

**LAMP2 OPERATING MANUAL**

**THE LAMP 2 ENTITLEMENTS & INCENTIVES  
PLAN  
(E&I Plan)**

First Edition June 2007

Report B6

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8		TA records			

**THIS DOCUMENT HAS BEEN PREPARED IN TWO SECTIONS:**

**SECTION ONE: BACKGROUND TO THE ENTITLEMENTS AND INCENTIVES PLAN**

This Section describes the current situation of regular personnel and contractuels with regard to entitlements and incentives. The section makes recommendations for which entitlements and incentives "PACKAGES" should be pursued for both groups.

There is no package as such for Entitlements as these are being pursued within the usual channels of GOP personnel management. Action towards entitlements are relying on the analysis in Section 1.

Section One may be regarded as a research document to provide useful background for the actual incentives packages and how they have been derived.

**SECTION TWO: THE LAMP2 INCENTIVES PACKAGE**

This Section outlines the recommended LAMP2 Incentives Package for both regular staff and contractuels. It describes both monetary and non monetary incentives.

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## **SECTION ONE: BACKGROUND TO THE ENTITLEMENTS AND INCENTIVES PLAN**

### **Definition of terms**

The project needs to be clear as to the meanings it applies to the various terms within any E&I arrangements. The following terms have these meanings within the Package:

**Regular staff:** Are the staff who have been designated (volunteered or assigned) to work in LAMP from mother agencies such as DENR, ROD etc. In June 2007 there are approximately 43 regular personnel assigned to LAMP

**Contractuals:** Are the contracted staff recruited from various sources to work under contract to LAMP. In June 2007, there are 203 Contractuals in LAMP.

**Remuneration:** generic term referring to the cash payment amount (cheque or in bank) of salary

**Benefits:** Refers to payments in cash or in kind over and above remuneration to make a job more attractive, to provide security in employment or to provide incentives for increased productivity or effectiveness.

**Entitlements:** Refers to the salary payment and other benefits that all or any employee is entitled to under the law. A minimum wage would be a good example of entitlement

**Salary:** Same as remuneration

**Wages:** Same as remuneration.

**Awards:** Not used in this package but refers to a package of remuneration and benefits won through arbitration or by Union action to describe a package of minimum salary and benefits to a cadre of workers or employees

**Incentives:** These are an item, money or otherwise provided to employees in order to motivate them to be more productive or effective

**Productivity Incentive:** A bonus paid to all employees who meet the requirements of the LAMP2 Performance Recognition System

**Secondment Package:** A package of documents covering all aspects of a GOP regular employee's assignment (secondment) to LAMP2

**Non monetary incentives:** Training programs and other activities (such as give-aways) provided to Project employees (regular and contractual) that have the two fold purpose of enabling the employee to perform the job more effectively but also to provide the employee with training that should be useful in his or her career planning

### **1. Why the Package is called 'Entitlements and Incentives'!**

A stance this E&I Plan takes is that the Project as a good employer **should** be paying and providing benefits that would normally be considered as 'Entitlements'. For example, RATA (Representation and Transportation Allowance) and Overtime Allowance if paid **should be regarded as Entitlements** and should be paid as part of the employment package and not something that can be used as incentives. Incentives for productivity and effectiveness should be derived from other sources as this Plan recommends for installation. This distinction between Entitlements and Incentives is important.

Because of the differences in working conditions for assigned personnel to the project and the Contractual staff, the E&I Plan comprises two parts, one for each cadre of employees. The Plan is also based on the premise that Incentives for one group may not have the same effect on the other.

However, it must be said that even without the purposes of the E&I package to rectify the negatives of staff morale, turnover and productivity, the project has a strong obligation to simply be a better employer. Much of the E&I package will contribute in large measure to this obligation. If it can reduce turnover, raise motivation and increase productivity so much the better.

### **2. The Annual Plan for AusAID and the inclusion of an amount for Entitlements and Incentives**

Included in the Budget and Resource Plan for 2007–08 is an amount in the Cash Flow Table (Item 4) for Incentives for LAMP2.

The E&I Plan assumes the reference to **GOP staff** includes both Contractuals and regular staff assigned to the project.

It is expected that AusAID will provide feedback on the Annual Plan after the conclusion of the World Bank/Ausaid Review mission during the last week of June 07. The Review of Component 2 will also be completed around the same time with the following recommendation for a package of Entitlements and Incentives (I and B).

As a combined group they will be referred to in the Plan as "Employees".

### **3. Background and Issues involved in the E&I Plan**

LAMP2, in mid 2007 is experiencing a range of difficulties, some originating from a lack of senior government decisions, commitment and ownership of the Project, others originating from the way the project has to recruit, hire and manage Contractual and regular personnel and still others to a seemingly resulting mix of high turnover of staff, low productivity and lack of commitment to LAMP ideals and methods.

**It is believed rectifying the Entitlements and a package of incentives arranged for both contracted and regular personnel (but different for each) may contribute in large measure to raising motivation levels and productivity, reducing staff turnover and increase adherence to Project principles and methods.**

There is now an established set of linkages between the Project Competency (work) standards derived from functional analysis and the following HRM&D systems and methods:

- i. Standards based job descriptions with clear and measurable Key Result Areas or KRAs (in June 2007 these are still to be prepared for assigned personnel)
- ii. Recruitment and selection procedures
- iii. Operating and training manuals
- iv. In-service training
- v. Performance assessment (called the Performance Recognition System or PRS) and
- vi. Contracts issued to contractuels (as well as Special orders within 'to be prepared' Secondment Packages to be issued to assigned personnel)

In June 2007, these various systems have been consolidated into what will be known as the LAMP2 Performance Management System.

**\*\*\* Note that the first PRS exercise is being undertaken for contractual staff in mid June 2007.**

**As at 18 June the PRS has not been installed in Component 4 but will be. Installation within the ISF also needs consideration.**

**It is essential that the results of the PRS (as performance assessment is the driver of the Incentives part of the E&I Plan.**

#### **4. Lack of clarity of and disadvantageous working conditions policies for Contractuels**

The issues for assigning and hiring and managing and adequately compensating Contractuels and Assigned Personnel to LAMP 2 are complex and difficult due, in many instances to a lack of any clearly written policy or directive for particular and important issues. This results in many of the possible initiatives for incentives for project personnel (particularly contractuels) subject to the decision of a senior government officer interpreting or following a convention that has been followed in the past without regard to the needs of the Project.

The outstanding example of this and from which the majority of disadvantageous working conditions for contractuels stems from the unwillingness and/or inability of the government agencies to regard contractuels to projects (and its own contractuels) as 'Employees'. The Philippine Labour code does not appear to apply to contractuels as that code is regarded as applying only to private sector employees (**which project and government contractuels are not**) whilst the Civil Service seems to have stated that it does not/no longer has or wants any jurisdiction over the same cadres and only exercises jurisdiction over regular civil servants (**and also which the contractuels are not**).

**This leaves Contractual employees (and this term is being used to describe them as such in this Plan) without any clear status (although verbally and as included in their contracts, the status will always be stated as (not employees of government).**

During the research conducted in preparing this plan and from reviewing cases in the Courts which provided judgments where the status as an employee had to be handed down it became quite clear that **if ever** a case for GOP contractuels came before the courts it would

be highly likely they, as a cadre would be held to be 'Employees'. This appears so on the following bases:

- i. That contractuels are in regular employment, paid on a regular basis and pay 13% of each salary payment in taxation
- ii. That the government as employer has the authority to hire and fire all of its contractual employees.
- iii. Contract salaries are charged to Item 29, Personal Services
- iv. Contractuels are told **what to do** through the terms of their contracts
- v. Contractuels are told **how to do** the work through the terms in their contracts, AOs, Operating and Training manuals, Office orders and so on

Also, quite clear now from the research is that ... **'if contractuels are not employees of the government and simultaneously, they are not regarded as employees of a private sector firm'** then... the hiring, firing and management of contractuels for LAMP 2 by a managing agent/firm would place Contractuels clearly within the jurisdiction of the Philippine Labor Code (as it applies to all private sector employees). This approach could yet provide the best way forward for the Project to manage all of its contractuels.

