

NATIONAL DEVELOPMENT COMPANY (NDC)
Validation Result of 2022 Performance Scorecard

	Component			Rating Scale	Target	NDC Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Weight			Actual	Rating	Score	Rating			
IMPACT	SO 1	Inclusive Growth and Development										
	SM 1	Cumulative Number of Local Jobs Generated by the Projects/Investments	Number of Local Jobs Generated per Operational Report	10%	(Actual / Target) x Weight 0% = If Less Than the 2021 Actual	2021 Actual + 50 New Jobs	74 New Jobs	10%	945	10%	Certification from Philippine Mining Development Corporation and San Carlos Bioenergy Inc. 2022 Commission on Audit (COA) Annual Audit Report (AAR)	Target exceeded. Review of supporting documents showed that the NDC generated 74 new jobs in 2022.
	SO 2	Increase Social and Economic Dividends										
	SM 2	Percentage of Satisfied Customers	Number of Respondents Who Gave a Rating of At Least Satisfactory / Total Number of Survey Respondents	5%	(Actual / Target) x Weight 0% = If Lower Than 80%	100%	86.21%	4.31%	86.21%	4.31%	Customer Satisfaction Survey Final Report Sample Accomplished Surveys Spot Checking and Back Checking Report	Target not met.
	SM 3	Return of Investments	Total Amount of Dividends Received ¹ / Total Investments Excluding Companies for Dissolution and	15%	(Actual / Target) x Weight	2.41%	5.97%	15%	6.15%	15%	NDC Computation of the Return on Investments Cash Receipts Entries and Official Receipts from NDC	Target exceeded. The validated accomplishment was computed based on a total of dividends of ₱53.18 Million and a net

¹ Including dividend remittance of NDC's subsidiaries to the National Government.

Validation Result of 2022 Performance Scorecard (Annex A)

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Objective/Measure	Formula	Weight										
	Pre-Operating Companies							Official Receipt from Bureau of Treasury (BTr) List of Investment and Receipt of Dividend Remittance 2022 COA AAR	investment of ₱864.74 Million.			
Sub-total		30%			29.31%		29.31%					
STRATEGIC FOCUS	SO 3 Strengthened Business Sustainability											
	SM 4	Return of Equity	Net Income After Tax (NIAT) / Total Equity	20%	(Actual / Target) x Weight	3.95%	10.19%	20%	16.67%	20%	2022 COA AAR	Target exceeded. The validated accomplishment was computed based on a NIAT of ₱4.10 Billion and a total equity of ₱24.58 Billion.
	Sub-total		20%				20%		20%			
CORE PROCESS	SO 4 Prioritize Investments in Health, Food Supply Chain, Climate Change Mitigation and Technology Innovation											
	SM 5	Cumulative Value of Investments	Amount of Investments in High Impact Priority Areas as Approved by the NDC Board	10%	(Actual / Target) x Weight <i>0% = If Less Than the 2021 Actual</i>	2020 Actual + ₱500 Million	<i>Proposed for Exclusion</i>	No Investments for the Year	0%		Justification for the Exclusion of the Measure	Target not met. The NDC requested the exclusion of the measure in the 2022 Performance Scorecard. The request was made due to the delays in approval of Startup Venture Fund (SVF) Guidelines, interagency deliberations, and changes in administrations and directives, which were

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										<p>beyond the control of the NDC.</p> <p>The Governance Commission acknowledges that there are factors that led to the delay in the approval of the guidelines for the implementation of the SVF, which likewise resulted in the belated release of funds to startup companies, that are beyond the control of the NDC. However, it should be noted that the measure neither defines the mode of investment of the NDC nor limits the NDC to only invest through the SVF for the performance year. In the pursuit of its mandate, the NDC may invest in enterprises deemed contributory to the economic development of the country and important to the public interest through various modes.</p> <p>Foregoing considered, the request for the exclusion of the measure is hereby DENIED.</p>	
SO 5 Leverage Assets of NDC and its Subsidiaries to Further Optimize their Economic Value											
SM 6	Lease Income	Total Amount of Lease Income (As Reflected in	10%	(Actual / Target) x Weight	₱199.56 Million	₱206.377 Million	10%	₱204.64 Million	10%	2022 COA AAR	Target exceeded.

