

MINUTES OF THE TPB REGULAR BOARD OF DIRECTORS' MEETING

26 May 2020, 11:00 a.m.

Via Zoom Platform

PRESENT:

- | | | |
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| 1. | Sec. Bernadette Romulo-Puyat | - DOT, Chairperson |
| 2. | Usec. Benito C. Bengzon, Jr. | - DOT, Alternate Chairperson |
| 3. | Asec. Howard Lance A. Uyking | - DOT, Alternate Co-Chairperson |
| 4. | COO Maria Anthonette Velasco-Allones | - TPB, Vice-Chairperson |
| 5. | COO Pocholo Joselito D. Paragas | - TIEZA, <i>Ex-Officio</i> |
| 6. | Usec. Reinier Paul R. Yebra | - DOTr, Alternate / <i>Ex-Officio</i> |
| 7. | Asec. Rosario Virginia C. Gaetos | - DTL, Alternate / <i>Ex-Officio</i> |
| 8. | Asec. Jesusa Susana V. Paez | - DFA, Alternate / <i>Ex-Officio</i> |
| 9. | ACOO Jetro Nicolas F. Lozada | - TIEZA, Alternate / <i>Ex-Officio</i> |
| 10. | Dir. Eduardo F. Pelaez | - Appointive Director |
| 11. | Dir. Vanessa L. Suatengco | - Appointive Director |

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| 12. | Leah Marie Sy | - Acting Deputy Chief Operating Officer,
Corporate Affairs |
| 13. | Arnold T. Gonzales | - Acting Deputy Chief Operating Officer,
Marketing and Promotions |
| 14. | Atty. Venancio C. Manuel III | - Manager, Legal Department |
| 15. | Jerson C. Tomoling | - Acting Head, Finance Department |
| 16. | Marivic M. Sevilla | - Acting Head, Corporate Planning and Business
Development Department |
| 17. | Janet W. Canoy | - Manager, Administrative Department |
| 18. | Nerissa D. Juan | - Acting Head, International Promotions
Department |
| 19. | Emmanuel A. Zarate | - Acting Head, Management Information
Systems Department |
| 20. | Ma. Carla Remedios E. Miranda | - Acting Head, MICE Department |
| 21. | Teresita L. Landan | - Acting Head, Domestic Promotions
Department |
| 22. | Ma. Nedalin M. Miranda | - Acting Head, Marketing and
Communications Department |
| 23. | Marian Sarah C. Garate | - Budget Officer V, Finance Department |
| 24. | Ryvet P. Cruz | - Office of the Chief Operating Officer |

SECRETARIAT

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| 25. | Atty. Manuel F. Santos, Jr. | - Acting Corporate Secretary |
| 26. | Atty. Dioxenes B. Sulit | - Acting Assistant Corporate Secretary |
| 27. | Edmon Gerald A. Loza | - Office of the Corporate Board Secretary |
| 28. | Edshi-Lee A. Cordero | - Office of the Corporate Board Secretary |

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29. Milo S. Oropeza - Compliance Officer

I. CALL TO ORDER

Department of Tourism (DOT) Undersecretary Benito C. Bengzon, Jr. (Usec. Bengzon), the Alternate Chairperson, called the meeting to order at 11:15 a.m.

II. INVOCATION

Director Eduardo F. Pelaez (Dir. Pelaez) led the opening prayer.

III. MESSAGE BY SECRETARY BERNADETTE ROMULO-PUYAT

Secretary Bernadette Romulo-Puyat (Sec. Romulo-Puyat) gave an opening message and started by acknowledging the members of the TPB Board of Directors (TPB Board).

Secretary Romulo-Puyat expressed her gratitude to the TPB Board for the timely approval of the Guidelines on the use of the Special Contingency Fund (SCF) on 26 February 2020. She added that the Board's expeditious action on setting the parameters for the SCF's use has brought stranded foreign tourists safely home via the sweeper flights procured; and has helped stranded local tourists through the provision of flexible vouchers to pay for their food and accommodation expenses, in addition to the care kits containing hygiene essentials that were distributed to the tourists. She pointed out that all these efforts, motivated by the genuine concern for tourists have blessed the country back with a tremendous amount of goodwill, as articulated by the Department of Foreign Affairs (DFA) Secretary Teodoro Locsin, Sr.

Sec. Romulo-Puyat recalled that during the last Board meeting held on 26 February 2020, the Board discussed the hygiene campaign as a way to build confidence among tourists and help build the capacity of tourism establishments to put in place protocols that offered protection from the virus. She then thanked Director Vanessa L. Suatengco (Dir. Suatengco) of the Diamond Hotel Philippines for her assistance to DOT in developing the hygiene protocol campaign material which was successfully launched in March 2020.

Sec. Romulo-Puyat acknowledged that while some of the tactical campaigns remains to be effective, there is need for greater creativity now in terms of developing strategies to promote the Philippine destinations to attract visitors when travel and tourism resume during the Modified General Community Quarantine (MGCQ), in a way that cultivates a stronger relationship with tourism partners, stakeholders, and tourists.

Smart tourism is the new normal for tourism marketing and promotions and it was timely that the Board approved the procurement of the mobile application during the previous Board meeting, and now, DOT and TPB are realigning funds to support the development of the tourism portal to improve online presence in selected markets and strengthen digital promotion. This will significantly support the thrust to launch and sustain virtual and drone

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tours, as DOT did last Holy Week and at the start of the ECQ, paving the way to expand opportunities for the target travelers to check out Philippine destinations from their homes. Secretary Romulo-Puyat also shared that they have conducted webinars that were aimed at building successful ventures. She also confirmed that the Philippine Travel Exchange (PHITEX) and M.I.C.E. Conference (MICECON) in Davao will not be cancelled but will be staged virtually as scheduled in September and October 2020, respectively.

The Secretary congratulated the TPB Management for its effort to timely prepare a proposed 2021 Corporate Operating Budget (COB), noting that most of them are working from home with different internet bandwidth. She added that she was aware that what will be discussed during the meeting went through rigorous online meetings for the past two weeks.

IV. DETERMINATION OF QUORUM

In compliance with the new requirement to determine quorum in the Board, Acting Corporate Secretary, Atty. Manuel F. Santos Jr. (Atty. Santos), requested the members of the Board to identify themselves individually by stating their names and location, confirm that they can hear the other participants clearly and that they received the agenda and other board materials for today's meeting. Atty. Santos thereafter certified the existence of a quorum for the transaction of business.