**It is believed that the arrangements in the E&I Package could be quite easily incorporated into a contract between a managing firm and the Project**

A further glaring issue (and stemming from the above) is that of the discrepancies in working conditions (ie entitlements and benefits) between Contractuels and Assigned personnel performing the same work. There is no principal in operation for 'Equal pay for Equal Work'. In certain cases, this applies to both assigned personnel and contractuels.

Despite their superior conditions overall (and including other benefits such as Insurance, annual cash payments etc) assigned personnel at times regard themselves at a disadvantage to contracted personnel.

So... This E&I Plan attempts to incorporate Entitlements and Incentives for both Contractuels and Regular (assigned) personnel to the Project.

**A further aspect not analysed here but marked for attention soon is that of gender balance in recruitment, gender sensitivity and the ensuring of rights of female employees in LAMP2. For the moment, this E&I package devotes itself to males and females equally**

**The intention of the Plan is NOT to just 'even things up' or balance the scorecard between contractuels and assigned personnel.**

**5. The current arrangements for entitlements and incentives and what may be possible.**

These are outlined in Tables One to Five below.

**TABLE ONE: Current entitlements and possible incentives paid to Contractuals - Item 29 (as at 30 June 2007)**

Entitlements as at June 07	Incentives possible	Comments
1. Basic Pay Less 13% Tax		Based on Government Salary Scheme but there are discrepancies between what is taxed at the national level and to the regions and other differences actually between regions. This item requires further investigation.
2. Steps within salary Grade after 3 years of service		Based on Government Salary Scheme
3.	<p>Personal Economic Relief Allowance <b>(PERA)</b> of 1500 pesos per month.</p> <p>If paid, would be included as part of regular salary</p>	<p>Waiting for verbal reply from Director FMS as to whether this will be allowed to be paid from Project budget.</p> <p>If not, could be included in AusAID Incentives scheme (if Plan approved by AusAID)</p> <p>The submission to Director FMS should be in a written submission to elicit a response.</p> <p><b>Update 30 June 07. Project advised that PERA has been disallowed.</b></p>
4.	<p>Additional Compensation Allowance <b>(ACA)</b> 500 pesos per month.</p> <p>If paid, would be included as part of regular salary</p>	<p>Waiting for verbal reply from Director FMS as to whether this will be allowed to be paid from Project budget.</p> <p>If not, could be included in AusAID Incentives scheme (if Plan approved by AusAID)</p> <p>The submission to Director FMS should be in a written submission to elicit a response.</p> <p><b>Update 30 June 07. Project advised that PERA has been disallowed.</b></p>
5.	<p>Travel Allowance and Transportation 800 per diem/per day travelled</p> <p>If paid, would be included as part of regular salary</p>	<p>Travel Allowance is not paid to Contractuals but is paid to regular staff assigned to the Project but they allow reimbursing of transportation expenses.</p> <p>Project vehicles and motor bikes have been provided for field staff for day usage</p> <p>If paid as part of regular salary might be difficult to regard as Incentive. See definition of Incentive later</p>
6.	Performance Incentive	Not presently paid to contractuals. 2,000 pesos presently as paid to all GOP personnel after all receiving Above

		<p>Average ranking in Government Performance Evaluation System (PES). This will be charged to GOP funds.</p> <p>This item might be able to be used as incentive payment for contractuels depending on 100% performance ranking from Project PRS</p>
7.	Overtime	<p>Not paid to Contractuels. (Also not paid to Regular staff due to Austerity measures attached to GOP budget but could be paid from GOP project funds</p> <p>If paid as part of regular salary might be difficult to regard as Incentive. See definition of Incentive.</p> <p>May also be applied as an offset (or what is also known as flexitime) in which an employee could take time off in lieu of being paid overtime</p>
8.	Representation & Transportation Allowance ( <b>RATA</b> )	<p>See Table Three of RATA payments. Payment of RATA for detailed personnel in PCO and PPIO Bohol has not been approved. A letter of request has been sent to DBM.</p> <p>Is currently paid to Leyte staff at the following levels of regular staff assigned to the project. Project Manager, Deputy Project Manager, Unit Chiefs and SAT leaders.</p> <p>There appears to be different COA interpretations from the national to the regions and between regions</p> <p>Might be able to be considered as an item for an incentive payment for Contractuels if in these positions. See Table Three</p> <p><b>Update as at 30 June 2007. No word has been received from DBM on this matter</b></p>
9.	Honoraria	<p>See National Compensation Circular No 75 of March 1, 1995. Presently covers only government personnel but may also be paid to non government personnel for special services or membership in projects. For rendering services not among regular functions eg delivering training, workshops etc which Leyte staff are certainly doing for Bohol staff.</p> <p>See also Table Four</p> <p>This item should be able to be considered for Incentive payment but must be included in KRAs in job descriptions and then in contracts for contractuels and special orders for assigned personnel.</p>
10. Promotion of position/salary	Based on performance/productivity (at	This will depend on the management decision as this will be the result of

	management discretion).	performance assessment and the availability of position in the approved staffing plan. The PRS now able to provide the information for this
11.	Communication allowances	Not currently paid to Contractuals. Based on Departmental Order. Presumably being already paid to ED, DED, PENRO and Deputy PPIO.  Currently (June 07) has been approved for the Project Driver at P300 per month.  Check whether paid to OSS Manager. If not might be used as incentive. Who would actually pay would be an issue to resolve as the OSS Manager is LRA staff. See Table Five
12.	13 month pay	1-month salary. Being paid biannually on or before May 15 and November 15 respectively.  Not presently paid to Contractuals because they are not 'employees' of government. This item might be used as incentive
13.	Cash gift	P5,000.00 paid annually at end of year or in half biannually same time with the 13 month pay. Not presently paid to Contractuals because they are not 'employees' of government If approved for payment, this item would be an entitlement in the same way as for regular personnel
14.	Study tour	Subject for consideration by Project Management in relation to function and performance assessments. This item might be used as an incentive.
15.	Overseas work attachment or study tour	Subject for consideration by management in relation to function and performance assessment.  This item might be used as an incentive as well as an item to enhance peoples competencies through overseas exposure
16.	Training offered (over & above LAMP requirements) but related	Subject for approval by the management in relation to function and performance assessment. This item might be used as an incentive
17.	Insurance	A group insurance policy might be taken out for all contractuals for protection whilst on travel, working etc  This item not so much as an incentive but rather an essential working condition so not regarded as an item for Incentive.  An insurance package should be explored as part of the Project being a good employer.

