



OFFICE OF THE NTA GOVERNING BOARD

**MINUTES OF THE NINETY-EIGHTH (98TH) SPECIAL MEETING OF THE NTA GOVERNING BOARD HELD AT THE BOARD ROOM, 3/F BEN-LOR BUILDING QUEZON AVENUE, QUEZON CITY
28 JUNE 2019**

Present:

Hon. ROBERT L. SEARES, M.D.	-	Administrator/Vice-Chairman/Presiding
Hon. RODOLFO F. SALANGA	-	Member, Tob. Manufacturing Sector
Hon. WILFREDO C. MARTINEZ	-	Member, Tobacco Farmers Sector
Hon. TEOFILO R. QUINTAL	-	Member, Tobacco Farmers Sector
Hon. NESTOR C. CASELA	-	Member, Academic Community
Hon. DANILO C. TRONGCO	-	Member, Tobacco Farmers Sector
Hon. WILSON R. VICTORIO	-	Member, Tob. Trader/Exporter Sector

Others Present:

Mr. ENRIQUE G. DELA CRUZ	-	Representative of the Alternate Chairman & Undersecretary for High Value Crops & Rural Credit, Department of Agriculture
Atty. ROBERT A. AMBROS	-	Department Manager III, Regulation Dept. & Acting Board Secretary V
Ms. ALONA A. MANGANAAN	-	Executive Assistant IV
Mr. RAMON R. MUNCAL	-	Stenographer II

HIGHLIGHTS OF THE MEETING

I. OPENING PRAYER

The opening prayer was led by Mr. Enrique G. Dela Cruz.

II. CALL TO ORDER

The meeting was called to order at 12:00 noon, with the Vice Chairman/Administrator, Robert L. Seares, M.D., as the Presiding Officer.

III. DETERMINATION OF QUORUM

The Acting Board Secretary declared that there is a quorum for the meeting with the presence of all the Appointive Members of the NTA Governing Board. The Acting Board Secretary noted the presence of the following members of the board, to wit:

1. Adm. ROBERT L. SEARES;
2. Dir. RODOLFO F. SALANGA;
3. Dir. WILFREDO C. MARTINEZ;

4. Dir. TEOFILO R. QUINTAL;
5. Dir. NESTOR C. CASELA;
6. Dir. DANILO C. TRONGCO; and
7. Hon. WILSON R. VICTORIO.

The Acting Board Secretary likewise recognized the presence of all others present during the board meeting.

IV. FOR APPROVAL/CONFIRMATION/CONSIDERATION:

- A. APPROVAL OF THE AGENDA OF THE 98TH SPECIAL MEETING OF THE NTA GOVERNING BOARD HELD THIS 28 JUNE 2019 AT THE BOARD ROOM, 3/F BEN-LOR BUILDING, QUEZON AVENUE, QUEZON CITY**

Vice Chairman Seares presented to the Members of the Board the Agenda for the 98th Special Meeting held this 28 June 2019.

Upon motion of Dir. Salanga and duly seconded by Dir. Martinez, the board unanimously adopted the following resolution, to wit:

RESOLUTION NO. 1085-2019

“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Governing Board approves the Agenda for the Ninety-Eighth (98th) Special Meeting of the NTA Governing Board held this 28th day of June 2019 at the Board Room, 3/F Ben-Lor Building, Quezon Avenue, Quezon City.

UNANIMOUSLY APPROVED.....”

- B. APPROVAL AND CONFIRMATION OF THE MINUTES OF THE NINETY-SEVENTH (97TH) SPECIAL MEETING OF THE NTA GOVERNING BOARD HELD ON 31 MAY 2019 AT THE BOARD ROOM, 3/F BEN-LOR BUILDING, QUEZON AVENUE, QUEZON CITY**

The Presiding Officer presented the Minutes of the 97th Special Meeting of the NTA Governing Board held on 31 May 2019 for their consideration and approval.

On motion of Dir. Salanga and duly seconded by Dir. Casela, the board adopted the following resolution, to wit:

RESOLUTION NO. 1086-2019

“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Governing Board approves the Minutes of the Ninety-Seventh (97th) Special Meeting of the NTA Governing Board held on 31 May 2019 at the Board Room, 3/F Ben-Lor Building, Quezon Avenue, Quezon City.

UNANIMOUSLY APPROVED.....”

C. APPROVAL AND CONFIRMATION OF THE MINUTES OF THE ONE HUNDRED AND TWENTY-FIFTH (125TH) REGULAR MEETING OF THE NTA GOVERNING BOARD HELD ON 14 JUNE 2019 AT THE BOARD ROOM, 3/F BEN-LOR BUILDING, QUEZON AVENUE, QUEZON CITY

The Presiding Officer presented the Minutes of the 125th Regular Meeting of the NTA Governing Board held on 14 June 2019 for their consideration and approval.