V. APPROVAL OF THE AGENDA

Usec. Bengzon requested the Board to read and comment on the proposed Agenda as follows:

- I. Call to Order
- II. Invocation
- III. Message by Secretary Bernadette Romulo-Puyat
- IV. Determination of a Quorum
- V. Approval of Agenda
- VI. Approval of the Minutes of the TPB Special Board of Directors' Meeting held on 26 February 2020 at the TPB Boardroom
- VII. Matters Arising from the Previous Meeting
 - A. Status on the Reversion of the High Yield Savings Account (HYSA) funds
 - B. PAPs Implemented under the current year's Special Contingency Fund (SCF)
- VIII. For the Board's Action
 - A. Reprogrammed 2020 COB
 - B. Proposed COB for FY 2021
- IX. For the Board's Information

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A. TPB's Accomplishment Report

X. Other Matters

A. Revised Code of Corporate Governance

XI. Schedule of Next Meeting

XII. Adjournment

Under Other Matters, Chief Operating Officer (COO) Maria Anthonette C. Velasco-Allones (COO Velasco-Allones) mentioned that Atty. Santos is requesting the Board to formally approve the Revised Code of Corporate Governance which needs to be submitted immediately to the Governance Commission for GOCCs (GCG). She also thanked Dir. Pelaez and Dir. Suatengco for their inputs and comments on the draft Revised Corporate Governance Code.

Atty. Santos also explained an amendment on Agenda item VIII.B: instead of "B. Updates on the Special Contingency Fund Utilization for FY 2020", it was revised to "B. PAPs implemented under the current year's SCF."

On motion of Dir. Pelaez, duly seconded by Tourism Infrastructure and Enterprise Zone Authority (TIEZA) Chief Operating Officer Pocholo Joselito D. Paragas (COO Paragas), the Board approved the Agenda of the Meeting, thus:

BOARD RESOLUTION NO. 249
SERIES OF 2020

RESOLVED, that the Agenda of the TPB Regular Board of Directors' Meeting held on 26 May 2020 be, as it is hereby, **APPROVED**.

VI. APPROVAL OF THE MINUTES OF THE TPB SPECIAL BOARD OF DIRECTORS' MEETING HELD ON 26 FEBRUARY 2020 AT THE TPB BOARDROOM

DFA Assistant Secretary Jesusa Susana V. Paez (Asec. Paez) requested that the designation of DFA Undersecretary Lourdes O. Yparraguirre's in the attendance portion of the minutes be rectified, from "Assistant Secretary" to "Undersecretary".

Department of Trade and Industry's Assistant Secretary Rosario Virginia C. Gaetos (Asec. Gaetos) asked the Secretariat to delete line number 688.

COO Velasco-Allones encouraged the Board members to send their revisions through the Zoom's chatbox or submit proposed edits or amendments online. She then moved for the approval of the minutes noting that the same was earlier sent to the Board members for review, and subject to further revisions if any.

On motion of COO Velasco-Allones, duly seconded by COO Paragas, the Board approved

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the Minutes, subject to suggested revisions, if any, to be submitted to the Corporate Secretary, as follows:

BOARD RESOLUTION NO. 250

SERIES OF 2020

RESOLVED, that the Minutes of the TPB Regular Board of Directors' Meeting held on 26 February 2020 at the TPB Boardroom, be, as it is hereby, **APPROVED**, subject to any revisions to be submitted by the Board members.

VII. MATTERS ARISING FROM THE MINUTES OF THE PREVIOUS MEETING

A. STATUS ON THE REVERSION OF THE HIGH YIELD SAVINGS ACCOUNT (HYSA) FUNDS

COO Velasco-Allones provided an update regarding the reversion of TPB'S HYSA account. She informed the Board that, pursuant to the Board's approval to revert the prior years' SCF from 2013 to 2018, TPB pre-terminated five (5) of its Land Bank of the Philippines -High Yield Savings Accounts (LBP-HYSA). The funds were transferred first to TPB's current account and were reverted to the General Fund on 21 May 2020. She further informed the body that the Enhanced Community Quarantine (ECQ) and the limited schedule of the LBP branch in Harrison Plaza which opened only twice a week, Tuesdays and Thursdays, from 8:00 a.m to 12:00 n.n., adversely affected the timely pre-termination of the LBY-HYSA accounts.

On 21 May 2020, TPB finally transferred the accumulated SCF to the National Treasury amounting to **THREE HUNDRED EIGHTY- NINE MILLION NINE HUNDRED FOUR THOUSAND ONE HUNDRED FORTY-SIX PESOS AND 55/100 (PHP389,904,146.55)**.

B. PAPS IMPLEMENTED UNDER THE CURRENT YEAR'S SPECIAL CONTINGENCY FUND (SCF)

COO Velasco-Allones discussed the Programs, Activities, and Projects (PAPs) of TPB that have been supported by the SCF for 2020.

COO Velasco-Allones reported that the TPB supported some of the procurement of the sweeper flights staged by the DOT to rescue stranded foreign tourists from various destinations. Out of more than 20 flights, eight were funded by TPB from the SCF and an additional **SEVEN MILLION PESOS (PHP7,000,000.00)** assistance was released to support the second batch of sweeper flights. The TPB also procured essential travel kits that contain hygiene essentials that were distributed to tourists. COO Velasco-Allones added that TPB also provided flexible vouchers for stranded domestic tourists amounting to **THREE MILLION PESOS (PHP3,000,000.00)**, through the various DOT Regional Offices.

TPB also procured Personal Protective Equipment (PPEs) that were provided to the frontline tourism personnel who are assigned in airport terminals, in addition to the surgical masks given to the DOT Airport Reception and Information Unit (ARIU) staff.

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TPB provided additional 4,000 pieces of essential kits (MalasaKITS) for transiting tourists in NAIA terminals worth **TWO HUNDRED THOUSAND PESOS (PHP200,000.00)** which was remitted to the DOT-National Capital Region Office.

Finally, COO Velasco-Allones reported that TPB procured the services of the Philippine Survey and Research Center (PSRC) to conduct market and stakeholder research studies on travel and tourism during and after the COVID-19 pandemic.

As of 25 May 2020, the PAPs implemented under the Current Year's SCF amounted to **TWENTY-THREE MILLION FOUR HUNDRED EIGHTY-SEVEN THOUSAND FOUR HUNDRED SIXTY PESOS (PHP23,487,460.00)**. The balance of the CY SCF is in the amount of **SIXTY-THREE MILLION FIVE HUNDRED FORTY-SIX THOUSAND TWO HUNDRED THIRTY-FIVE PESOS & 56/100 (PHP63,546,235.56)**.

Asec. Gaetos inquired if the DOT does not have funds and the capability to provide for the items mentioned.

COO Velasco-Allones replied that the DOT actually funded the initial procurement of the sweeper flights, but the continuing need to rescue stranded foreign tourists needed augmentation from TPB.

COO Velasco-Allones added that in March 2020, the Department of Budget and Management (DBM) asked the TPB to give up 35% of its existing allotments and that there was such a similar budget cut on the part of DOT.

Usec. Bengzon added that the TPB had to transfer funds because the initial allocation of the DOT Tourism Regulation, Coordination, and Resource Generation (TRCRG) sector for the sweeper flights was inadequate. Usec. Bengzon further mentioned there were some offices, such as the DOT Office of Product and Market Development, which shared a substantial amount for the flights both for the foreign and domestic tourists.