18. Meal allowance	Paid in lieu of an overtime allowance. Considered a meager payment as employees may work all Saturday for this as only compensation  GOP Project presently pays 50 pesos as meal allowance for working on Saturday	
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**TABLE TWO: Current entitlements and Possible Incentives for regular personnel assigned to LAMP (as at 30 June 2007)**

Entitlements	Current Amounts Paid	Incentives possible	Additional comments
1. Basic Pay			Based on Government Salary Scheme
2. Steps within salary Grade after 3 years service			1 <sup>st</sup> step after 3 years of service and 2 <sup>nd</sup> step after 3 years
3. Performance Incentive	2,000 paid after end of year PES (GOP Performance Evaluation System)	No incentive implications	All GOP personnel receive the 2,500
4. PERA	1,500.00		Paid as part of monthly salary
5. ACA	500.00		Paid as part of monthly salary
6. Travel Allowance	800.00 per diem		Cash advance or reimbursement after travel  Project vehicles and motor bikes have been provided to field staff
7. 13 month pay	Equiv to 1/2 month salary each payment		Paid bi-annually but recommended to be paid after two years continuous service. In this regard the 13 month pay can be an entitlement as well as an incentive.
8. Cash gift	5000.00		Paid at end of year but recommended to be paid after two years continuous service.
9. Promotion of position/salary			Though the usual government procedures
10. Communication allowances			Based on Departmental Order. Presumably being already paid to ED, DED, PENRO and Deputy PPIO.  Check whether paid to OSS Manager. If not might be used as incentive. See Table Five
11. Study tour			Subject for consideration by project management in relation to function and performance

			<p>assessments.</p> <p>This item might be used as an incentive. Must be linked to a performance agreement based on clear and measurable KRAs</p>
12. Overseas work attachment or research			<p>Subject for consideration by project management in relation to function and performance assessments.</p> <p>This item might be used as an incentive. Must be linked to a performance agreement based on clear and measurable KRAs</p>
13. Training (over & above LAMP requirements) but related			<p>Subject for consideration by project management in relation to function and performance assessments. This item might be used as an incentive. Must be linked to a performance agreement based on clear and measurable KRAs</p>
14. Honoraria			<p>Not the same as higher duties allowance. Can be paid but covered by AO 106 (Austerity Measures). Project has funds to pay not covered by regular GOP funds as described in AO 106)</p> <p>See Table Four</p> <p>Must be linked to a performance agreement based on clear and measurable KRAs</p>
15. RATA			<p>Subject for approval by DBM &amp; DENR See Table Three</p> <p>Whether RATA is paid as an allowance and not taxed or paid as part of regular salary is an additional issue to be resolved</p>
16. OIC allowance	Not presently an	eg SAT leader as	AusAID funds.

	entitlement	equivalent of Division Chief SG 22 - 24	Would need to be linked to a performance agreement with clear and measurable KRAs  If other payments are instituted such as honoraria and RATA then perhaps OIC allowance would not be applicable.
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**TABLE THREE: RATA Table Payments (as paid to Regular staff assigned to the Project)**

Position	Amount per month
DED	8,000
DED	6,000
Unit Chiefs, SAT Leader etc	6,000
<b>Update 30 June 2007. New rates for RATA have been advised but the effect on the subject matter of this document is negligible</b>	

**TABLE FOUR: Honoraria Table of payments (as extracted from National Compensation Circular**

Project Position Level	Amount
1	P2,500
2	P2,000
3	P1,600
4	P1,200
5	P800

**TABLE FIVE: Use and distribution of cell phones in the Department proper**

Official	Monthly Ceiling
U/Sec	3,500
A/Sec	3,500
Head Exec Assistant	3,500
Director	3,000
Assistant Director	2,500
Project Director/Manager	2,500
Assistant Project Director/Manager	2,500
Project driver	300

## **6. Purpose(s) of the E&I Plan**

**A two fold purpose:**

**For Contracted personnel to LAMP2...**

To provide the appropriate entitlements (as entitlements as defined) and incentives to contracted personnel in order they be attracted to work for and remain in the project and be adequately compensated for undertaking Project work

**For Regular/Assigned personnel to LAMP2...**

To provide entitlements (as entitlements as defined) and incentives to regular personnel in order they be attracted to be assigned to and remain with the Project and be adequately compensated for undertaking Project work concurrently with the demands of their assigned job in government

These purposes could be combined for a single purpose covering both cadres...

***To provide entitlements (as entitlements as defined) and incentives to Project personnel in order they be attracted to work for and remain in the project and be adequately compensated for undertaking Project work***

However, due to the wide discrepancies in employment conditions between the two groups, a mix of incentives payments is recommended for the two groups.

## 6.1 POSSIBLE ENTITLEMENTS AND INCENTIVES PACKAGE FOR REGULAR PERSONNEL ASSIGNED TO LAMP2 AND RECOMMENDATIONS

**TABLE 6: REGULAR PERSONNEL**

ENTITLEMENT TO BE CLARIFIED / PAID WHERE APPLICABLE	To whom and when to be provided	Suggested funds sourcing or other recommendation
1. Steps within salary Grade after 3 years service	This is being done by Personnel Division of DENR however, Administrative Unit of project could ensure this entitlement paid when anniversary is due to project personnel.	Regular GOP funds
2. Travel allowance		
3. Promotion of position/salary		Regular GOP funds. Formal secondment package to be investigated setting out all entitlements
4. Communication allowances	Admin Unit to ensure all personnel eligible to receive this are receiving it eg OSS Manager	Regular GOP funds
5. Honoraria	Not the same as higher duties allowance. Can be paid but covered by AO 106 (Austerity Measures). See Table Four	GOP Project has funds to pay not covered by regular GOP funds as described in AO 106)  Training duties etc to earn honoraria must be included in job description/KRAs of assigned officer
6. OIC salary top up	For performing a post in LAMP higher than their regular position such as when senior officer is absent on leave, study etc or when senior post is vacant	AusAID funds.  Must be linked to a performance agreement with clear and measurable KRAs and assessed twice per annum within the LAMP PRS
7. RATA	Subject for approval by DBM & DENR See Table Three	AusAID funds  Must be linked to clear and measurable KRAs and assessed twice per annum within the LAMP PRS

<b>INCENTIVES RECOMMENDED FOR REGULAR PERSONNEL</b>		
1. Secondment Incentive	<p>Paid to all regular staff who join (are seconded to) LAMP</p> <p>Revised Special Order to be prepared as <b>Secondment Package</b> comprising:</p> <p>Special Order, Job Description with KRAs, Duration of secondment, entitlements and incentives to be paid MOA and Notice of Performance Assessment System,</p> <p><b>See details in Section2 and sample docs in Annexes.</b></p> <p><b>Not recommended for payment until secondment packages in place</b></p>	<p>AusAID funds</p> <p>Not linked to Performance Assessment system</p> <p>See budget in Table 7</p>
2. Productivity Incentive	Paid on results of performance assessment. See details in Section 2	AusAID funds
3. Study tours	Subject for consideration by project management in relation to function and performance assessments.	<p>AusAID funds (Component 2 budget)</p> <p>An incentive.</p> <p>Must be linked to a performance agreement based on clear and measurable KRAs and an MOU to be undertaken on return from study tour</p>
4. Overseas work attachment, research or study	Subject for consideration by project management in relation to function and performance assessments.	<p>AusAID funds (Component 2 budget)</p> <p>An incentive.</p> <p>Must be linked to a performance agreement based on clear and measurable KRAs and an MOU to be undertaken on return from study tour</p>
5. Training (over & above LAMP requirements) but related	Subject for consideration by project management in relation to function and performance assessments.	<p>AusAID funds (Component 2 budget)</p> <p>An incentive.</p> <p>Must be linked to a performance agreement based on clear and measurable KRAs</p>
<p><b>It is recommended that assigned personnel are not provided the Productivity Incentive until their particular SO) has been prepared as a Secondment Package to reflect the KRAs of the job and the project work standards in the same manner as for contracted personnel.</b></p> <p><b>However, they will have the system explained during the period of preparation of the Secondment Orders</b></p>		