On motion of Dir. Casela and duly seconded by Dir. Salanga, the board adopted the following resolution, to wit:

RESOLUTION NO. 1087-2019

“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Governing Board approves the Minutes of the One Hundred and Twenty-Fifth (125th) Regular Meeting of the NTA Governing Board held on 14 June 2019 at the Board Room, 3/F Ben-Lor Building, Quezon Avenue, Quezon City.

UNANIMOUSLY APPROVED.....”

D. APPROVING THE COMMENCEMENT OF THE REORGANIZATION OF THE NATIONAL TOBACCO ADMINISTRATION (NTA) UNDER GCG MC NO. 2015-04 AND PROVIDING ITS GOVERNANCE STRUCTURE

On motion of Dir. Salanga, duly seconded by Dir. Casela, the NTA Governing Board adopted the following resolution, to wit:

RESOLUTION NO. 1088-2019

APPROVING THE COMMENCEMENT OF THE REORGANIZATION OF THE NATIONAL TOBACCO ADMINISTRATION (NTA) UNDER GCG MC NO. 2015-04 AND PROVIDING ITS GOVERNANCE STRUCTURE

WHEREAS, the Governance Commission for GOCCs (GCG) issued GCG Memorandum Circular (M.C.) No. 2015-04 providing the guidelines on the reorganization, rationalization and personnel planning in the GOCC Sector;

WHEREAS, the Board has determined that the NTA needs to undergo reorganization for the following policy shifts of operational focus, to wit:

- a. Adoption of Total Farmer-Total Market Development Concept through the Tobacco Contract Growing System (TCGS) for all registered tobacco farmers, to ensure market-driven quality tobacco

- production, thereby addressing full satisfaction of local demand for tobacco leaves;
- b. Increasing challenges of global competitiveness of locally produced leaf tobacco and tobacco products;
 - c. Adoption of inclusive, income-enhancing and market-driven Tobacco Industry Road Map aimed at advancing economic growth and social development;
 - d. Capability building of the Industrial Research Department (IRD) laboratory staff for the upgrading of the delivery of laboratory services to the various players of the tobacco industry, with the end in view of establishing a "State of the Art", reliable and dependable NTA Quality Assurance Laboratory, as the sole laboratory for the entire tobacco industry;
 - e. Establishment of a Tobacco Grading Institute, as mandated by Republic Act No. 4155, which shall serve as a training venue for tobacco researchers and graders;
 - f. Eliminating illicit trade and manufacturing of tobacco products; and
 - g. Enhancement of programs on alternative livelihood, integrated farming and other income generating activities and continuing research and development on other uses of tobacco.

WHEREAS, Section 3.2.2 of GCG MC No. 2015-04 mandates the formulation of a Governance Structure to ensure an orderly and efficient reorganization process.

NOW BE IT – RESOLVED, the commencement of the reorganization of NTA under GCG MC No. 2015-04 is hereby approved.

RESOLVED, FURTHER, the reorganization shall have the following Guiding Principles:

- a. The NTA shall protect the security of tenure of its officers and employees in the reorganization, without sacrificing the need to promote morale, efficiency, integrity, responsiveness, progressiveness, and courtesy in the civil service pursuant to Article IX, B, Section 3 of the Constitution;
- b. No NTA officer or employee shall be removed except for a valid cause and after due notice and hearing;
- c. NTA officers and employees holding permanent appointments shall be given preference for appointment to the new positions in the approved staffing pattern comparable to their former positions or in case there are not enough comparable positions, to positions next lower in rank;
- d. No new employees shall be taken in until all permanent officers and employees have been appointed, including Job Order Hirees who possess the necessary qualification requirements, among which is

the appropriate civil service eligibility, for permanent appointment to positions in the approved staffing pattern, in case there are still positions to be filled, unless such positions are policy-determining, primarily confidential or highly technical in nature. Only the best qualified and most deserving persons shall be appointed in the reorganization; and

e. Adopt a scheme for transparency and participatory processes so that all stages of the Rationalization Plan are made known to all NTA officers and employees.

RESOLVED, FURTHER, a Change Management Team is hereby established, as provided in 3.2.2(c) of GCG MC 2015-04, in accordance with the Official List provided in Annex 2.

RESOLVED, FURTHER, the Change Management Team is hereby authorized and directed to undertake the following:

1. Establish a Mechanism for Participatory Process, which shall include a grievance machinery, pursuant to Section 3.2.2(c) of GCG MC 2015-04;
2. Hire a third party to conduct the Current State Assessment, pursuant to 3.2.2(a) of GCG MC 2015-04;
3. Conduct a Workforce Analysis, pursuant to 3.2.2(e) of GCG MC 2015-04;
4. Conduct a Cost-Benefit Analysis of the Reorganization, pursuant to 3.2.2(d) of GCG MC 2015-04;
5. Formulate a Design Framework, pursuant to 3.2.1 of GCG MC 2015-04;
6. Develop a Proposed Organizational Structure and Staffing Pattern (OSSP);
7. Conduct Career Leveling;
8. Develop a Proposed Branch Model; and
9. Formulate a Strategic Action Plan.