Asec. Gaetos also shared that the different offices within the Department of Trade and Industry similarly contributed their share of the current year's allocation to DBM. She then inquired if TPB did not encounter any procurement problems and asked how it was done.

COO Velasco-Allones answered that the TPB Bids and Awards Committee adhered to the revised procurement rules as issued by the Government Procurement Policy Board (GPPB). She mentioned that for the sweeper flights, there were limited providers and only Cebu Pacific had a package available. For the procurement of essential kits and PPEs, the BAC adopted the Small Value Procurement (SVP) process as prescribed by the GPPB.

Asec. Gaetos mentioned that there is a stimulus bill being crafted and part of its provision is the re-crafting of the procurement law.

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VIII. FOR THE BOARD'S ACTION

A. REPROGRAMMED FISCAL YEAR (FY) 2020 COB

COO Velasco-Allones presented the proposed reprogrammed COB for FY 2020 and pointed out TPB's compliance with the instructions of the Office of the President and the DBM for agencies to contribute to the *Bayanihan to Heal As One Act* and adhere to DBM National Budget Circular (NBC) No. 580, series of 2020 in terms of augmenting funding for mitigating measures on the effects of the Corona Virus Disease 2019 (COVID-19).

The TPB Management set the following goals in reviewing the current year's COB:

- To ensure continuing support for overseas marketing and promotions projects and initiatives rescheduled in Q3-Q4 of FY 2020 up to Q1 of FY 2021;
- To reflect in the FY 2020 COB the shift in focus towards a stronger domestic tourism campaign; and
- To realign both financial and administrative resources in support of the new normal workplace arrangements and requirements.

COO Velasco-Allones stated that as context, the TPB attended the DOT-convened dialogues with all the Tourism Attachés to ensure that continuing support for overseas marketing and promotions projects and initiatives are guided by current requirements in overseas markets.

The reprogrammed COB also reflects the shift in focus from international tourism promotions to a stronger domestic tourism campaign, noting that global tourism recovery trends show a restart first in domestic tourism.

COO Velasco-Allones also mentioned that the reprogrammed COB for the year supports the need to adopt to the new normal scenario requirements prescribed by the Civil Service Commission (CSC). TPB had to realign its financial and administrative resources to carry out the shift to flexible work arrangements.

The legal bases for the reprogramming of the COB include the following:

1. **Board Resolution No. 231, series of 2019 - Approving the FY 2020 Work and Financial Plan**
2. **DBM NBC No. 580 dated 22 April 2020- Adoption of Economic Measures in the Government Due to the Emergency Health Situation**
3. **Republic Act No. 11469, or the "Bayanihan to Heal As One Act"**
4. **Department of Finance (DOF)-DBM Joint Circular No. 1 dated 20 March 2020 - Guidelines and Procedure in the Collection and Utilization of the Pooled Resources to Fund Social Amelioration Measures**
5. **DBM Letter dated 23 April 2020**

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6. Memorandum to the Department of Tourism - Office of the Secretary dated 29 April 2020
7. Civil Service Memorandum Circular No. 10, series of 2020 - Revised Interim Guidelines for Alternative Work Arrangements and Support Mechanisms for Workers in the Government During the Period of State of National Emergency Due to COVID-19 Pandemic

COO Velasco-Allones informed that as of May 26, 2020, the total contribution of the TPB to the *Bayanihan* to Heal as One Act amounted to **TWO HUNDRED SEVENTY-EIGHT MILLION NINE HUNDRED SEVENTY-THREE THOUSAND FIFTY-SIX PESOS AND 35/100 Only (PHP278,973,056.35)**, which includes a freed-up amount of **ONE HUNDRED THIRTY-THREE MILLION NINE HUNDRED EIGHT THOUSAND FOUR HUNDRED EIGHT PESOS and 80/100 Only (PHP133,908,408.80)** from the FY 2020 COB.

She also reported that an additional freed-up fund in the amount of **TWENTY-SIX MILLION TWO HUNDRED FORTY-NINE THOUSAND FIVE HUNDRED TWENTY-THREE PESOS and 26/100 (PHP26,249,523.36)** for FY 2020, which has not been remitted to the DBM since this amount was not available yet at the time TPB submitted its list of discontinued/cancelled PAPs.

COO Velasco-Allones also informed the Board that TPB continuously provides the DBM and DOF with a list of freed-up funds from cancelled/discontinued PAPs and the restricted funds out of the TPB's cash-in-bank which can be used to fund the national government's social amelioration measures as a proactive mechanism to avoid depletion of TPB funds.

COO Velasco-Allones then presented the funding allocations of the Board-approved 2020 COB as compared to the Reprogrammed COB, maintaining the original budget ceiling of **ONE BILLION ONE HUNDRED EIGHTY-TWO MILLION SEVEN HUNDRED TWENTY-THREE MILLION ONE PESOS and 20/100 (PHP1,182,723,001.20)**, viz.:

USES OF FUNDS		
PARTICULARS	2020 (Board-Approved)	2020 (Reprogrammed)
MARKETING & PROMOTIONS	870,336,955.60	640,333,448.47
TOURISM INVESTMENT PROMO	3,000,000.00	436,500.00
CORPORATE PLANNING & BUSINESS DEVELOPMENT	21,197,075.00	13,778,098.75
PROJECT EVALUATION COMM.	-----	-----
SPECIAL CONTINGENCY FUND	87,033,695.56	87,033,695.56
ADMINISTRATIVE EXPENSES	201,155,275.04	280,983,326.26
CONTRIBUTION TO THE BAYANIHAN ACT (from FY 2020 COB, as of 30 April 2020)		133,908,408.80
ADDITIONAL FREED-UP FUND		26,249,523.36
TOTAL COB	1,182,723,001.20	1,182,723,001.20

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375 Except for the Domestic Promotions Department which had an increase in budget, all PAPs
376 of the TPB's Marketing and Promotions sector decreased their respective budgets in view of
377 event cancellations since March 2020. The reprogrammed PAPs reflect the TPB's shift to focus
378 on domestic tourism promotions.
379

380 COO Velasco-Allones also discussed the proposed uses of funds. The budget for
381 Maintenance and Other Operating Expenses and Capital Outlay both doubled due to
382 projected increased expenses for health and safety protocols for the new normal scenarios and
383 support for work from home arrangements.
384

385 She also assured the Board of TPB's compliance with DBM NBC No. 580 by freeing up 10%
386 of its budget out of savings/budget cuts from office supplies expenses, electricity charges,
387 repairs & maintenance of office buildings, cultural and athletic events and GAD programs.
388

389 The budget for the SCF is maintained at the same level.
390

391 COO Velasco-Allones presented the list of cancelled or discontinued PAPs as well as the
392 new PAPs for the Board's information.
393