## 6.2 POSSIBLE ENTITLEMENTS AND INCENTIVES PACKAGE FOR CONTRACTUALS AND RECOMMENDATIONS

**TABLE 8: CONTRACTUALS**

ENTITLEMENT TO BE CLARIFIED / PAID	To whom and when to be provided	Suggested funds sourcing or other recommendation
1. Steps within salary Grade after 3 years of service	Contractuals to be made aware of this entitlement and Admin Division of the Project to ensure records are up to date and this be paid if and when due	GOP Project funds
2. Personal Economic Relief Allowance (PERA) of 1500 pesos per month.  If paid, would be included as part of regular salary	Waiting for verbal reply from Director FMS as to whether this will be allowed to be paid from Project budget.  As at 27 June 07, verbal advice has been received that PERA is not allowed to be paid to Contractuals.	GOP project funds  Submission to Director FMS made in writing. As at 30 June 2007 waiting for response.  If not approved, could be included in AusAID Incentives scheme (if Plan approved by AusAID)
3. Additional Compensation Allowance (ACA) 500 pesos per month.  If paid, would be included as part of regular salary	Waiting for verbal reply from Director FMS as to whether this will be allowed to be paid from Project budget.  As at 27 June 07, verbal advice has been received that PERA is not allowed to be paid to Contractuals.	GOP project funds  Submission to Director FMS needs to be in writing  If not approved, could be included in AusAID Incentives scheme (if Plan approved by AusAID)
4. Travel Allowance and Transportation 800 per diem/per day travelled  If paid, would be included as part of regular salary	Travel Allowance is not paid to Contractuals currently but is paid to regular staff assigned to the Project but they allow reimbursing of transportation expenses.  Project vehicles and motor bikes have been provided for field staff	GOP project funds
5. OIC salary top up	For performing a post in LAMP higher than their regular contracted position such as when senior officer (assigned officer) is absent on leave, study etc or when senior post is vacant	AusAID funds  Must be linked to a performance agreement based on clear and measurable KRAs and an MOU to be undertaken on return from study tour
6. Honoraria	See National Compensation Circular No 75 of March 1, 1995. Presently covers only government personnel but may also be paid to non government personnel for special services or membership in projects. For rendering services not among regular functions eg	GOP regular budget or GOP project funds

	<p>delivering training, workshops etc which Leyte staff are certainly doing for Bohol staff. See also Table Four This item should be able to be considered for Incentive payment</p>	
7. Representation & Transportation Allowance (RATA)	<p>See Table Three of RATA payments. Payment of RATA for detailed personnel in PCO and PPIO Bohol has not been approved. A letter of request has been sent to DBM.</p> <p>Is currently paid to Leyte staff at the following levels of regular staff assigned to the project. Project Manager, Deputy Project Manager, Unit Chiefs and SAT leaders.</p> <p>See Table Three</p>	Regular GOP budget
8. Overtime	Not paid to Contractuals. (Also not paid to Regular staff due to Austerity measures attached to GOP budget but could be paid from GOP project funds	GOP Project funds
9. Promotion of position/salary	Based on performance/productivity (at management discretion).	This will depend on management decision as this will be the result of performance assessment and the availability of position in the approved staffing plan. The PRS now able to provide the information for this
10. Communication allowances	Not currently paid to Contractuals. Based on Departmental Order. Presumably being already paid to ED, DED, PENRO and Deputy PPIO. See Table Five	Check whether paid to OSS Manager. GOP project funds or AusAID  Project Driver is provided with an allowance of P300 per month.
11 month pay	1 month salary.  Not presently paid to Contractuals because they are not 'employees' of government.	GOP project or AusAID funds  Although more an entitlement for contractuals to receive similar working conditions as assigned personnel, this item might be used as incentive  As entitlement (or as incentive) must be linked to a performance agreement based on clear and measurable KRAs

<p>12. Cash gift</p>	<p>P5,000.00 paid annually at end of year  Not presently paid to Contractuals because they are not 'employees' of government  This item might be used as incentive</p>	<p>GOP project or AusAID funds  Although more an entitlement for contractuals to receive similar working conditions as assigned personnel, this item might be used as incentive    As entitlement (or as incentive) must be linked to a performance agreement based on clear and measurable KRAs</p>
<p>13. Insurance</p>	<p>A group insurance policy should be taken out for all contractuals for protection whilst on travel, working etc    This item not so much as an incentive but rather an essential working condition so not regarded as an item for Incentive.</p>	<p>GOP project funds    An insurance package to be explored as part of the Project being a good employer.</p>

INCENTIVES RECOMMENDED FOR CONTRACTED PERSONNEL		
1. Meal allowances in lieu of overtime	<p>Each employee for working minimum one extra hour per day receives P50 per day from GOP funds.</p> <p>P50 presently paid to Contractuals as overtime for working Saturdays from GOP funds.</p> <p>Each employee working Saturdays will receive P300 flat rate</p> <p>This will apply to all contractuals (<b>NOT REGULAR PERSONNEL</b>) who undertake field work. Also Field personnel who work in PPIO or PCO away from their usual place of work and NTRC staff involved in Simulation Studies and the like.</p> <p>See details in Section2</p>	
2. Productivity Incentive	<p>Paid on results of performance assessment in same way as for regular personnel</p> <p>See details in Section 2</p>	
3. Study tours	<p>Subject for consideration by Project Management in relation to function and performance assessments. This item might be used as an incentive.</p>	<p>AusAID funds</p> <p>Must be linked to a performance assessment based on clear and measurable KRAs and an MOU to be undertaken on return from study tour</p>
4. Overseas work attachment or study tour	<p>Subject for consideration by management in relation to function and performance assessment</p> <p>This item might be used as incentive.</p>	<p>AusAID funds</p> <p>Must be linked to a performance assessment based on clear and measurable KRAs and an MOU to be undertaken on return from tour</p>
5. Training offered (over & above LAMP requirements) but related	<p>Subject for approval by the management in relation to function and performance assessment. This item might be used as an incentive</p>	<p>AusAID funds</p> <p>Must be linked to a performance assessment based on clear and measurable KRAs and an MOU to be undertaken on return from training</p>

## **7. Are the necessary HRM&D systems in place to support the Incentives Package**

Basically **Yes** for Contractuals but **No** for Assigned personnel

- Contractuals have job descriptions with KRAs and contracts issued also based on these KRAs. Presumably, correct recruitments have taken place that have enabled the selection panel to recruit the most suitable applicant for the job. If not the PRS should be able to demonstrate poor recruitment practices when the contractual is assessed.
- Assigned personnel join the project on the basis of Special Orders (SOs) from their mother agency. These SOs do not yet provide the details of the job the assigned officer is to undertake nor any performance criteria have been set down. Where the Project has existing job descriptions to which assigned personnel are designated, a Secondment Order should now be prepared comprising:
  - i. The Special Order for the designation or detail
  - ii. The position the officer will occupy
  - iii. The job description with KRAs for the position
  - iv. The duration of the secondment
  - v. The authorities of the position (if not detailed in the job description)
  - vi. The reporting lines of the position
  - vii. The entitlements and Incentives the assigned officer will receive
  - viii. An MOU signed by the Team Leader and Executive Director and the seconded officer

Where an officer is assigned to a job where there is no job description existing then a job description must be prepared as a matter of priority. The SO can then adhere to the KRAs listed in the job description.