RESOLVED, FINALLY, the Governance Structure for the Reorganization Plan (RP) shall be as follows: Concerned Units Extent of Decision-Making Authority Responsibilities and Accountabilities:

Concerned Units	Extent of Decision-Making Authority	Responsibilities and Accountabilities
a. Governing Board	Policy and Decision-Making Body	a. Directs the commencement of the reorganization and provides its governance

		<p>structure;</p> <p>b. Approves the Reorganization Plan and its submission to the GCG; and</p> <p>c. Requests the DA Secretary to endorse the RP.</p>
b. Ex-Officio Chairman of the Board/Department of Agriculture	Supervising Agency	Issues the Memorandum of Endorsement of the RP to the GCG.
c. Vice-Chairman/ Administrator/ CEO	Over-all in charge in the formulation and implementation of the RP	<p>a. Designates the Chairman and Members of the Change Management Team (CMT);</p> <p>b. Supervises all activities in the formulation of the RP;</p> <p>c. Conducts Strategic Action Planning to guide the CMT, Senior Manager, Middle Managers & Supervisors in the formulation of the RP;</p> <p>d. Reports periodically to the NTA Governing Board on the progress of the RP;</p> <p>e. Formally presents the RP to the GCG; and</p> <p>f. Supervises the implementation of the GCG-Approved RP.</p>
d. Senior Management	Assist the Administrator	a. Assist in the supervision of all activities in the formulation and

		implementation of the RP.
e. Change Management Team (CMT)	Formulation and Implementation of RP	<ul style="list-style-type: none"> a. Establish and implement Participatory process to be employed in the RP; b. Establish Grievance Machinery; c. Prepare the RP; and d. Implement the RP.
f. Middle Managers and Supervisors	Assist and propose to the CMT in the formulation of RP in their respective unit/ department	<ul style="list-style-type: none"> a. Review the functional responsibility of their respective unit/department; b. Initially identify the organizational needs of their respective unit/ department based on initial current state assessment, workforce analysis and planning and cost benefit analysis; and c. Participate in Strategic Action Planning.
g. Rank and File Employees	Direct consultation and participation in the RP	<ul style="list-style-type: none"> a. Contribute in the formulation of RP through their supervisors and middle managers; b. Consulted at all stages of the RP; c. Participate in decision-making relative to the formulation of RP; d. Informed of the effects of the RP in the terms of employment.



<p>h. NTA Employee Association</p>	<p>Assist the CMT in the formulation and implementation of the RP</p>	<p>a. Assist in the establishment and implementation of participatory process to be employed in the RP; b. Assist in the establishment of Grievance Machinery; c. Assist in the Preparation of the RP; and d. Assist in the implementation of the RP.</p>
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UNANIMOUSLY APPROVED:

(on official business)
EMMAMUEL F. PIÑOL
*Secretary, Department of Agriculture
Chairman, NTA Governing Board*

(on official business)
EVELYN G. LAVIÑA
*Undersecretary, Department of Agriculture
Alternate Chairman, NTA Governing Board*

(signed)
ROBERT L. SEARES, M.D.
*Administrator
Vice-Chairman, NTA Governing Board*

(signed)
Hon. RODOLFO F. SALANGA
Appointive Director, Tobacco Manufacturing Sector

(signed)
Hon. WILFREDO C. MARTINEZ
Appointive Director, Tobacco Farmers Sector

(signed)
Hon. TEOFILO R. QUINTAL
Appointive Director, Tobacco Farmers Sector

(signed)
Hon. NESTOR C. CASELA
Appointive Director, Academic Community Sector



(signed)
Hon. DANILO C. TRONGCO
Appointive Director, Tobacco Farmers Sector

(signed)
Hon. WILSON R. VICTORIO
Appointive Director, Tobacco Traders/Exporters Sector

E. PERFORMANCE-BASED INCENTIVE (PBI) SYSTEM FOR THE APPOINTIVE DIRECTORS OF THE NTA GOVERNING BOARD FOR FY 2016, 2017 AND 2018

On motion of Dir. Salanga, duly seconded by Dir. Quintal, the board adopted the following resolutions, to wit:

RESOLUTION NO. 1089-2019

ADOPTING THE PERFORMANCE-BASED INCENTIVE SYSTEM IN ACCORDANCE WITH GCG MEMORANDUM CIRCULAR NO. 2018-04

WHEREAS, the Governance Commission for GOCCs (GCG) issued GCG Memorandum Circular (M.C.) No. 2018-04 establishing, the Interim Performance-Based Incentive (PBI) System for Appointive Members of the Governing Board of GOCCs covered by GCG pursuant to Section 23 of the "GOCC Governance Act of 2011" (R.A. No. 10149);

