCG Memorandum Circular No. 2019-02 provides that in order for a GOCC to be eligible to grant PBB, it must achieve a weighted average score of at least 90% in its Performance Scorecard, among others;

WHEREAS, the Management is pleased to report that upon assessment, subject to validation by the GCG, NEA was able to meet one hundred percent (100%) of its targets as contained in the 2019 Performance Scorecard;

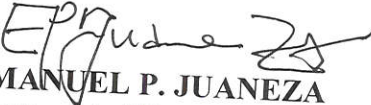
WHEREAS, the Board agreed to approved the request through referendum;



NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, based on the foregoing and pursuant to authority of the Board under Sections 4 and 7 of Presidential Decree No. 269, as amended; and, Republic Act No. 10531, to approve, as it is hereby approved, the 2019 Performance Scorecard Accomplishment Report and its Submission to the Governance Commission for GOCCs (GCG).

Issued this 27<sup>th</sup> day of January 2020 at Quezon City, Philippines.


**ALFONSO G. CUSI**  
Secretary of Department of Energy and Chairman

  
**EMMANUEL P. JUANEZA**  
Undersecretary of Department of Energy and Alternate Chairman

  
**AGUSTIN L. MADDATU**  
Member

  
**RENE M. GONZALES**  
Member

**ATTY. ALIPIO CIRILO V. BADELLES**  
Member

  
**EDGARDO R. MASONGSONG**  
Member and Administrator

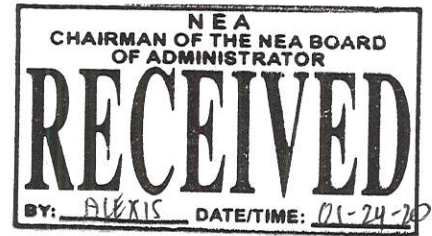


January 24, 2020

**MEMORANDUM**

**TO :** **ATTY. MAY FLOR C. ABUEDO**  
**Corporate Board Secretary**

**SUBJECT :** **Request for Referendum on the Approval of the 2019 Performance Scorecard Accomplishment Report and its Submission to the Governance Commission for GOCCs (GCG)**



GCG Memorandum Circular No. 2017-02 or the "Interim Performance Evaluation System (PES) for the GOCC Sector" prescribes the preparation of quarterly monitoring reports which details the progress in accomplishing NEA's performance targets for the year. Updated monitoring reports should be submitted to the GCG within thirty (30) calendar days from the close of each quarter as well as uploaded in the NEA website.

The necessary supporting documents were completed on January 16, 2020 and as such was not able to meet the January 7, 2020 deadline set by the Office of Corporate Secretary to submit Board agenda materials.

May we therefore request for Board Referendum on the approval of the 2019 Performance Scorecard Accomplishment Report and its Submission to the GCG.

Thank you.

*Francisco A. Caymo*  
**FRANCISCO A. CAYMO**

Department Manager, Corporate Planning Office





January 24, 2020

**MEMORANDUM**

**FOR :** BOARD GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE

**SUBJECT :** Request for Approval of the 2019 Performance Scorecard Accomplishment Report and its Submission to the Governance Commission for GOCCs (GCG)

Management respectfully requests for the Board Committee's approval and endorsement to the Board of Administrators the attached 2019 Performance Scorecard Accomplishment Report, and its subsequent submission to GCG.

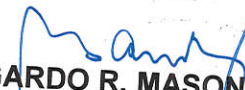
This is pursuant to GCG Memorandum Circular No. 2017-02 which indicates that the performance of a GOCC shall be evaluated based on a Performance Scorecard duly adopted by its Governing Board and approved by the Commission. The achievement of organizational targets based on the Performance Scorecard shall serve as the basis for the following:

1. Determining the grant of Performance-Based Bonus (PBB) and Performance-Based Incentive (PBI);
2. Determining whether Appointive Directors are eligible for reappointment; and
3. Ascertain whether a GOCC should be reorganized, merged, streamlined, abolished or privatized.

Accordingly, GCG Memorandum Circular No. 2019-02 provides that in order for a GOCC to be eligible to grant PBB, it must achieve a weighted average score of **at least 90%** in its Performance Scorecard, among others.

Management is pleased to report that upon assessment, subject to validation by the GCG, NEA was able to meet **one hundred percent (100%)** of its targets as contained in the 2019 Performance Scorecard.

Thank you.