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		Statement of Comprehensive Income)								
SM 7	Proceeds from Sale of Assets	Total Amount of Proceeds from Sale of Assets (as Reflected in Cash Flow Statement)	10%	(Actual / Target) x Weight	<u>₱30.98 Million</u>	₱8.48 Million	10%	₱8.57 Million	2.77%	<p>Target not met.</p> <p>The NDC requested for the modification of the target to ₱8.48 Million, which represents the actual collection of NDC from the sale of its Pureza, Sta. Mesa, Manila property. The request for target modification was made considering the representation that the NDC was unable to realize the proceeds from the Kamagong, Pandacan, and Campo Islam properties due to factors beyond the control of the corporation.</p> <p>The Governance Commission finds merit in the representations of the NDC in relation to the Pandacan and Kamagong properties as the non-accomplishment of the target was beyond the control of the NDC. However, the NDC has previously requested the exclusion of the Campo Islam property from the 2021 target for the same reason. Moreover, the NDC targeted the property</p>

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							Actual	Rating	Score	Rating		
												for sale during the crafting of the 2022 Performance Scorecard. Hence, the estimated sale proceeds of ₱22.50 Million shall not be excluded from the target. The revised target is based on the estimated proceeds from the Campo Islam property and the actual sale of the Sta. Mesa property as indicated in the submitted Official Receipt. As for the validated accomplishment, the Governance Commission referred to the COA AAR, particularly the Statement of Cash Flows (SCF).
			Sub-total	30%				30%		12.77%		
LEARNING AND GROWTH	SO 7	Restructure and Retool the Organization while Strengthening the HR System										
	SM 8	Improvement in the Competency Baseline of the Organization	Competency Baseline ² 2022 – Competency Baseline 2021	5%	All or Nothing	Improvement in the Competency Baseline of the Organization	Competency Baseline Improved	5%	Improvement in the Competency Baseline of the Organization	5%	Competency Assessment Report Comparison of the 2021 and 2022 Employee Competencies Summary of Employees	Target met. There was a 0.16% improvement in the overall organizational competency level from 2021

² The competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the formula:

$$\frac{\sum_{b=1}^B \left[\frac{\sum_{a=1}^A (\text{Actual Competency Level})}{(\text{Required Competency Level})} \right] a}{B}$$

where a = Competency required, A = Total number of competencies required of position, b = Personnel profiled, B = Total number of personnel profiled.

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									Competency Standards Individual Competency Assessment		
SO 8 Upgrade ICT Infrastructure and Security											
SM 9	Implement the Information Systems Strategic Plan	Total Number of Deliverables Due for 2022 Delivered / Total Number of Deliverables ³ Due for 2022	2.5%	(Actual / Target) x Weight	100% Completion of the 2022 Information Systems Strategic Plan (ISSP) Deliverables as Submitted to the department of Information and Communications Technology (DICT)	100%	2.5%	Implemented 0 out of 9 2022 ISSP Deliverables	0%	Disbursement Vouchers Official Receipts Notices of Award	A zero rating was awarded to the measure due to incomplete submission of supporting documents and justifications.
		Actual Accomplishment	2.5%	All or Nothing	Submission of Board-Approved ISSP 2023-2025	Submitted the Board-Approved ISSP 2023-2025	2.5%	2023-2025 ISSP Not Submitted to DICT	0%	Secretary's Certificate	Target not met. Review of the submitted Secretary's Certificate showed that the 2023-2025 ISSP was approved by the NDC Board on 11 January 2023, which is beyond the performance year being evaluated. Moreover, the NDC also did not submit proof the submission of the 2023-2025 ISSP to the DICT.

³ Deliverables refer to systems/applications.

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SO 9 Adopt Global Best Practices for Transparency and Accountability											
SM 10	Disbursements Budget Utilization Rate	Total Disbursement / DBM-Approved Corporate Operating Budget (Both Net of PS Cost)	5%	(Actual / Target) x Weight	90%	99%	5%	37.84%	2.10%	DBM-Approved COB Supporting Documents for the Exclusion of Budget Items 2022 COA AAR	Target not met. Based on the evaluation of the Governance Commission, only ₱772.81 Million of the requested ₱1.053 Billion of the budget items were excluded in the computation. It should be noted that the Governance Commission only excluded a budget item if the justification is grounded on factors beyond the control and influence of NDC. The Governance Commission referred to the COA AAR for the total disbursements of the corporation. The BUR was computed based on a validated disbursement of ₱214.27 Million and a total budget of ₱772.81 Million.
SM 11	ISO Certification	Actual Accomplishment	5%	All or Nothing	ISO 9001:2015 Certification Maintained	ISO 9001:2015 Certification Maintained	5%	ISO 9001:2015 Certification Maintained	5%	Audit Report	Target met.
Sub-total			20%				20%		12.10%		
TOTAL			100%				99%		74.18%		