WHEREAS, GCG M.C. No. 2017-01 provides that GOCCs that apply for the 2016 PBB for their Officers and Employees are deemed to have automatically applied for the PBI for the Appointive Directors;

WHEREAS, the Corporation is eligible to grant the FY 2016 PBB to its qualified Officers and Employees;

WHEREAS, no other allowances, incentives and bonuses other than what is allowed under GCG M.C. No. 2012-02 (Third Issue) will be given to the Appointive Members of the Governing Board, and there is sufficient corporate funds to grant the PBI in accordance with applicable laws, rules and regulations;

NOW, BE IT – RESOLVED, that the National Tobacco Administration has sufficient funds in the DBM-approved COB for 2016 and the amount not exceeding PhP431,250.00, chargeable against corporate funds exclusive of the prohibited sources in GCG MC No. 2018-xx, is hereby allocated for the grant of the PBI for CY 2016 to eligible Appointive Members of the Governing Board, and shall be released upon approval of the GCG.

The Corporate Secretary and all concerned executive officers shall issue the necessary certifications, attesting under oath the veracity of all information disclosed in the documents required by GCG.

DONE, this **28th** day of **June** 2019, in **Quezon City**, Philippines.

UNANIMOUSLY APPROVED:

(signed)
ROBERT L. SEARES, M.D.
Administrator
Vice-Chairman, NTA Governing Board

(signed)
Hon. RODOLFO F. SALANGA
Appointive Director, Tobacco Manufacturing Sector

(signed)
Hon. WILFREDO C. MARTINEZ
Appointive Director, Tobacco Farmers Sector

(signed)
Hon. TEOFILO R. QUINTAL
Appointive Director, Tobacco Farmers Sector

(signed)
Hon. NESTOR C. CASELA
Appointive Director, Academic Community Sector

(signed)
Hon. DANILO C. TRONGCO
Appointive Director, Tobacco Farmers Sector

(signed)
Hon. WILSON R. VICTORIO
Appointive Director, Tobacco Traders/Exporters Sector

RESOLUTION NO. 1090-2019

**ADOPTING THE PERFORMANCE-BASED INCENTIVE
SYSTEM IN ACCORDANCE WITH GCG
MEMORANDUM CIRCULAR NO. 2018-04**

WHEREAS, the Governance Commission for GOCCs (GCG) issued GCG Memorandum Circular (M.C.) No. 2018-04 establishing, the Interim Performance-Based Incentive (PBI) System for Appointive Members of the Governing Board of GOCCs covered by GCG pursuant to Section 23 of the "GOCC Governance Act of 2011" (R.A. No. 10149);



WHEREAS, GCG M.C. No. 2017-01 provides that GOCCs that apply for the 2017 PBB for their Officers and Employees are deemed to have automatically applied for the PBI for the Appointive Directors;

WHEREAS, the Corporation is eligible to grant the FY 2017 PBB to its qualified Officers and Employees;

WHEREAS, no other allowances, incentives and bonuses other than what is allowed under GCG M.C. No. 2012-02 (Third Issue) will be given to the Appointive Members of the Governing Board, and there is sufficient corporate funds to grant the PBI in accordance with applicable laws, rules and regulations;

NOW, BE IT – RESOLVED, that the National Tobacco Administration has sufficient funds in the DBM-approved COB for 2017 and the amount not exceeding PhP476,383.72, chargeable against corporate funds exclusive of the prohibited sources in GCG MC No. 2018-xx, is hereby allocated for the grant of the PBI for CY 2017 to eligible Appointive Members of the Governing Board, and shall be released upon approval of the GCG.

The Corporate Secretary and all concerned executive officers shall issue the necessary certifications, attesting under oath the veracity of all information disclosed in the documents required by GCG.

DONE, this 28th day of June 2019, in Quezon City, Philippines.

UNANIMOUSLY APPROVED:

(signed)
ROBERT L. SEARES, M.D.
Administrator
Vice-Chairman, NTA Governing Board

(signed)
Hon. RODOLFO F. SALANGA
Appointive Director, Tobacco Manufacturing Sector

(signed)
Hon. WILFREDO C. MARTINEZ
Appointive Director, Tobacco Farmers Sector

(signed)



Hon. TEOFILO R. QUINTAL
Appointive Director, Tobacco Farmers Sector

(signed)

Hon. NESTOR C. CASELA
Appointive Director, Academic Community Sector

(signed)

Hon. DANILO C. TRONGCO
Appointive Director, Tobacco Farmers Sector

(signed)