  
**EDGARDO R. MASONGSONG**  
Administrator

NATIONAL ELECTRIFICATION  
ADMINISTRATION  
Office of the Administrator



NEA-OA26 4347

1/24/20



NATIONAL ELECTRIFICATION ADMINISTRATION

Strategic Objectives (SO)/Strategic Measure (SM)	Component			Annual Target	Actual	Weighted Rating	
	Formula	Weight	Rating System				
<b>To empower member-consumers as responsible owners of the Electric Cooperatives</b>							
SO 1							
SO 2	<b>To ensure that the Electric Cooperatives provide accessible, adequate, quality, and reliable service</b>						
SM 1	Number of completed/energized sitio projects	Total actual completed and energized sitio projects	20.00%	Actual/Target	962	1,085	20%
SM 2	Number of consumers connected	Total actual consumers connected	10.00%	Actual/Target	460,000	520,363 *	10%
		<b>Sub-total</b>	<b>30.00%</b>				
<b>SO 3: To generate peak performance among Electric Cooperatives to ensure competitiveness</b>							
SM 3	Number of EC officials and employees graduated from certification/competency programs	Absolute Number	5.00%	Actual/Target	2,200	3,057	5%
SM 4	Percentage of ECs adopting the Balanced Scorecard Model	ECs adopting performance scorecard Total number of ECs	0.00%	-	91% (110 ECs)	95% (115 ECs)	-
SM 5	Improved EC Overall Performance Rating from "B" or "C" to at least "A" Rating	Number of improved ECs Total number of ECs under "B" and "C"	0.00%	-	NEA Board approved Criteria and Parameters in Assessing EC Overall Performance	NEA Board approved Criteria and Parameters in Assessing EC Overall Performance	-
<b>SO 4: To enhance networking to gain support for program implementation</b>							
SM 6	Percentage of Satisfied Customers	Number of satisfied respondents Total number of respondents	5.00%	Actual/Target (0% = If less than 80%)	90%	99%	5%
		<b>Sub-total</b>	<b>40.00%</b>				
<b>SO 5: To sustain the organization's viability and ensure accountability and transparency</b>							
SM 7	Amount of loans facilitated (PHP Million)	Actual amount of loans facilitated $\geq$ PHP 225M (Target amount - PHP 224 M) $\div$ 8% $\times$ 100%	8.00%	Actual/Target	450	705.02	8%
SM 8	Percentage of ECs under Category B, C, and D provided with loans	Category B, C, and D ECs provided with loans Total number of B, C, and D ECs	0.00%	-	Report of Actual Accomplishments	65% (13 out of 20 Rated B, C and D ECs)	-
SM 9	High collection efficiency maintained (%)	$\Sigma$ Total collections - advanced payments (due for succeeding year) $\Sigma$ Amortization due for the year	7.00%	Actual/Target	100%	100.00%	7%
		<b>Sub-total</b>	<b>15.00%</b>				
<b>Financial</b>							

\* Additional new connections from January 01, 2019 to November 30, 2019

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Strategic Objectives (SO)/Strategic Measure (SM)		Component		Weight	Rating System	Annual Target	Actual	Weighted Rating								
Formula	Formula															
<b>SO 6 To upgrade organizational infrastructures</b>																
SM 10	Percentage of sitio electrification projects funded that are fully compliant with NEA standards and specifications	Total compliant projects Total funded projects	Actual/Target	7.00%	Actual/Target	80% of projects done as of end Sept. 2019	86.89%	7%								
SM 11	Percentage of sitios completed and energized within 180 calendar days from release of funds to ECs	Actual percentage of sitios completed and energized within 180 calendar days from release of funds to ECs [Target rate]	Actual/Target	7.00%	Actual/Target	80%	82.12%	7%								
SM 12	Percentage of regular loans released within prescribed processing periods:															
SM 12a	Regular-Term Loans (within 24 days)	Loans released within period Total complete loan applications with complete documentations	Actual/Target	7.00%	Actual/Target	100%	100%	7%								
SM 12b	Short-Term Loans (within 13 days)	Loans released within period Total complete loan applications with complete documentations	Actual/Target	7.00%	Actual/Target	100%	100%	7%								
SM 13	Percentage of calamity loans released within 7 days	Loans released within period Total complete loan applications with complete documentations	Actual/Target	7.00%	Actual/Target	85%	100%	7%								
				<b>Sub-total</b>	<b>35.00%</b>											
<b>SO 7 To enhance human resources' knowledge, skills and behavioral competencies</b>																
SM 14	Compliance to Quality Standards	Actual accomplishment	All or Nothing	5.00%	All or Nothing	Surveillance Audit Passed	Surveillance Audit Passed	5%								
SM 15	Percentage of employees with required competencies met	Total number of employees with required competencies met Total number of employees	All or Nothing	5.00%	All or Nothing	Increase from 2018 Competency Level	<table border="1"> <tr> <td>Year</td> <td>Competency Level</td> </tr> <tr> <td>2018</td> <td>66.20%</td> </tr> <tr> <td>2019</td> <td>67.49%</td> </tr> <tr> <td colspan="2">Increase/Decrease: 1.29%</td> </tr> </table>	Year	Competency Level	2018	66.20%	2019	67.49%	Increase/Decrease: 1.29%		5%
Year	Competency Level															
2018	66.20%															
2019	67.49%															
Increase/Decrease: 1.29%																
				<b>Sub-total</b>	<b>10.00%</b>											
				<b>TOTAL</b>	<b>100%</b>											
				<b>Total Weighted Rating:</b>		<b>100%</b>										