**It is recommended that assigned personnel are not provided incentives until their particular SO or Secondment Package has been re-written to reflect the KRAs of the job and the project work standards in the same manner as for contracted personnel.**

## **8. The results of Performance Assessment and the payment of incentives**

**Note:** From this point on 'The Plan' refers only to The Incentives Plan as all entitlements are now considered as required entitlements to be paid by the GOP and Project as good employers and are being pursued through the usual personnel management channels of DENR

For Contractuals there is the priority issue of insurance whilst on the job. This will be taken up as a matter of urgency

This section only relates to the payment of the Productivity Incentive for regular and contracted personnel. Study tours, training etc are covered by the Component 2 budget of the project as well as...

- The Secondment Incentive is paid to regular personnel for joining LAMP and is not dependent on performance assessment and

- The overtime/meal allowance paid to contractals is paid on the basis of time on the job (and appropriate records of this)

The Productivity Incentives actually paid to any employee (contractual and regular) will be dependent on his or her bi annual performance assessment.

Based on the performance assessment, incentives for any employee can be:

- Initiated
- Reduced
- Increased or
- Taken away

**Remember that the PRS is based on an assessment of whether or not the officer...**

***“IS DOING THE JOB AS REQUIRED TO THE STANDARDS OR IS NOT”***

A system needs to be devised whereby the Productivity Incentive can be used as a real incentive and not come to be an expected entitlement as has the Civil Service Performance Bonus paid on the results of the performance evaluation system of the service. With the present set up of the LAMP PRS (which itself needed to be uncomplicated) the way forward is to again use the KRAs as they are used in the actual assessment process.

**Question: Can the PRS provide information to enable incentives to be paid on an increasing scale according to performance?**

**Basically, NO.** It would requires some modification. The PRS is designed to assess whether any officer is Competent or not OR Performing or not to the Project performance standards and for the Incentives scheme we are only

For example, if an officer is assessed to be **performing** (to the standards required) in only 3 or 4 out of five of his or her KRAs, he or she is not yet performing all aspects of the job (for whatever reason) to the standards required, therefore is **not eligible** for the Productivity Incentive payments. Performance assessment will also demonstrate poor or inappropriate recruitments and should lead counseling, re-assignment within the Project or exit from the Project (as recommended by the Assessor).

If an officer is assessed as performing to the standards required in all KRAs of the job then the Productivity Incentive can be initiated for that officer.

**Competency assessments should not** be considered for payment of incentives. For example, if an officer is assessed to be competent (to the standards required) in only 3 out of 5 KRAs then he or she is not competent for the job. This assessment remember, will demonstrate poor or inappropriate recruitments and leads to a training need identified, counseling, re-assignment within the Project or exit from the Project.

## **9. Managing the Incentives Package**

Option 1: Continuation with the present arrangements of DENR/The Project managing E&I for all personnel. This is considered sustainable

Option 2: Continue with the current arrangements for managing assigned personnel to the project (this is considered sustainable but requires improvement through the package for that cadre) and

Option 3: Include the Entitlements and Incentives package for Contractuals as a required term of the contract between the managing agent and the DENR/Project (if a managing agent is contracted) but a pre-requisite is for the E&I package to be in place first

### **11. When can the E&I Package be installed?**

The following sequence is suggested:

Step 1: PCO and AusAID to agree on the E&I package  
By 30 June 2007

Step 2: Office memo to all personnel (maybe using a Memorandum and the website) to inform every person of the details of the E&I package  
Complete by mid July 2007

Step 3: Administrative Division of PCO as priority work on installing the **Entitlements** package for both assigned personnel and contractuals. These should be installed with or without performance assessment.  
Start after agreement on the Package.

Step 4: Concurrent with Step 1-3, revise all SOs of assigned officers to reflect the KRAs of the job to which they are assigned. This should be done with or without the E&I package and with or without the PRS and as part of the Secondment package. See sample documents in Annexes. Secondment Incentive recommended not be paid until secondment packages in place, otherwise no legal basis for requiring officer to perform KRAs and Duties of the job.  
Start by mid June 2007.

Step 5: Senior personnel (PCO and PPIOs) to review performance assessment results of all contractuals currently up for renewal to decide simultaneously the recommendations of the Assessor for re-assignment, counseling, exit etc and contract renewal. All new contracts should reflect KRAs of the job (from the job descriptions) as well as Duties (the latter if project management requires Duties to be included but KRAs are essential for the PRS to function.  
Assessment completed by 15 July 2007.

Step 6: Performance assessment to be conducted for all assigned personnel once job descriptions are prepared for their jobs **AND** their SOs reflect the KRAs from these jobs. Incentive package can not be installed until these ingredients are in place. Probity checks of the assessments undertaken will be carried out by senior officers from the PCO.

**Start date of assessment when SOs and job descriptions are complete. ie when Secondment Packages have been prepared**

**END OF SECTION ONE**

OOOoooOOO

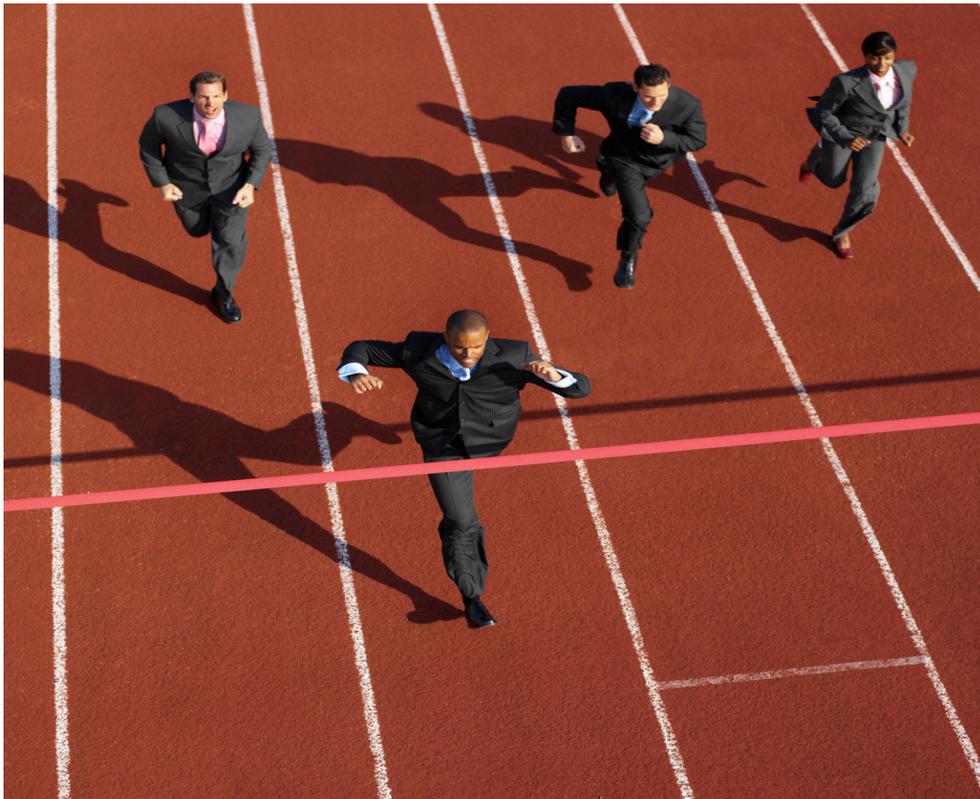
**References:**

1. Various Gazettal notices and memorandums held by Abby Parafina
2. Review of progress towards the implementation of the strategic HRM&D plan (HRM&D Team June 2007)
3. The LAMP2 Performance Assessment System (PRS)
4. Staffing approvals from DBM

## SECTION TWO

# THE LAMP2 INCENTIVE PACKAGE FOR REGULAR AND CONTRACTED PERSONNEL

June 2007



**There are five parts of the Incentives package described in Section Two:**

**Part One:** The Productivity Bonus (PI) for all Regular and Contracted Project staff (with a small package for NTRC staff)