Hon. WILSON R. VICTORIO
Appointive Director, Tobacco Traders/Exporters Sector

RESOLUTION NO. 1091-2019

**ADOPTING THE PERFORMANCE-BASED INCENTIVE
SYSTEM IN ACCORDANCE WITH GCG
MEMORANDUM CIRCULAR NO. 2018-04**

WHEREAS, the Governance Commission for GOCCs (GCG) issued GCG Memorandum Circular (M.C.) No. 2018-04 establishing, the Interim Performance-Based Incentive (PBI) System for Appointive Members of the Governing Board of GOCCs covered by GCG pursuant to Section 23 of the "GOCC Governance Act of 2011" (R.A. No. 10149);

WHEREAS, GCG M.C. No. 2017-01 provides that GOCCs that apply for the 2018 PBB for their Officers and Employees are deemed to have automatically applied for the PBI for the Appointive Directors;

WHEREAS, the Corporation is eligible to grant the FY 2018 PBB to its qualified Officers and Employees;

WHEREAS, no other allowances, incentives and bonuses other than what is allowed under GCG M.C. No. 2012-02 (Third Issue) will be given to the Appointive Members of the Governing Board, and there is sufficient corporate funds to grant the PBI in accordance with applicable laws, rules and regulations;

NOW, BE IT – RESOLVED, that the National Tobacco Administration has sufficient funds in the DBM-approved COB for 2018 and the amount not exceeding PhP527,117.65, chargeable against corporate funds exclusive of the prohibited sources in GCG MC No. 2018-xx, is hereby allocated for the grant of the PBI for CY 2018 to eligible Appointive Members of the Governing Board, and shall be released upon approval of the GCG.



The Corporate Secretary and all concerned executive officers shall issue the necessary certifications, attesting under oath the veracity of all information disclosed in the documents required by GCG.

DONE, this **28th** day of **June** 2019, in **Quezon City**, Philippines.

UNANIMOUSLY APPROVED:

(signed)
ROBERT L. SEARES, M.D.
Administrator
Vice-Chairman, NTA Governing Board

(signed)
Hon. RODOLFO F. SALANGA
Appointive Director, Tobacco Manufacturing Sector

(signed)
Hon. WILFREDO C. MARTINEZ
Appointive Director, Tobacco Farmers Sector

(signed)
Hon. TEOFILO R. QUINTAL
Appointive Director, Tobacco Farmers Sector

(signed)
Hon. NESTOR C. CASELA
Appointive Director, Academic Community Sector

(signed)
Hon. DANILO C. TRONGCO
Appointive Director, Tobacco Farmers Sector

(signed)
Hon. WILSON R. VICTORIO
Appointive Director, Tobacco Traders/Exporters Sector

F. REQUEST FOR THE CONDUCT OF PUBLIC BIDDING FOR THE HIRING OF SECURITY SERVICES FOR THE NTA OFFICES FOR THE PERIOD BEGINNING 01 SEPTEMBER 2019 AND FOR THREE (3) YEARS THEREAFTER

On motion of Dir. Salanga and duly seconded by Dir. Trongco, the board adopted the following resolution, to wit:

RESOLUTION NO. 1092-2019

“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Governing Board hereby

authorizes the NTA Management to conduct the public bidding for the project: "Provision of Security Services for the Offices of the NTA at the National Capital Region, Region 1, Region 2, Cordillera Autonomous Region and Region IV-A – Lots 1, 2, 3, 4 & 5" with an Approved Budget for the Contract (ABC) in the total amount of Php14,028,453.00.

UNANIMOUSLY APPROVED....."

G. REQUEST FOR THE PURCHASE OF VARIOUS SPARE PARTS/CONSUMABLES FOR THE SMOKING MACHINE AND QUALITY TEST MODULES FOR CIGARETTES

(deferred subject to presentation of Certificate of Exclusive Distributorship by the Supplier of the existing Smoking Machine)

V. OTHER MATTERS

A. PROPOSED CREATION OF AN ANTI-ILLICIT TOBACCO TRADE TASK FORCE (AITT-TF)

During yesterday's committee meeting, the representatives from the local cigarette manufacturing sector requested for an audience with the NTA Governing Board. Atty. Raul Academia of the PMFTC Inc. presented to the board the magnitude of illicit trading in the global market which is now 600 million sticks and counting, comprising about 10-12% of the global cigarette consumption and a loss of US\$40-50B of tax revenues. Atty. Academia said that there are three (3) kinds of illicit cigarettes: first is "domestic illicit" which are locally manufactured genuine cigarettes with fake tax stamps; second is "counterfeit cigarettes" which may be locally manufactured or imported; and last is "contraband/illicit whites" which are legally manufactured abroad but illegally imported. He also presented the 2017 & 2018 comparison of seized local illicit cigarettes which grew from 89M to 157M sticks or 76% and the number of violators from 2 to 7 or 250%.