394 Despite the budget decrease for its institutional events, the TPB will still stage PHITEX and
395 MICECON as virtual events this September and October 2020, respectively. In partnership
396 with the DOT, the TPB will also continue the production of virtual and drone tours as well as
397 conduct webinars and online learning and development.
398

399 Initiatives in support of the domestic tourism program intends to start with the safe travel
400 campaign, to disseminate the DOT-issued protocols and guidelines for the accommodation
401 sector and other tourism enterprises. Other projects identified with the private sector include
402 The Travel Bingo, The Bucket List Challenge/Adventure, Barkada Trips and Motourism
403 (Motorcycle Tourism). TPB will also institutionalize the provision of PhilCare kits to tourists
404 containing hygiene and safety essentials.
405

406 TIEZA Assistant Chief Operating Officer Jetro Nicolas Lozada (ACOO Lozada) sent a
407 question in the chatbox: "How does the 35% of the TPB budget being required by the DBM affected
408 the reprogrammed budget?"
409

410 COO Velasco-Allones reiterated that in her discussion, she highlighted the significant
411 budget decreases, particularly for the tactical campaigns, which are no longer feasible to be
412 implemented within the year. She added that the TPB consulted with the Tourism Attachés
413 and stakeholders regarding the mandatory cuts in the budget.
414

415 Usec. Bengzon asked if there was a project brief or concept paper for the Motorcycle
416 Tourism. COO Velasco-Allones stated that there is an existing project brief as previously
417 proposed by former Senator Joseph Victor Ejercito (Sen. Ejercito) in a meeting with Sec.
418 Romulo-Puyat last year.
419

420 Usec. Bengzon stated that aside from the proposal of Sen. Ejercito, he received a query
421 recently and that he will formally refer it to COO Velasco-Allones.

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422 Dir. Suatengco further clarified on what Motorcycle Tourism is all about. COO Velasco-
423 Allones replied that motorcycle tourism is an intended strategy to promote various
424 destinations in the country, engaging the different motorcycle groups as tourism promotions
425 partners. She added that the bikers can be tapped as "destination ambassadors".
426

427 COO Paragas shared that he is actually involved with such a group. He explained that they
428 usually do the Philippine loop and go around various destinations *via* motorcycle about thrice
429 a year. He said that their biggest concern is where to get assistance in terms of information on
430 accommodation facilities. He underscored that a lot of groups were very much interested and
431 that TPB can ask support from them. COO Paragas reported that former Sen. Ejercito also
432 engaged TIEZA on infrastructure matters but he emphasized that promotion is more
433 important now.
434

435 Asec. Uyking pointed out that it is very timely that COO Velasco-Allones mentioned
436 motorcycle tourism. He added that a group of motorcycle riders also talked to their team prior
437 to the ECQ, and that he will share a video to the Tourism Board's Viber Group for reference.
438

439 Asec. Gaetos asked if Wave 3 of contributions to the *Bayanihan* Act is mandatory at 35%; if
440 the DOF had accessed TPB's bank accounts; and how does the TPB manage the actions of
441 DOF and DBM.
442

443 COO Velasco-Allones responded that recent coordination with the DBM indicates that
444 there will be no third wave for the contributions to the Bayanihan Act, so the mandatory 35%
445 budget reduction seems final. She also assured that TPB constantly coordinates with the DBM
446 and DOF to ensure that the actions of these two agencies with respect to TPB budgets are
447 synchronized. COO Velasco-Allones further informed that TPB's budget and finance team
448 regularly checks the bank balances of TPB to monitor fund deductions and check whether
449 DBM and DOF have accessed TPB's accounts.
450

451 Asec. Gaetos shared that National Agencies were allowed to set their contributions at 10%.
452 She then inquired if TPB is foreseeing any travel overseas because she observed that the
453 budget was divided into markets like Australia and Asia Pacific, although most of the
454 countries there have not recovered from COVID-19 yet.
455

456 COO Velasco-Allones replied that markets like China, Korea, and Taiwan are likely to
457 reopen international travels sooner than others based on market sentiments and surveys.
458 China is reportedly looking at reopening in August. The Tourism Attaché in Beijing was quite
459 hopeful with the recent survey in China that indicates the Philippines as part of the revenge
460 travel plans of Chinese business travelers, although travels for leisure and vacation are still
461 restricted.
462

463 COO Velasco-Allones explained that the preference now is hotels and branded
464 accommodations, veering away from AirBnBs and Homestays. Since the Philippines did not
465 impose travel restrictions for Korea, except for the affected areas, it is not included in the
466 travel ban or restrictions imposed on other ASEAN countries. For Japan, the Philippines is
467 still included in the countries with level 3 restrictions. She added that TPB is looking to start in
468 August and September 2020 for the re-opening of international travels.

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Asec. Gaetos asked how TPB intends to spend its marketing budget and then suggested that part of the money of the TPB may be used to help certain tourism establishments on safety protocols in terms of facilities. She noted that the private sector is supposed to be preparing for the new normal scenario when tourism reopens. Asec. Gaetos stressed that the extent of the assistance to the hotel does not have to be 100% but maybe TPB can put a limit on it. COO Velasco-Allones agreed.

Dir. Suatengco pointed out that, at the moment, the Diamond Hotel is closed but it accepts seafarers. She also shared that there are a lot of requirements right now. The expenses increased because of the cost of purchasing PPEs and sanitizing the hotel rooms. She added that before the outbreak, it only takes hours for a room to be available again; but currently, they have to wait for 24 hours before declaring the room available ready for occupancy. Dir. Suatengco said that they are also giving sanitation kits to hotel guests.

COO Velasco-Allones informed that these requirements may be supported under the DOT-led Tourism Response and Recovery Program (TRRP).

Usec. Bengzon stated that, in the PESA Bill, approximately **FIFTY-EIGHT BILLION PESOS (PHP58,000,000,000.00)** is allocated to support tourism recovery efforts. The amount will be spread across six different types of programs under the TRRP, including provision for credit facilities for the upgrade of establishments, hotels, and resorts to make sure that it complies with the new health and safety standards.

Usec. Bengzon also said that the DOT will write the DTI and Board of Investments (BOI) requesting that the accommodation establishments that will renovate their facilities in order to comply with the new standards, should be entitled to incentives. He emphasized that further updates will be given to the Board regarding the matter.

COO Velasco-Allones added that the freed-up budget of **TWENTY-SIX MILLION TWO HUNDRED FORTY-NINE THOUSAND FIVE HUNDRED TWENTY-THREE AND 36/100 PESOS (PHP26,249,523.36)** can be added to the reprogrammed funds. She noted the suggestion of Asec. Gaetos to make a study in terms of rationalizing the support to capacity building of establishments which will expedite the recovery program.