**Part Two:** The Secondment package for regular personnel

**Part Three:** Meal Allowances (or MA) in lieu of overtime for Contractuals

**Part Four:** Non monetary allowances for Regular and Contractual staff

**Part Five:** Training and orientation for HRM&D Teams and other Project Personnel

**THERE ARE TWO SCHEMES FOR EACH GROUP:**

**1. For Regular personnel there will be:**

1.1 A Productivity Bonus (PI) to be paid on results of performance assessment

1.2 A Secondment Incentive (SI) to be paid as an incentive to join and remain with LAMP

**2. For Contractuals there will be**

2.1 The Productivity Bonus under the same scheme as for regular personnel

2.2 An increase in meal allowance in lieu of overtime payments

# **1. THE PRODUCTIVITY INCENTIVE (PI)**

## **- For Contractuals and Regular Personnel**

- 1. The PI is a bonus payment made twice per year immediately each of the twice yearly assessments of every officer and dependent on those assessments.**
- 2. The basis is that 100% performance will entitle the employee to receipt of the bonus on each assessment process. Anything less than 100% performance will mean the bonus is not provided.**
- 3. LEI staff will review assessment results before bonus is paid by LEI from AusAID funds**
- 4. The need by the Incentive scheme for LAMP job descriptions to be accurate now becomes critical**

Look at Form PRS3 from the Performance Recognition System on the next page

This is the Assessment Results Matrix

### **Productivity Incentive 1. (For 50% of assessment score)**

**PRS 2 of the performance assessment system has two parts. Each part is scored to 50 points**

**Part One is the actual production of evidence by each officer that he or she **IS** doing the work (measured by the KRA performance)**

**For example**

An officer assessed as performing 100% on all KRAs of the job is allocated 50 points of the total assessment.

-If there are 3 KRAs then the officer has to be performing all 3 at 100% to gain 50% of the total available (& given a lesser mark /50)

-If there are 6 KRAs then the officer has to be performing all 6 at 100% to gain 50% of the total available (or given a lesser mark /50)

**\*\* If less than 100% performance (ie less than 50 points – there will be no bonus payment at all**

**Form PRS3: The Assessment Results Matrix**

**- For Competency or Performance Assessment**

The form may also be used for Training Needs Analysis and Recognition of Prior Learning

<b>ASSESSMENT RESULTS MATRIX</b>			
<b>Note whether a competency assessment or performance assessment.</b>			
This is a .....assessment of			
<b>Name of Candidate</b> .....			
<b>Job Title</b> .....			
<b>Assessor's name and title.....</b>			
<b>Date of Assessment.....</b>			
KRAs or Duties or Units of Competency	Number	Competent to Performance Standard Yes/No	IS Performing to Performance Standard Yes/No
1			
2			
3			
4			
5			
6			
7			
8			
9			
<b>Candidate's signature and date.....</b>			

**Productivity Incentive 2. For the remaining 50% of the Productivity Incentive Score**

Part 2 of PRS 2 requires the Assessor to provide a score /5 for each of ten selected attributes (attitudes)

The score provided by the Assessor for each attribute must be supported by examples OR a description of the officer with regard to that attribute

There are 9 attributes listed. The Assessor may add one more and provide a ranking /5 for this attribute. If not added then Number 9 can be ranked from 10 points

Part 2 of PRS2 is shown on the next page

**Form PRS2 – Evidence Gathering Plan - for Competency or Performance Assessment.  
Page 2 of 2**

Assessor to provide a score out of five for each item and write a narrative comment for each.  
Assessor should provide examples or qualifying statement to justify score and comment

<b>Item</b>	<b>Attribute</b>	<b>Score /5</b>	<b>Comment to justify score provided</b>
1	Describe punctuality, at work of assessed officer		
2	Describe attendance at work of assessed officer		
3	Describe diligence at work of assessed officer		
4	Describe examples of initiative displayed by assessed officer		
5	Describe work ethics, displayed by assessed officer		
6	Describe honesty displayed by assessed officer		
7	Describe helping behaviours displayed by assessed officer		
8	Describe willingness of assessed officer to work as team member/leader		
9	Describe productivity of assessed officer and achievement of work targets		
10	Other important attributes that require comment (negative or positive) Or score Item 9 from 10 points.		
<b>Total</b>	<b>/50</b>		

**Final scoring of performance assessment for Productivity Incentive for each individual**

<b>Part</b>	<b>Score</b>	
Part A Performance assessment	<b>/50</b>	
Part B Attributes Assessment	<b>/50</b>	
<b>Total Score</b>	<b>/100</b>	<b>100</b>

Scores provided to Administration Unit for probity check and application (or non) of Productivity Bonus

Officer signature and date.....

Assessor signature and date.....

Administration received results. Sign and date.....

**Note:** The payment of Secondment Incentives (for regular staff) and Meal Allowances for Contractuals are not directly linked to the performance assessment system so the next Section will describe and estimate costs for the three types of incentive payment

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# THE LAMP2 INCENTIVES PACKAGE PROPOSAL

## FOR FUNDING BY AUSAID

Version Date: 5 July, 2007

### 1. THE PRODUCTIVITY INCENTIVE 2007/08

#### How much incentive payment per officer per year?

For 2007/08 it is suggested all officers (regular and contractuels) who meet the performance requirements and are approved to receive the payment under the LAMP2 performance assessment system will receive two bonus payments per year following each of the six monthly performance assessments.

The Incentive is P12,000 per 6 months and is competitive with the amount awarded to the most productive staff. **All** LAMP staff, part time and full time shall be eligible for the Productivity incentive which shall be based on the results of the 6 monthly performance assessments.

#### Assumptions for calculating costs of Productivity Incentive

- Payment of the PI is dependent on each officer's performance assessment result
- For the PI system to work, the performance assessment system must not be allowed to be corrupted. Personnel must be made aware that the scheme would be in jeopardy if malpractices became evident
- All officers are eligible to receive the bonus. The results shall be transparent and all recipients of the incentive payment shall be listed on LAMP2 notice boards and by other means.
- Performance assessment maximum points is 100. Fifty percent of this is from the evidence provided by the officer to prove he/she is performing the work to standards (see PRS2 Part One)  
The remaining 50% can be gained from the Assessor's judgment of the Officer's attitudes and aptitudes (see PRS 2 Part 2)
- Every officer could be assessed as performing and become eligible for the productivity bonus. However, two hurdles will be applied in order to make the Productivity Incentive perform as a true bonus scheme that wont allow it to become confused with the Civil Service Productivity Incentive scheme. There is to be a cut off point for the top 60% of ranked officers to actually receive the bonus.
- There will be scope for team productivity incentives to be paid once the individual performance system has been in operation and reviewed for effectivity

- The results of the July 07 assessments can be measured against these principles and adjustments made prior to the end of 07 assessments on which the actual bonus payments will be made. This will allow for the system to be tested
- Results and M&E of the PRS can be reviewed by HRM&D team in PCO with Admin Chiefs in the PPIOs during process and Evaluation Workshops (and other times as required)
- First Productivity Incentive should not be paid until December 07 when the second round of assessments will have been conducted . The first round of assessments in July 07 will demonstrate how well the assessment system meets international principles of performance assessment and how well it resists any opportunities for manipulation.
- A probity check system will be introduced to the performance assessment and incentives package systems

**Total cost of Productivity Incentive (for both Regular and Contractual Staff) for year 07/08**

<b>Year</b>	<b>Actual staff complement</b>	<b>60% of actual complement to receive PI</b>	<b>Pesos Pax x 2 x P12,000</b>	<b>\$Aus</b>
<b>07/08</b>	47 Regular	30	720,000	\$18,000
	203 Contractual	121	2,904,000	\$72,600
		(approx 151 x 24,000)	<b>3,624,000</b>	<b>\$90,600</b>

**Assumptions**

- 250 staff on strength as at 30 June 2007
- Cost calculated on 60% of officers receiving P24,000 per year (December 07 and June 08)
- \$Aus1 = Pesos 40 in the above estimates

## **2. THE SECONDMENT INCENTIVE FOR REGULAR PERSONNEL TO JOIN AND REMAIN WITH LAMP**

### **The principles behind the Secondment Incentive**

Principle 1. Secondment package to be prepared for each regular officer assigned to the Project

Principle 2. 100% of Allowance paid for full time secondment. 50% for anything less than full time. This will be borne out by the Special order designating the officer to the Project as well as time sheets and observation by TA.