He manifested that the private sector is willing to conduct trainings/meetings for NTA in support against illicit tobacco trade, as follows:

- Training /Awareness of Law Enforcement Agencies (LEAs) and trade;
- Information sharing with LEAs;
- Logistical support post-enforcement (transport, hauling, provision of security services, warehousing/storage, destruction);
- Policy Development;
- Increased penalties under Secs. 263 and 265 of the NIRC;
- Provision for 3rd party monitoring under Sec. 152 of NIRC;
- Provision for exclusion of excisable goods under duty-free barter exchanges under Sec. 152 of NIRC; and
- Penalties for possession of unlicensed machines under Sec. 265-B of NIRC.



He then requested from the NTA the following, to wit:

- Creation of regulatory framework against illicit cigarettes at the retail and wholesale level;
- Establishment of confiscation, administrative hearing and forfeiture proceedings; and
- Creation of an enforcement team while the industry can provide logistical and policy support.

Atty. Academia also reported that most of the violators apprehended were Chinese nationals. After the presentation, Dir. Salanga informed the representatives of the manufacturing sector that the proposal will be studied by the legal team of the NTA for discussion in the next board meeting.

**(deferred for further study and recommendation by the
Legal Team of the NTA)**

B. INFORMATION FOR THE BRANCH MANAGERS ON THEIR DELEGATED AUTHORITY TO SIGN DOCUMENTS FOR PRODUCTION/FACILITY ASSISTANCE AND AMENDMENTS TO THE IMPLEMENTING GUIDELINES FOR IFOIGAP-TCGS 2019-2020

During yesterday's committee meeting, Dir. Casela took the opportunity to inform the Branch Managers of their delegated authority to sign documents for production/facility assistance projects in recognition of the predicament of the branch offices with respect to the timeliness in the releases production/facility assistance. Atty. Ambros said that the board already approved the implementing guidelines of NTA projects incorporating the authority of the Branch Managers. He added that the DAOP and the Administrator will now only approve the consolidated farm plan and budget and this will facilitate the approval of loan applications.

Upon the query of Ms. Minerva P. Mizal, Manager of the NTA-Vigan Branch Office, Dir. Casela clarified that only the signing of loan documents was delegated to the branch managers. He added that Memorandum of Agreement involving the NTA will still be approved by the Administrator. He then instructed the Acting Board Secretary to follow up with the office of the DAOP for the pending BO documents from 2017 & 2018. He asked the Acting Board Secretary if the authority can be made retroactive. Atty. Ambros said that it cannot be done because the guidelines had long been approved and copies of which were provided to the Commission on Audit.

Atty. Ambros informed the branch managers that among the salient amendments of the implementing guidelines for NTA projects was the violations committed by the NTA extension workers which, if found to be negligent, will render them not entitled to Productivity-Based Bonus (PBB).

Mr. Roman Raganit, Jr., Chief Agriculturist of NTA-Canon Branch Office, also suggested for NTA to provide crop insurance for the farmer-cooperators. Mr. Drapete said that the government provides subsidy for crop insurance provided the farmers are listed under the Registry System for Basic Sectors of Agriculture (RSBSA).

On other matter, Mr. Drapete suggested that there should be full delegation of authority to the branch offices which shall report to top management every month and top management will report to the board. He said this because he is worried for NTA which has no releases yet as of June and the NTA is on a cash based budgeting and the risk is that if there is no collection, the projects will not be implemented.

Mr. Drapete also asked if the bidding procedures is conducted in the head office. He suggested that there should be separate bidding of fertilizers for tobacco and rice. However, he suggested for the management to look into the distribution of fertilizers which are applicable to soil condition of a particular area which may be different from other areas.

Ms. Laudencia requested from the branch managers the list of their recipients for the curing barn assistance project which will be constructed on or before March 31, 2020, but the budget will come from COB 2019 in the amount of Php100 Million. On query of Dir. Salanga, Ms. Laudencia reported that NTA proposed for Php200 Million for the TCGS 2019-2020, Php100 Million from R.A. 4155 and Php100 Million from corporate funds which includes the 20% subsidy.

Dir. Casela likewise stated that, since the last tobacco season, the tobacco private sector was seeking assistance from NTA in increasing tobacco production the reason why the board suggested to expand the TCGS. However, he said that NTA will expand the TCGS project strictly for Topped Tobacco only for export.

Ms. Mizal raised the issue with respect to manpower requirement because as of now the target given to NTA technicians in only 40 hectares each, except when job order hirees will be engaged on project basis but the problem is that there will be no accountability in terms of collections of production assistance. Dir. Salanga responded that additional manpower through the proposed rationalization was included in the proposal for Tier 2.

Mr. Drapete also suggested that NTA should start planning for CY 2020 because the approval of the 2019 budget is already through. He said that the NTA should already know how many curing barns that will be constructed, the number of bags of fertilizers to be provided and the number of farmers to be assisted, all of which must be presented in details.