Certified Correct:  
*Francisco A. Caymo*  
**FRANCISCO A. CAYMO**  
Department Manager, Corporate Planning Office

Approved by:  
*Edgardo R. Masongsong*  
**EDGARDO R. MASONGSONG**  
Administrator

*Milagros A. Robles*  
**MILAGROS A. ROBLES**  
Acting Department Manager, Finance Services Department



NATIONAL ELECTRIFICATION ADMINISTRATION

Impact	Component				Annual Target	Actual	Weighted Rating	
	Strategic Objectives (SO)/Strategic Measure (SM)	Formula	Weight	Rating System				
Social	SO 1	To empower member-consumers as responsible owners of the Electric Cooperatives						
	SO 2	To ensure that the Electric Cooperatives provide accessible, adequate, quality, and reliable service						
Stakeholders	SM 1	Number of completed/energized sitio projects	Total actual completed and energized sitio projects	20.00%	Actual/Target	962	1,085	20%
	SM 2	Number of consumers connected	Total actual consumers connected	10.00%	Actual/Target	460,000	520,363 *	10%
			<b>Sub-total</b>	<b>30.00%</b>				
	SO 3	To generate peak performance among Electric Cooperatives to ensure competitiveness						
	SM 3	Number of EC officials and employees graduated from certification/competency programs	Absolute Number	5.00%	Actual/Target	2,200	3,057	5%
	SM 4	Percentage of ECs adopting the Balanced Scorecard Model	ECs adopting performance scorecard Total number of ECs	0.00%	-	91% (110 ECs)	95% (115 ECs)	-
	SM 5	Improved EC Overall Performance Rating from "B" or "C" to at least "A" Rating	Number of improved ECs Total number of ECs under "B" and "C"	0.00%	-	NEA Board approved Criteria and Parameters in Assessing EC Overall Performance	NEA Board approved Criteria and Parameters in Assessing EC Overall Performance	-
	SO 4	To enhance networking to gain support for program implementation						
Financial	SM 6	Percentage of Satisfied Customers	Number of satisfied respondents Total number of respondents	5.00%	Actual/Target (0% = If less than 80%)	90%	99%	5%
			<b>Sub-total</b>	<b>40.00%</b>				
	SO 5	To sustain the organization's viability and ensure accountability and transparency						
	SM 7	Amount of loans facilitated (PHP Million)	Actual amount of loans facilitated $\geq$ PHP 225M (Target amount - PHP 224 M) $\div$ 8% X 100%	8.00%	Actual/Target	450	705.02	8%
	SM 8	Percentage of ECs under Category B, C, and D provided with loans	Category B, C, and D ECs provided with loans Total number of B, C, and D ECs	0.00%	-	Report of Actual Accomplishments	65% (13 out of 20 Rated B, C and D ECs)	-
	SM 9	High collection efficiency maintained (%)	$\Sigma$ Total collections - advanced payments (due for succeeding year) $\Sigma$ Amortization due for the year	7.00%	Actual/Target	100%	100.00%	7%
			<b>Sub-total</b>	<b>15.00%</b>				