Principle 3. Payable to and/or within the three bands of Staff, Supervisory and Management

Principle 4. The allowance has to be simple to administer (install, reduce, take away from salary)

Principle 5. TA will carry out a management audit on the supplied list of eligible GOP staff

Details of each principal are provided below

### **Principle 1. The Secondment Package**

Every officer (existing & future) assigned to LAMP will be provided with a Secondment Package comprising

- Special order with job description & KRAs + authorities and responsibilities
- Designation, duration, full time or part time
- Informed in writing that competency and performance will be assessed within the LAMP performance recognition system
- Entitlements (under GOP employment and incentives package under LAMP E&I Package)
- MOU signed by ED and TL and the Officer

### **Principle 2. 100% of Allowance paid for full time secondment. 50% for anything less than full time**

- LAMP should request/receive officers on full time basis
- Home office should be required to fill vacant position from within existing ranks
- Administration Chiefs and TA to play watchdog role (as AusAID funds are being used for this allowance)
- TA will be informed during orientation & kick off meetings

### **Principle 3. Payable to and/or within the three bands of:**

- Staff
- Supervisory
- Management

- If an officer is undertaking a position in the next higher band then the allowance will be paid to that band (or 50% for part time)

- If an officer is undertaking a position in the same band then the allowance will be paid to that band (or 50% for part time)

### **The three bands (levels) and Incentives to be paid**

\*\* Remember! 50% for anything less than full time secondment

\*\* Payment of the Incentive is to the designated position (not the officer's actual salary grade in the home agency)

Band Three. Management Max allowance payable: P6,000 per month
Band Two: Supervisory. Max allowance payable P5,000 per month
Band One: Staff. Max allowance payable P4,000 per month

### **Principle 4. The Secondment Incentive has to be simple to administer**

- The signing of the MOU in the Secondment package together with the results of the performance assessment will initiate the payment of the Secondment Incentive.
- Officers not performing will require counseling or return to their home agency
- Secondment must state full time for 100% allowance to be paid & officer must be in his/her LAMP position on the effective date
- Performance assessment by LAMP PRS undertaken twice per year will determine if officer is performing or should return to home agency (& loss of allowance)
- Results of PRS will be forwarded by PPIO Administration to PCO Administration for final approval of Secondment Incentive payment or adjustment

### **Principle 5. TA will play a review role & also recommend changes for individual officers**

- Over and above PRS results
- AusAID funds are being used so TA needs to play a role

The cost estimates provided below are the maximum payable as the estimate has been made on the calculation as if all staff are in the highest band. In reality the figure would be less considering there are staff in each of the lower bands and there are a number who are less than full time.

Estimate is also based on all staff being assigned full time

In the absence of the actual numbers of staff in each band and the numbers part time or full time in the Project the estimate is based on all staff in the Project at 30 June 07 being paid

the allowance at a rate of P6,000 per month for 12 months. The actual total would be less as the staff numbers become available

The incentive will attempt to ensure officers are designated full time to the Project.

The Special Order detailing each officer must specify part or full time and this must be confirmed by later attendance records on the job, observation by TA and probity checks.

**Total Cost of Secondment Incentive for Regular personnel to join LAMP2**

**\*\* An example with guestimate numbers in each band and whether these are full or part time to the Project provides a conservative result. Based on a total number of 50 personnel**

Band	Rate Per Month	No. Staff		Total Pesos	Total \$Aus /year
		Part time	Full		
1	6,000	8	4	48,000 x 12 = 576,000	14,400
2	5,000	12	10	80,000 x 12 = 960,000	24,000
3	4,000	8	8	48,000 x 12 = 576,000	14,400
		<b>22</b>	<b>28</b>	<b>2,112,000</b>	<b>52,800</b>

**Note \$Aus1 = Pesos 40 in the above estimates**

### 3. MEAL ALLOWANCE PAID IN LIEU OF OVERTIME FOR CONTRACTED PERSONNEL

#### 1. Meal allowances (MA) for Monday – Friday (currently paid by GOP)

- P50 in total paid to all Contractuals who work one extra hour per day (PCO, PPIOs and Base Camps)
- Current MA of 50 pesos paid by GOP

#### 2. Meal allowances (MA) for Saturday work for Contractuals

- AusAID funded MA of P300 to be paid
  - irrespective of salary grade
  - must be authorized
- To be paid to all Contractuals in the field who work a full day on Saturdays. Payment of the Allowance must be supported by an authorization to work the overtime plus time records (signed by the authorizing officer at end of each overtime period )
  - No pro rata for part day

#### The Meal Allowance in lieu of Overtime for Contractual staff

Based on actual staff strength in June 2007 of 203.

Saturday allowance based on flat rate of approved (in advance) overtime of P300 per day and assuming **all** contractuals work every Saturday for the 12 month period. In reality the plan is for the field staff to receive the meal allowance. There are frequent occasions when office support personnel work Saturdays as well. There remains a strong case for these officers to receive the allowance. The Saturday overtime would require the same authorization as for the field staff.

Year	No of Contractuals	Pesos	\$Aus
2007	203 x 300 x 52	3,166,800.00	\$79,170.00

**Totals for Productivity Incentive, Secondment Incentives and Meal Allowance (overtime allowance) 2007/08**

<b>Incentive Payment</b>	<b>Year</b>	<b>Pesos</b>	<b>\$Aus</b>
Productivity Incentive	07/08	3,624,000	90,600
Secondment Incentive	07/08	2,112,000	52,800
Meal (OT) Allowance	07/08	3,166,800	79,170
		<b><u>8,902,800</u></b>	<b><u>222,570.00</u></b>

## **Implications for Incentives Package on PCO and LEI staffing and administration**

There will be a need to increase staff in the Admin/Personnel unit in PCO to cope with the work of administering the Performance Management System overall and in particular, the PRS and this Incentives Package

### **For example...**

1. More than 40 secondment packages to be prepared
2. PRS results need to be reviewed with regard to the Incentives Package
3. The Performance Management System needs to be managed
4. JDs need to be updated
5. Contracts need to be updated
6. Entitlements need to be pursued
7. The usual administrative/personnel work to be completed

### **PROCESS: For Productivity Incentive (PI) for regular staff and contractuels**

- after AusAID clearance for payment
- LEI payments system to gear up

1. Prepare procedures and required memorandums for administration
2. Review results of June 2007 performance assessment for inconsistencies and manipulation. Conduct probity check in each office. Review documentation and evidences provided by officers during assessments
3. Conduct IE&C program for Incentives package with Project Memorandum to all personnel

### **PROCESS: For Secondment Incentive (SI)**

- after AusAID clearance for payment
- LEI payments system to gear up
- Prepare procedures and required memorandums for administration