On motion of Dir. Casela, duly seconded by Dir. Salanga, the adopted the following resolution, to wit:

RESOLUTION NO. 1093-2019

“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Governing Board hereby adopts as a policy to grant subsidy on production assistance only for tobacco farmers who shall plant topped/improved flavor tobacco starting with Crop Year 2019-2020, *Provided*, that tobacco farmers who shall



continue to plant neutral tobacco shall still be given production assistance but without entitlement on any subsidy.

RESOLVED, FURTHER, that the Implementing Guidelines for the IFOIGAP-Tobacco Contract Growing System is hereby amended accordingly.

UNANIMOUSLY APPROVED.....”

C. TOBACCO SEEDLING PRODUCTION PROJECT

During yesterday's committee meeting, Dir. Salanga informed the concerned branch managers that the solution for the shift to topped tobacco is early planting. The project aims to solve the problem on seedling production due to scarcity of land. He then instructed the Chief Agriculturist to look for areas for seedling production for topped tobacco to be reported in the next committee meeting on July 30.

D. STATUS OF FARMERS REGISTRATION AND ISSUANCE OF FARMERS' IDs

During yesterday's committee meeting, Ms. Nelly Castro reported that as per branch offices' submission, the status of farmers' registration is already 91.50% (29,488 out of 32,932) and issuance of farmers' IDs is 57.42%.

Ms. Luzviminda Padayao informed the Members of the Board that the reason for the delay in the issuance of farmers' IDs was due to defective printers of ID makers issued to the branch office. Ms. Esmeralda Valera then requested for the extension of the services of job order enumerators. Ms. Mixal and Dr. Riazonda reported that they are already through with the registration and issuance of farmers' IDs.

On motion of Dir. Salanga, duly seconded by Dir. Casela, the board adopted the following resolution, to wit:

RESOLUTION NO. 1094-2019

“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Governing Board hereby approves the extension of service of one (1) Job Order Enumerator, per branch office, for the period 01 July 2019 to 31 July 2019, except for Vigan and Cagayan Branch Offices, without further extension.

RESOLVED, FURTHER, that the Branch Managers shall submit their accomplishment reports to the FTSD, for consolidation, to be reported to the board after 31 July 2019.

UNANIMOUSLY APPROVED.....”

E. KPP PROJECT

During yesterday's committee meeting, Mr. Hermogenes Galvez, Coordinator of the KPP Project, reported on the Workshop on the Preparation of a Technical Bulletin to Promote Ease in Doing Business for the Fuelwood Sector in Region I and CAR conducted by the Department of Environment and Natural Resources (DENR) held last July 20, 2019 at Vitalis, Santiago, Ilocos Sur.

He reported that the DENR identified the requirements and conditions for securing the Certificate of Tree Plantation Ownership (CTPO) for the farmer-cooperators to be able to harvest their tree plantations and proper accomplishment of Self-Monitoring Forms (SMF), in case the fuelwoods will be transported from one municipality to another, as well as, submission of proof of land ownership and alternative certification/s from Barangay and NTA Branch Offices in case of non-availability thereof

Mr. Galvez then sought approval of the request for the conduct of a Technical Meeting to be attended by the NTA concerned officials/staff and Job Order Foresters to be held on July 1, 2019 at NTA-Candon Branch Office.

He also said that there is a need for the Job Order Foresters to revisit the 2013-2014 plantations to be able to get the "Shape Files" of the KPP Project. Hence, he requested for the extension of the services of the Job Order Foresters from July 1 to September 30, 2019.

Dir. Casela added that the DENR recognizes the predicament of the private sector. With the issuance of the DENR Technical Bulletin, the issue on traceability and sustainability of fuelwood requirements will be resolved. He also reiterated the issue between ULPI and TMI with respect to fuelwood sharing as per previously approved resolution of the board.

On motion of Dir. Salanga, duly seconded by Dir. Casela, the board adopted the following resolution, to wit:

RESOLUTION NO. 1095-2019

"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Governing Board hereby approves the extension of services of the Thirty-Four (34) Job Order Foresters for the period 01 July 2019 to 30 September 2019, to undertake the "Shape Filing" of the 2013 and 2014 KPP Project Tree Plantations.

RESOLVED, FURTHER, that the NTA Governing Board approves the request to conduct a Technical Meeting to be held on July 1, 2019 at NTA-Candon Branch Office, Candon City, Ilocos Sur.

UNANIMOUSLY APPROVED....."