On motion of COO Paragas, duly seconded by Dir. Suatengco, the Board approved the Revised COB for FY 2020 as Reprogrammed, as follows:

BOARD RESOLUTION NO. 251
SERIES OF 2020

RESOLVED, as it is hereby resolved, to approve the revised TPB Principal Corporate Operating Budget as Reprogrammed for Fiscal Year 2020, pursuant to the "Bayanihan to Heal As One Act", amounting to **ONE BILLION ONE HUNDRED EIGHTY-TWO MILLION SEVEN HUNDRED TWENTY-THREE THOUSAND ONE PESOS AND 20/100 ONLY (PHP1,182,723,001.20)**, which is broken down as follows: (in PhP)

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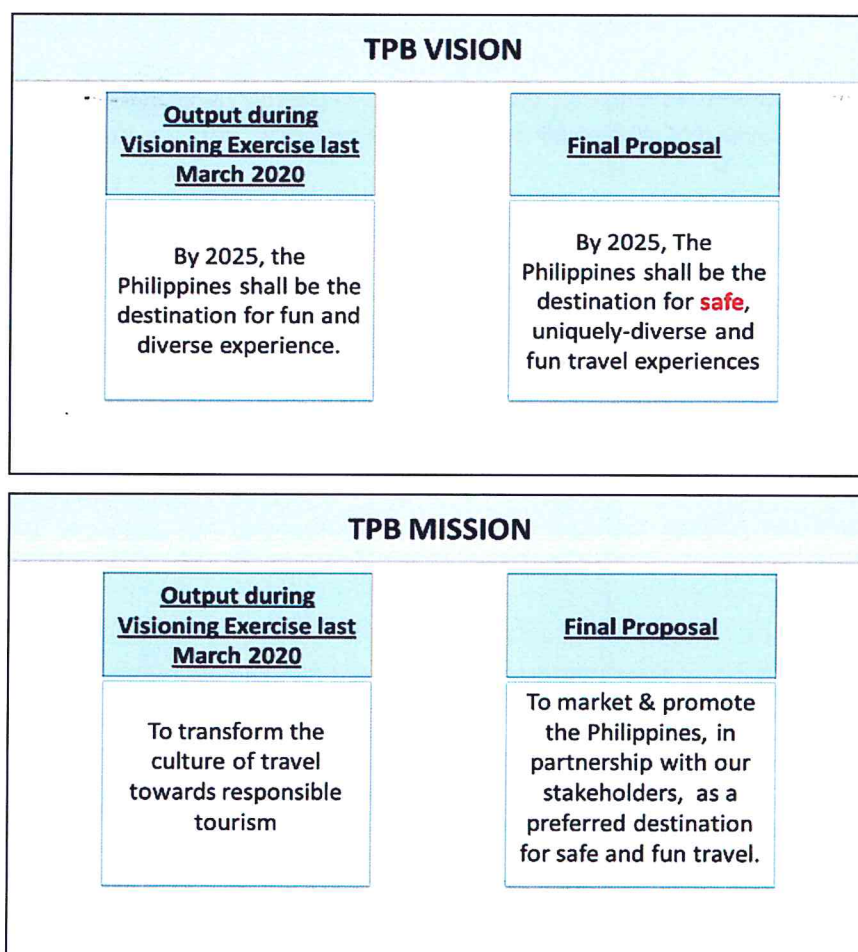
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Particulars	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
General Administration and Support Services	122,500,000.00	151,806,326.26	6,677,000.00	280,983,326.26
Support to Operations		14,214,598.75		14,214,598.75
Operations		666,582,971.83		666,582,971.83
Contribution to the Bayanihan Act (as of 30 April 2020)		133,908,408.80		133,908,408.80
Special Contingency Fund		87,033,695.56		87,033,695.56
Total	122,500,000.00	1,053,546,001.20	6,677,000.00	<u>1,182,723,001.20</u>

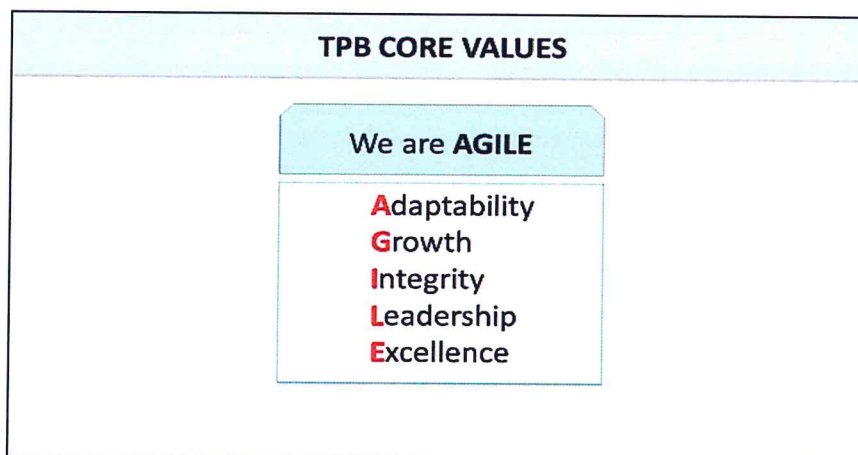
B. PROPOSED COB FOR FY 2021

COO Velasco-Allones shared the preparatory activities undertaken by the TPB in formulating the proposed COB for FY 2021, including a two-week rigorous online discussion with the TPB Management Committee (ManCom); review and assessment of current and emerging trends, assumptions and perspectives on travel and tourism. The TPB ManCom also reviewed the absorptive capacity and performance of the Tourism Attachés' offices, the DOT Regional offices, and TPB units.

COO Velasco-Allones presented the draft/proposed revised Mission and Vision statements as an output of the Board Strategic Planning and Visioning held in Boracay on 12 March 2020, and the updated Core Values as revisited by the TPB:



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COO Velasco-Allones then discussed the strategic objectives and strategic goals for 2021 based on the following assumptions and considerations for next year's budget:

- Absorptive capacity
- Alignment with the "Gradual and Blended Bounce-Back Scenario"
- Per Source Market's Economic Recoveries from COVID-19 as of 25 May 2020

COO Velasco-Allones presented the three-year absorptive capacity of the TPB, which is at an average of 80.39%, and also the liquidation status of the DOT Overseas and Regional Offices. For the DOT Overseas offices, the total unliquidated funds from 2013 to 2018 is **TWO HUNDRED SEVENTY-THREE MILLION TWO HUNDRED FIFTY-NINE THOUSAND THREE HUNDRED NINETY PESOS AND 69/100 (PHP273,259,390.69)**.

For the DOT Regional offices, the total unliquidated amount is at **THIRTY-THREE MILLION SIX HUNDRED TWENTY-SIX THOUSAND SEVEN PESOS AND 74/100 (PHP33,626,007.74)**.