\* Additional new connections from January 01, 2019 to November 30, 2019

23

Component							Annual Target	Actual	Weighted Rating						
Strategic Objectives (SO)/Strategic Measure (SM)	Formula	Weight	Rating System	Actual/Target	Actual/Target	Actual/Target									
<b>SO 6 To upgrade organizational infrastructures</b>															
<b>SM 10</b>	Percentage of sitio electrification projects funded that are fully compliant with NEA standards and specifications	$\frac{\text{Total compliant projects}}{\text{Total funded projects}}$	7.00%	Actual/Target	80% of projects done as of end Sept. 2019	86.89%	7%								
<b>SM 11</b>	Percentage of sitios completed and energized within 180 calendar days from release of funds to ECs	Actual percentage of sitios completed and energized within 180 calendar days from release of funds to ECs [Target rate]	7.00%	Actual/Target	80%	82.12%	7%								
<b>SM 12</b>	Percentage of regular loans released within prescribed processing periods:														
<b>SM 12a</b>	Regular-Term Loans (within 24 days)	$\frac{\text{Loans released within period}}{\text{Total complete loan applications with complete documentations}}$	7.00%	Actual/Target	100%	100%	7%								
<b>SM 12b</b>	Short-Term Loans (within 13 days)	$\frac{\text{Loans released within period}}{\text{Total complete loan applications with complete documentations}}$	7.00%	Actual/Target	100%	100%	7%								
<b>SM 13</b>	Percentage of calamity loans released within 7 days	$\frac{\text{Loans released within period}}{\text{Total complete loan applications with complete documentations}}$	7.00%	Actual/Target	85%	100%	7%								
			<b>Sub-total</b>												
<b>SO 7 To enhance human resources' knowledge, skills and behavioral competencies</b>															
<b>SM 14</b>	Compliance to Quality Standards	Actual accomplishment	5.00%	All or Nothing	Surveillance Audit Passed	Surveillance Audit Passed	5%								
<b>SM 15</b>	Percentage of employees with required competencies met	$\frac{\text{Total number of employees with required competencies met}}{\text{Total number of employees}}$	5.00%	All or Nothing	Increase from 2018 Competency Level	<table border="1"> <tr> <td>Year</td> <td>Competency Level</td> </tr> <tr> <td>2018</td> <td>66.20%</td> </tr> <tr> <td>2019</td> <td>67.49%</td> </tr> <tr> <td colspan="2">Increase/Decrease: 1.29%</td> </tr> </table>	Year	Competency Level	2018	66.20%	2019	67.49%	Increase/Decrease: 1.29%		5%
Year	Competency Level														
2018	66.20%														
2019	67.49%														
Increase/Decrease: 1.29%															
			<b>Sub-total</b>												
			<b>TOTAL</b>												
							<b>Total Weighted Rating:</b>	<b>100%</b>							

Certified Correct:

*Francisco A. Caymo*  
FRANCISCO A. CAYMO  
Department Manager, Corporate Planning Office

Approved by:

*Edgardo R. Masongsong*  
EDGARDO R. MASONGSONG  
Administrator

*Milagros A. Roeles*  
MILAGROS A. ROELES  
Acting Department Manager, Finance Services Department

NATIONAL ELECTRIFICATION ADMINISTRATION (NEA)

Component		Baseline				Targets	
Objective/Measure	Formula	Wt.	Rating System	2016	2017	2018	2019
<b>SO 1</b>	<b>To empower member-consumers as responsible owners of the Electric Cooperatives</b>						
<b>SO 2</b>	<b>To ensure that the Electric Cooperatives provide accessible, adequate, quality, and reliable service</b>						
SM 1	Number of completed and energized sitio projects	20.00%	Actual / Target	3,335	1,048	1,817	962
SM 2	Number of consumer connected	10.00%	Actual / Target	N/A	N/A	N/A	460,000
<b>SO 3</b>	<b>To generate peak performance among Electric Cooperatives to ensure competitiveness</b>						
SM 3	Number of EC officials and employees graduated from certification/competency programs	5.00%	Actual/Target	3,559	2,755	2,150	2,200
SM 4	Percentage of ECs adopting the Balanced Scorecard Model	0.00%	-	48.33%	69.42%	90% (109 ECs)*	91% (110 ECs)*

\* 109 ECs out of a universe of 121 ECs, pursuant to NEA Memorandum Circular No. 2018-040 dated 3 July 2017.