F. SOLAR POWERED IRRIGATION SYSTEM

During yesterday's committee, Ms. Nelly Castro, Chief SRS, FTSD, reported the following status of construction of SPIS in the different branch offices, to wit:

1. Abra BO:
 - a) Salucag, Dolores, Abra - Completed
 - b) Pias, Tayum Abra - location of the ringwell was changed; construction of ring well is on-going
2. Ilocos Norte BO:
 - Bacarra - construction of SPIS not yet started; ring well is ready and available
3. Vigan, BO:
 - Nagsuputan, San Juan - SPIS is now operational but installation of the overhead tank is not yet started.
4. Candon, BO:
 - Pidpid, Sta. Cruz - SPIS is now operational but installation of the overhead tank is not yet started
5. La Union, BO:
 - Bulbulala, Balaoan - construction of tube well is on going
6. Pangasinan, BO:
 - a) Aramal, San Fabian - SPIS is now operational but construction of overhead tank is on-going; and
 - b) Gualsic, Alcala - construction of tube well is on-going, there was a change of location of shallow tube well.
7. Cagayan, BO:
 - Masical, Baggao, Cag - Construction of SPIS has not yet started.

G. AGRIPINOY MEAT PROCESSING PROJECT

During yesterday's committee meeting, Ms. Nora Corre reported on their collections of receivables from NTA employees, outside creditors and hog raisers. She said that she had already sent the demand letters to the concerned debtors. She informed the board on status of compliance with the suggestions made during the last committee meeting, such as, reduction of manpower complement to only 9, however she said that there is a need to hire a marketing personnel which function she herself is performing right now. She also reported that imported meats competes with the meat products of the AgriPinoy in terms of prices.

Dir. Casela suggested to Ms. Corre to adopt improvements of the project's operation as per advice of Dir. Drapete, such as, study the overhead cost vis-à-vis revenue; processes; marketing arm to operate professionally; systems of delivery, dispersal, collection and payment; linkages with interested parties; tapping the assistance of the Department of Agriculture; Impact assessment on the farmers' universe after five (5) years of implementation.

Dir. Salanga also suggested to look for ways to prohibit the sale of imported meat. He instructed Ms. Corre and Dr. Crisologo to attend the next committee for the submission of their projection, estimated sales and funding requirements.

VI. ADJOURNMENT

There being no other matter to be taken up and upon motion of Dir. Trongco, duly seconded by Dir. Martinez, the meeting was officially adjourned at 4:50 P.M.

The board agreed to conduct the next meeting on the following dates:

- a. Committee Meeting - 04 July 2019, 9:00 A.M.; and
- b. 126th Regular Meeting - 05 July 2019, 10:00 A.M.

PREPARED AND CERTIFIED CORRECT:



ATTY. ROBERT A. AMBROS
Acting Board Secretary V


ATTESTED:

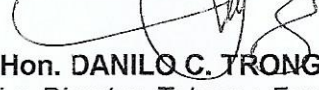

Hon. ROBERT L. SEARES
Vice-Chairman and Administrator

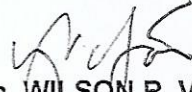

Hon. RODOLFO F. SALANGA
Appointive Director, Tobacco Manufacturing Sector


Hon. WILFREDO C. MARTINEZ
Appointive Director, Tobacco Farmers Sector


Hon. TEOFILO R. QUINTAL
Appointive Director, Tobacco Farmers Sector


Hon. NESTOR C. CASELA
Appointive Director, Academic Community


Hon. DANILO C. TRONGCO
Appointive Director, Tobacco Farmers Sector


Hon. WILSON R. VICTORIO
Appointive Director, Tobacco Traders/Exporter Sector



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**NINETY-EIGHTH (98th) SPECIAL BOARD MEETING OF THE NTA BOARD OF DIRECTORS
HELD AT THE NTA BOARD ROOM, THIRD FLOOR, BEN-LOR BUILDING
QUEZON AVENUE, QUEZON CITY, 28 JUNE 2019, 10:00 A.M.**

ATTENDANCE SHEET

PRESENT:

1. **Secretary EMMANUEL F. PIÑOL**
Department of Agriculture and
Chairman, NTA Governing Board

2. Undersecretary, **EVELYN G. LAVIÑA**
Dept. of Agriculture-High Value Crop
and Alternate Chairman, NTA Governing Board

3. **Hon. ROBERT L. SEARES, M.D.**
Administrator/Vice-Chairman
of the NTA Governing Board

4. **Hon. RODOLFO F. SALANGA**
Member, NTA Board of Directors

5. **Hon. TEOFILO R. QUINTAL**
Member, NTA Board of Directors

6. **Hon. WILFREDO C. MARTINEZ**
Member, NTA Board of Directors

7. **Hon. NESTOR C. CASELA**
Member, NTA Board of Directors

8. **Hon. DANILO C. TRONGCO**
Member, NTA Board of Directors

9. **Hon. WILSON R. VICTORIO**
Member, NTA Board of Directors

OTHERS PRESENT:

1. **Atty. ROHBERT A. AMBROS**
Acting Board Secretary

2. RANON R. MUNCAL

3. ENRIQUE DELA CRUZ

4. ALONA A. MANGANAN

5. _____