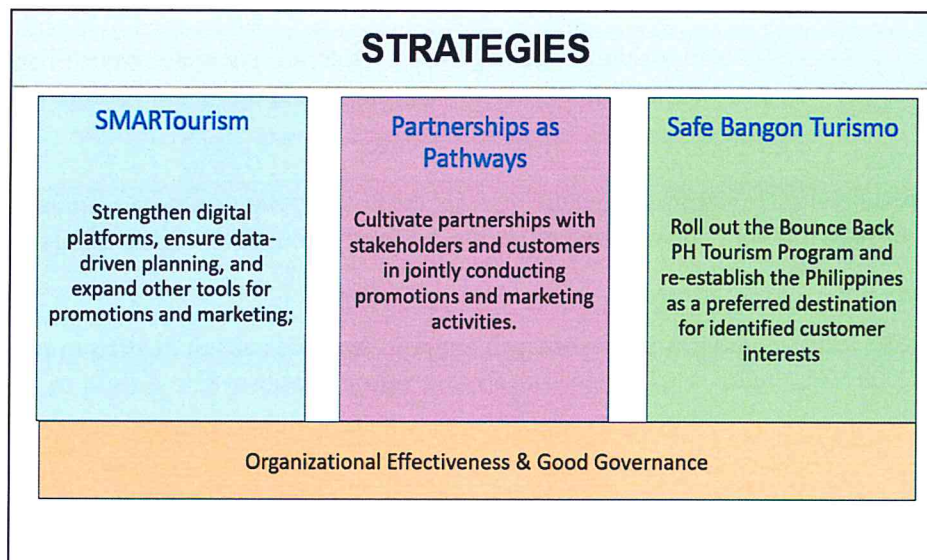
COO Velasco-Allones discussed the proposed COB for FY 2021 amounting to **TWO BILLION THREE HUNDRED FIFTY-SEVEN MILLION FOUR HUNDRED NINETY-THREE THOUSAND TWO HUNDRED SIXTY-EIGHT PESOS AND 57/100 ONLY (PHP2,357,493,268.57)**.

COO Velasco-Allones presented the fund sources, indicating that ninety-eight percent (98%), or **TWO BILLION THREE HUNDRED SEVENTEEN MILLION SEVEN HUNDRED THIRTY-FOUR THOUSAND PESOS (PHP2,317,734,000.00)**, of the TPB budget, will come from the Special Account in the General Fund (SAGF)-Tourism Promotions Fund.

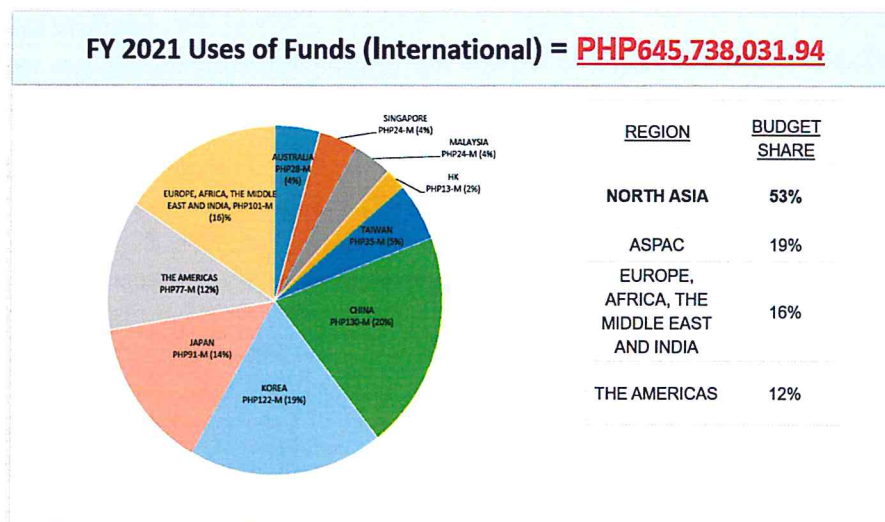
She explained that the SAGF balance is approximately **SEVEN BILLION PESOS (PHP7,000,000,000.00)**. One percent (1%) represents TIEZA's proceeds from the sale of the Hilaga Property while the other one percent (1%) is the TPB's estimated bank balance of **EIGHTEEN MILLION SEVEN HUNDRED NINETY-FIVE THOUSAND FOUR HUNDRED TWENTY PESOS AND 43/100 (PHP18,795,420.43)**.

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COO Velasco-Allones then discussed the pillars of the strategies in support of marketing and promotions programs of TPB:



COO Velasco-Allones also presented the distribution or uses of funds per department, as follows:



COO Velasco-Allones presented the proposed uses of funds, with **SIX HUNDRED FORTY-FIVE MILLION SEVEN HUNDRED THIRTY-EIGHT THOUSAND THIRTY-ONE AND 94/100 PESOS (PHP645,738,031.94)** being recommended for international promotions.

COO Velasco-Allones presented the budgets per Department with a comparative table for the COB ceilings from 2019 to 2021, as shown below:

x-----x

FY 2021 BUDGET PROPOSAL						
				Proposal:	P2,660,394,866.71	
				Recommendation:	P2,357,493,268.57	
DEPARTMENT/DIVISIONS (OPERATIONS-IPD-ASPAC)	2019 COB	2020 Original COB	2020 Re-Programmed Budget	2021 Proposal	2021 Recommended	Difference (2020 & 2021)
AUSTRALIA	P23-M	P13-M	P13-M	P35-M	P28-M	115%
SINGAPORE	P26-M	P18-M	P6-M	P34-M	P24-M	33%
MALAYSIA	P20-M	P17-M	P1-M	P47-M	P24-M	41%
HONGKONG	P7-M	P1-M	P1-M	P39-M	P13-M	1,200%
TAIWAN	P38-M	P17-M	P14-M	P73-M	P35-M	107%

Note: Difference is between FY 2020 Original COB vis-à-vis FY 2021 Recommended Level

FY 2021 BUDGET PROPOSAL						
				Proposal:	P2,660,394,866.71	
				Recommendation:	P2,357,493,268.57	
DEPARTMENT/DIVISIONS (OPERATIONS-IPD-ASPAC)	2019 COB	2020 Original COB	2020 Re-Programmed Budget	2021 Proposal	2021 Recommended	Difference (2020 & 2021)
CHINA	P83-M	P32-M	P21-M	P198-M	P130-M	306%
KOREA	P112-M	P55-M	P53-M	P164-M	P122-M	122%
JAPAN	P75-M	P55-M	P43-M	P129-M	P91-M	65%
THE AMERICAS	P6-M	P29-M	P26-M	P118-M	P77-M	165%
EUROPE, AFRICA, THE MIDDLE EAST AND INDIA	P97-M	P42-M	P21-M	P119-M	P101-M	140%

Note: Difference is between FY 2020 Original COB vis-à-vis FY 2021 Recommended Level