\* 111 ECs out of a universe of 121 ECs

Objective/Measure	Component	Baseline				Targets		
		Formula	Wt.	Rating System	2016	2017	2018	2019
SM 5	Improved EC Overall Performance Rating from "B" or "C" to at least "A" Rating	$\frac{\text{Number of improved ECs}}{\text{Total number of ECs under "B" and "C"}}$	0.00%	-	-	12 ECs	4 ECs (under "B" and "C" rating)†	NEA Board-approved Criteria and Parameters in Assessing EC Overall Performance
SO 4	<b>To enhance networking to gain support for program implementations§</b>							
SM 6	Percentage of Satisfied Customers	$\frac{\text{No. of Satisfied Respondents}}{\text{Total No. of Respondents}}$	5.00%	(Actual / Target) 0% = If less than 80%	N/A	4.0 or 80% (Moderately Satisfied)	90%	90%**
SO 5	<b>To sustain the organization's viability and ensure accountability and transparency</b>							
SM 7	Amount of loans facilitated (PHP Billion)	Below Php 225M is 0%. For the amount ≥ Php 225M, 8% is proportionally distributed, i.e.: $\frac{\text{Actual amount of loans facilitated} \geq \text{Php 225M}}{[(\text{Target amount} - \text{Php 224M}) \div 8\%]}$	8.00%	Actual/Target	2.543	2.255	1.700	0.450

† Based on NEA's 2016 EC Overall Performance Assessment as of 3 May 2017.

§ Based on NEA's proposed Strategy Map submitted on 17 April 2018.

\*\* Using the Standard Methodology and Questionnaire developed by the GCG.

Component		Baseline				Targets	
		2016	2017	2018	2019	2016	2019
Objective/Measure	Formula	Wt.	Rating System	2016	2017	2018	2019
SM 8	Percentage of ECs under Category B, C and D provided with loans	0.00%	-	-	-	59%	Report of Actual Accomplishments
SM 9	High collection efficiency maintained (%)	7.00%	Actual/Target	99.95	100.70%	-	100%
<b>Subtotal</b>		<b>15.00%</b>					
<b>SO 6 To upgrade organizational infrastructures</b>							
SM 10	Percentage of sitio electrification projects funded that are fully compliant with NEA standards and specifications	7.00%	Actual/Target	84.18%	60.15%	80% of projects done as of end of September 2018	80% of projects done as of end of September 2019
SM 11	Percentage of sitios completed and energized within 180 calendar days from release of funds to ECs	7.00%	Actual/Target	57.14% <sup>††</sup>	89.28%	80%	80%
	$\frac{\{(Actual\ percentage\ of\ sitios\ completed\ and\ energized\ within\ 180\ days\ from\ release\ of\ funds\ to\ ECs\}}{[Target\ rate]} \times 100$						

†† Percentage of sitios completed and energized within 150 calendar days from release of funds to ECs.

Component		Baseline				Targets	
Objective/Measure	Formula	Wt.	Rating System	2016	2017	2018	2019
SM 12	Percentage of regular loans released within prescribed processing periods <sup>##</sup>						
SM 12a	Regular-Term Loans  Loans released within period Total loan applications with complete documentations	7.00%	Actual over Target	97.86%	100%	100% (released within 24 days)	100% (released within 24 days)
SM 12b	Short-Term Loans  Loans released within period Total loan applications with complete documentations	7.00%	Actual over Target	100%	100%	100% (released within 13 days)	100% (released within 13 days)
SM 13	Percentage of calamity loans released within 7 days  Loans released within period Total loan applications with complete documentations	7.00%	Actual over Target	62.50% (released within 6 days)	45%	85%	85% (released within 7 days)
	<b>Subtotal</b>	<b>35.00%</b>					

<sup>##</sup>Subject to compliance with Republic Act 11032: "An Act Promoting Ease of Doing Business and Efficient Delivery of Government Services, Amending for the Purpose Republic Act No. 9485, Otherwise Known as the Anti-Red Tape Act of 2007, and for Other Purposes", signed 28 May 2018.

Objective/Measure	Component	Baseline				Targets		
		2016	2017	2018	2019	Rating System	Wt.	Formula
SO 7	To enhance human resources, knowledge, skills and behavioral competencies							
SM 14	Compliance to Quality Standards	Actual Accomplishment	5.00%	All or Nothing	Surveillance Audit Passed	ISO 9001:2015 Certified	Surveillance Audit Passed	Surveillance Audit Passed
SM 15	Percentage of employees with required competencies met	$\frac{\text{Total number of employees with required competencies met}}{\text{Total number of employees}}$	5.00%	All or Nothing	Board-approved Competency Framework	Established Baseline (100%) <sup>\$\$</sup>	Increase from Baseline <sup>***</sup>	Increase from 2018 Competency Level
		<b>Subtotal</b>	<b>10.00%</b>					
		<b>TOTAL</b>	<b>100.00%</b>					

<sup>\$\$</sup> In 2017, NEA established the baseline of competencies among 40 profiled/ assessed executive/middle management employees.  
<sup>\*\*\*</sup> NEA is expected to rebase the 2017 competency level using all its employees as total population or universe.