FY 2021 BUDGET PROPOSAL						
				Proposal:	P2,660,394,866.71	
				Recommendation:	P2,357,493,268.57	
DEPARTMENT/DIVISIONS (OPERATIONS-IPD-ASPAC)	2019 COB	2020 Original COB	2020 Re-Programmed Budget	2021 Proposal	2021 Recommended	Difference (2020 & 2021)
DOMESTIC PROMO	P99-M	P28-M	P100-M	P121-M	P121-M	332%
M.I.C.E.	P125-M	P74-M	P23-M	P135-M	P135-M	82%
MARKETING COMMUNICATIONS	P471-M	P274-M	P187-M	P669-M	P669-M	144%
SPECIAL AND INSTITUTIONAL PROGRAMS/PROJECTS	P248-M	P213-M	P137-M	P239-M	P239-M	12%

Note: Difference is between FY 2020 Original COB vis-à-vis FY 2021 Recommended Level

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FY 2021 BUDGET PROPOSAL						
				Proposal:	P2,660,394,866.71	
				Recommendation:	P2,357,493,268.57	
DEPARTMENT/DI VISIONS (OPERATIONS- IPD-ASPAC)	2019 COB	2020 Original COB	2020 Re- Programmed Budget	2021 Proposal	2021 Recommended	Difference (2020 & 2021)
CORPORATE PLANNING & BUSINESS DEV.	P17-M	P21-M	P14-M	P21-M	P21-M	0%
TOURISM INVESTMENTS	P2-M	P3-M	P0.4-M	P5-M	P5-M	67%
MANAGEMENT INFORMATION SYSTEMS	P11-M	P6-M	P6-M	P29-M	P27-M	350%

Note: Difference is between FY 2020 Original COB vis-à-vis FY 2021 Recommended Level

FY 2021 BUDGET PROPOSAL						
				Proposal:	P2,660,394,866.71	
				Recommendation:	P2,357,493,268.57	
DEPARTMENT/DI VISIONS (OPERATIONS- IPD-ASPAC)	2019 COB	2020 Original COB	2020 Re- Programmed Budget	2021 Proposal	2021 Recommended	Difference (2020 & 2021)
PERSONNEL SERVICES	P89-M	P122-M	P122-M	P170-M	P170-M	39%
MAINTENANCE AND OTHER OPERATING EXPENSES	P94-M	P76-M	P152-M	P77-M	P124-M	63%
CAPITAL OUTLAYS	P10-M	P3-M	P7-M	P26-M	P21-M	600%
SPECIAL CONTINGENCY FUND	----	P87-M	P87-M	P212-M	P181-M	108%

Note: Difference is between FY 2020 Original COB vis-à-vis FY 2021 Recommended Level

The programs and projects under the strategy to strengthen Partnership as Pathways is allocated **SIX HUNDRED EIGHTY-EIGHT MILLION TWENTY THOUSAND TWO HUNDRED THIRTY-FOUR PESOS AND 25/100 ONLY (PHP688,020,234.25)** of the proposed COB. This will support tourism marketing educational seminars, advocacy programs, destination inventory, and other institutional programs that TPB supports including assistance to the DFA and bid assistance to international events, particularly Expo Dubai.

For organizational effectiveness and good governance, the budget is at **ONE HUNDRED TWENTY-ONE MILLION TWO HUNDRED THIRTY-NINE THOUSAND SEVENTY-FIVE PESOS (PHP121,239,075.00)**, to support projects such as procurement and asset management system, the Management Information System, and career and staff development programs for TPB personnel.

Dir. Pelaez commented that he attended a TCP seminar and one of the emphasis is on

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732 outdoor/nature tourism destination. He suggested for TPB to focus on that because social
733 distancing can always be offered outdoors. COO Velasco-Allones agreed and said that
734 tourists have expressed preference for outdoor events post-COVID-19.

735
736 Asec. Gaetos inquired how the TPB will manage budget requirements despite the lack of
737 Duty Free Philippines Corporation (DFPC) net income and the waiver of participation fees.
738 COO Velasco-Allones replied that the TPB still primarily sources funding from the SAGF,
739 which is intact.

740
741 Asec. Gaetos stated that she anticipates that, in 2021, national government funding for the
742 tourism industry may be diverted to other essential sectors as identified. She also raised her
743 concerns with regard to the unliquidated funds of various foreign and regional offices. She
744 asked if there is a rule about it and whether there are penalties to be imposed since those are
745 huge amounts.

746
747 COO Velasco-Allones responded that the existing rule is that there can be no future
748 disbursements or remittances when funds remain unliquidated. The current practice,
749 however, and given the exigency of having to support present activities, is that TPB forges a
750 Memorandum of Agreement (MOA) with the receiving offices to cover current
751 disbursements.

752
753 She shared that as a concrete intervention to address this concern, she has constituted a
754 "Zero Backlog Task Force" in TPB, tasked to reconstruct documents and reduce, if not totally
755 clear, the unliquidated funds.

756
757 Asec. Gaetos expressed her concern that marketing and promotions might take a back seat
758 until air travel resumes. She said that it is important for TPB to know what are the projections
759 or assessments in terms of the arrival figures. She recommended for TPB to do an internal
760 scenario planning with its strategic planning group and use different assumptions in
761 finalizing the details of the Corporate Operating Budget. It can be an internal exercise and
762 need not be approved by the Board. COO Allones thanked Asec. Gaetos for the suggestion.

763
764 COO Velasco-Allones further shared that given current assumptions and trends, a four-phase
765 campaign for marketing and promotions is indicatively planned:

- 766
- 767 • Phase 1 – *Welcome Back Campaign*: there is an indication of the recovery markers in
768 place and TPB will launch it;
 - 769
 - 770 • Phase 2 – *Educational Campaign on the New Normal*: TPB will cover hotels, aviation
771 and MICE sector in terms of campaign materials;
 - 772
 - 773 • Phase 3 – *Domestic Travel*: the resumption of domestic flights is not yet certain and
774 aviation is also hinging on the directions of the IATF and LGUs. The actual campaign is
775 focused on some tactical campaigns that are developed and identified in partnership
776 with the stakeholders.
 - 777

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- Phase 4 –*Resumption of International Campaign*: based on the assumptions shared by experts, the international demand would be recovered by the last quarter of the year but not in all markets.

Usec. Bengzon shared that the DOT has often been asked about the new targets for 2020. He explained that DOT will only be able to flesh out the details once it gathers the results of the TRRP. He underscored that once the results come out, the DOT will share it with the TPB.

ACOO Lozada posted the question: “Will the DOT Regional Directors (RD) implement it and receive equal amounts?” through the Zoom Chat. COO Velasco-Allones explained that part of the funds for marketing assistance will go to the DOT Regional Offices, but the amounts will not be equal as it will depend on the actual need and absorptive capacity of the regional office.

On motion of Dir. Pelaez, duly seconded by COO Paragas, the Board approved the Proposed COB for FY 2021 subject to the comments and suggestions raised by the Board Members, as follows:

BOARD RESOLUTION NO. 252
SERIES OF 2020

TPB CORPORATE OPERATING BUDGET FY 2021

“RESOLVED, as it is hereby resolved, to approve the proposed TPB Principal Corporate Operating Budget for Fiscal Year 2021 amounting to **TWO BILLION THREE HUNDRED FIFTY-SEVEN MILLION FOUR HUNDRED NINETY-THREE THOUSAND TWO HUNDRED SIXTY-EIGHT PESOS AND 57/100 ONLY (PHP2,357,493,268.57)**, which is broken down as follows: (in PhP)

Particulars	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlay	Total
General Administration and Support Services	169,600,000.00	123,689,295.81	21,169,000.00	314,458,295.81
Support to Operations	-----	52,057,075.00	-----	52,057,075.00
Operations	-----	1,809,979,907.05	-----	1,809,979,907.05
Special Contingency Fund	-----	180,997,990.71	-----	180,997,990.71
Total	169,600,000.00	2,166,724,268.57	21,169,000.00	<u>2,357,493,268.57</u>

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Atty. Santos explained that the DBM requires a Board Resolution signed by the Board members to be submitted. For the past few years, TPB has been submitting the Board Resolutions approving the COBs with the signature of the Board. He asked if the Board is amenable for the Office of the Corporate Board Secretary (OCBS) to send the Resolutions through email and the Directors will then sign, print, scan and send it back to the OCBS.

IX. FOR THE BOARD'S INFORMATION

A. TPB'S ACCOMPLISHMENT REPORT

COO Velasco-Allones updated the Board on the accomplishments of TPB during the ECQ as attached in *Annex E* and pointed out that the Board members were furnished a copy of the same via electronic mail.

X. OTHER MATTERS

A. REVISED CORPORATE CODE OF GOVERNANCE

COO Velasco-Allones stated that she already incorporated Asec. Gaetos' inputs to revise the Code. Atty. Santos mentioned that the DFA, Dir. Suatengco and Dir. Pelaez have submitted their comments through e-mail as well.

Atty. Santos stated that a Board Resolution *Ad Referendum* for this Agenda item was supposed to be issued and in fact, a draft has already been prepared and undergone review. He pointed out that it will be easier though if the Board will just approve the revised Code during the meeting. He reiterated that the comments submitted by the Board members were considered and incorporated in the draft revised Code.

Asec. Paez discussed the DFA's inputs which were sent through email as attached in *Annex E*. Regarding the *Confidential Clause*, Asec. Paez mentioned that, in light of the recent history of TPB, it might appear being too protective or too defensive. DFA thus suggested that the wording of the said section could be paraphrased wherein it can maintain the confidentiality of the information but will still be in conformity with the Freedom of Information (FOI) Act.

COO Velasco-Allones responded that TPB actually harmonized the provisions of the Data Privacy Law and the FOI Act.

Asec. Paez also mentioned that, with respect to DOLI, specifically on Article VI. Obligations of the TPB to Directors and Officers, the DFA recommended that the paragraph be further improved by accordingly revising the following clause: "...when TPB itself and/or the members of the Board and Management are sued before tribunals, whether in the Philippines or abroad, on matters that are within their official functions and capacity and on matters where business judgment has been exercised in good faith..." She explained that the phrase "whether in the Philippines or abroad" recognizes that TPB performs tourism promotion activities not only in

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the Philippines but also abroad where suits may be brought for contracts signed/entered into in foreign jurisdictions.

Asec. Paez added that as regards the power of the Board to discipline the COO or any Officer, the DFA recommended that a prescribed and agreed upon procedure should be crafted to allow for due process and fairness in determining the necessity to remove or discipline the erring officer of the TPB.

Usec. Bengzon underscored that DFA's comments should be noted and incorporated in the revised Code.

Atty. Santos stated that, except for the section on DOLI and the statements that were required from TPB, the other provisions of the Code were already reviewed and approved by the GCG.

On motion of Asec. Gaetos, duly seconded by Dir. Pelaez, the Board approved the Revised Code of Corporate Governance, as follows:

BOARD RESOLUTION NO. 253
SERIES OF 2020

Approving the revised TPB Code of Corporate Governance

WHEREAS, in compliance with the Governance Commission for GOCC (GCG) Memorandum Circular No. 2012-07, the Board of Directors (Board) approved the Tourism Promotions Board's (TPB) Code of Corporate Governance (Code) during its regular Board Meeting held on 28 May 2014;

WHEREAS, in a letter dated 01 July 2019, the GCG recommended certain revisions on the Code, which were approved by the Board *via* Board Resolution No. 223, series of 2019 and incorporated thereto;

WHEREAS, TPB thereafter submitted the revised Code to the GCG.

WHEREAS, on 6 May 2020, TPB received GCG's evaluation of TPB's revised Code and again made certain recommendations, specifically on the provision on Directors and Officers Liability Insurance (DOLI) and on the need to include the following items: (1) Formal Charter of expectations that each Director shall sign and be committed to; (2) List of Disclosures to be made by the Directors; (3) Statement by the Directors confirming the truth and fairness of the GOCC's financial statements similar to a Statement of Management Responsibility; and (4) List of Fines and other consequences when the Directors violate, or omit to carry out their duties, under applicable law. Thus, this second revised Code.

WHEREAS, the revised Code was further revised to incorporate the GCG's suggested revisions

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WHEREFORE, BE IT RESOLVED, as it is hereby resolved, to APPROVE the revised Tourism Promotions Board (TPB) Code of Corporate Governance.

FINALLY, the provisions of previous Board Resolutions which are inconsistent with the provisions of this Resolution are hereby revoked, repealed or modified accordingly.

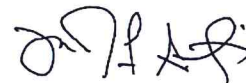
XI. SCHEDULE OF THE NEXT MEETING

The schedule of the next Board meeting will be determined as the need arises.

XII. ADJOURNMENT

There being no other matters to be discussed, the meeting was adjourned at 1:20 p.m.

Prepared by:



ATTY. MANUEL F. SANTOS, JR.
Acting Corporate Board Secretary



ATTY. DIOXENOS B. SULIT
Acting Assistant Corporate Secretary

Approved by:

SEC. BERNADETTE ROMULO-PUYAT
Chairperson



USEC. BENITO C. BENGZON, JR.
Alternate Chairperson




ASEC. HOWARD LANCE A. UYKING
Alternate Co-Chairperson

x-----x


COO MARIA ANTHONETTE C. VELASCO-ALLONES
Vice- Chairperson


COO POCHOLO JOSELITO D. PARAGAS
Alternate Member/Ex-Officio, TIEZA


USEC. REINTER PAUL R. YEBRA
Alternate Member/Ex-Officio, DOTr


ASEC. ROSARIO VIRGINIA C. GAETOS
Alternate Member/Ex-Officio, DTI


ASEC. JESUSA SUSANA V. PAEZ
Alternate Member/Ex-Officio, DFA


DIR. VANESSA L. SUATENGCO
Appointive Director, Accommodation Enterprises


DIR. EDUARDO F. PELAEZ
Appointive Director, Other Tourism Enterprises