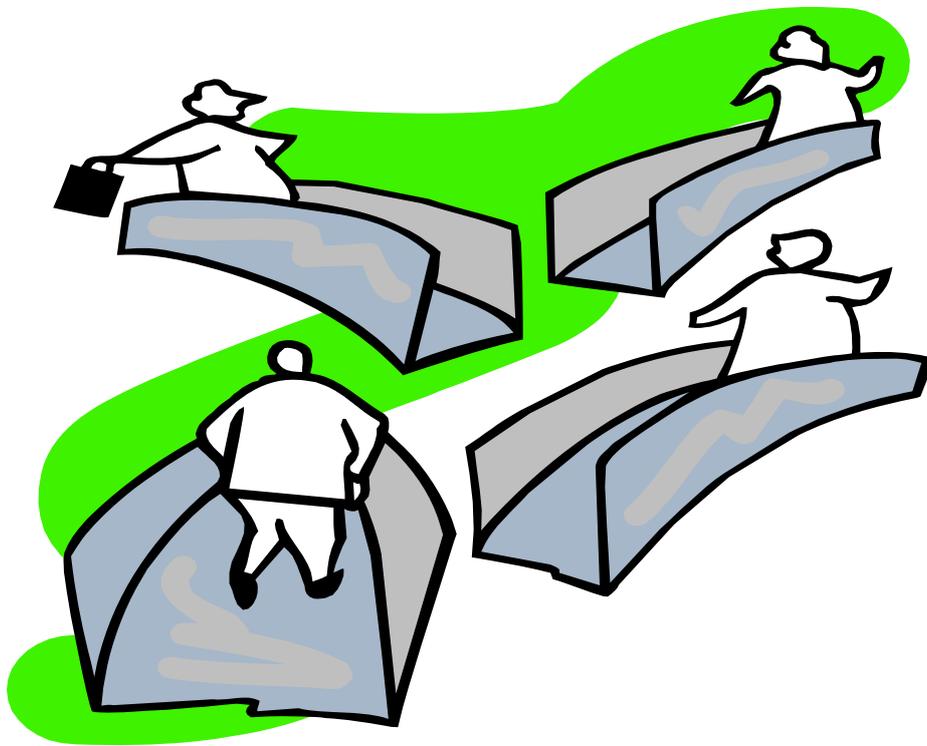
1. Obtain necessary approvals from project management
2. Prepare secondment packages for all assigned personnel
3. Ensure job descriptions with measurable KRAs and authorities and responsibilities are clearly defined in all job descriptions
4. Ensure secondment package clearly states full time or part time
5. Prepare MOU and have it signed off.
6. Initiate secondment allowance from date of signing MOU
7. Review continuation of payment of SA (ie officer remaining in LAMP) based on performance assessment, management audits etc

### **PROCESS: For Meal Allowance (MA)**

- after AusAID clearance for payment
- LEI payments system to gear up
- Prepare procedures and required memorandums for administration

1. Initiate payment of daily MA of 50 pesos for every contractual
2. Verify all authorized overtime dockets
3. Make payments to contractuels at end of each month for authorized Saturday overtime worked

**PART FOUR: NON MONETARY ALLOWANCES FOR  
REGULAR AND CONTRACTUAL STAFF**



The recommendations for the non monetary incentives part of the Package are set out below. These adhere to the main provisions contained in the Component 2 IDCB Plan for the Project.

1. Study tours	Subject for consideration by Project Management in relation to function and performance assessments. This item might be used as an incentive in combination with the identified outcomes of the study tour(s)	AusAID funds  Must be linked to a performance assessment based on clear and measurable KRAs with re-echo and an MOU to be undertaken on return from study tour
2. Overseas work attachment or study tour	Subject for consideration by management in relation to function and performance assessment This item might be used as incentive in combination with the identified outcomes of the study tour(s)	AusAID funds  Must be linked to a performance assessment based on clear and measurable KRAs with a re-echo and an MOU to be undertaken on return from tour
3. Training offered (over & above LAMP requirements) but related	Subject for approval by the management in relation to function and performance assessment. This item might be used as an incentive in combination with the identified outcomes of the study tour(s)	AusAID funds  Must be linked to a performance assessment based on clear and measurable KRAs with a re-echo and an MOU to be undertaken on return from training
4. Certificates of Recognition	Certificate provided to officers who render exemplary service in terms of time or results	Negligible cost  See Annex 3 for Sample Certificate
Within Component 1 Policy Development	Study tour on LAM systems	Pesosm1,758.00
Component 2 IDCB	Specialized work attachments/technical program for senior LAM agency and project staff	Pesosm1717.50
Component 4 Valuation	Study tour on Valuation Management	Pesosm1,000.00
Component 5 Project Management	Study tour for the NSC (Already undertaken)	Pesosm3516.00
<p>Whilst not formally a component of this Incentive Package the provision of shirts, hats and jackets to field staff may also be seen as (and promoted as) part of incentives to staff.</p> <p>A budget of Pesos200,000.00 has been provided for in the supply of these items to field staff.</p>		

## PART 5: ORIENTATION TO THE NEW ELEMENTS OF THE PERFORMANCE MANAGEMENT SYSTEM FOR LAMP2 PERSONNEL

At 30 June, 2007 the status of installation of the elements of the LAMP2 Performance Management System is as follows:

Ingredient One. Updating the Functional Analysis process (continuous but method requires orientation for new HRM&D team members)

Ingredient Two. Recruitment and selection and contracts renewals

Ingredient Three. Maintaining the operating and training manuals & official directives

Ingredient Four. Contracts and Secondment Packages (in process)

Ingredient Five. The Performance Recognition (assessment) System as installed in June 07

Ingredient Six. The LAMP2 Entitlements and Incentives (E&I) Package as designed in June 07

Ingredient Seven. Performance coaching (for Bohol staff by Leyte staff) on going

An orientation and training program for the new elements will be required for HRM&D personnel for them to cascade the required elements of the PM system to PPIO, Component 4 and PCO staff. This will be a five day event that will include the usual process and Evaluation Workshop for the IDCB component.

Readers will note the Day 4 inclusion is a short course in “Manage work attitudes” – a training program for HRM& D teams to deliver to unit chiefs in support of the general approach of the Project to lift motivation and productivity levels of personnel.

### 2<sup>nd</sup> HID Team Process Evaluation Workshop and Orientation to the New Elements of the Performance Management (PM) System for LAMP2 HRM & D Personnel July 30 – August 3, 2007

#### Proposed Activities

Competencies	Required elements	Elements	Schedule
Component 2 Process Evaluation Workshop within the Unit of Competency, “Conduct evaluation of the HRM&D programs and activities”	The usual process evaluation workshop conducted twice per year for HRM&D teams	A distinct program will be prepared for this but with flexibility to now review process and evaluation in terms of the foregoing reviews and updates of the elements of the LAMP2 Performance Management System	Day 1
Prepare competency standards	Orientation and re-orientation to functional analysis and project competency standards	i. Update functional analysis for project components ii Write/update job descriptions from	Day 2

		<p>competency standards</p> <p>iii. Update contracts from revised job descriptions</p> <p>iii. Prepare training curriculum from competency standards</p> <p>iv TA roles</p>	
Recruit, select and hire of staff	Review processes and tools	<p>i. Adhere to recruitment and selection procedures</p> <p>ii. HRM&amp;D roles</p> <p>iii. TA roles</p>	AM of Day 3
Facilitate implementation of the Institutional Development and Capacity Building Plan	Maintain and assist Project work units to maintain the operating and training manuals	<p>i. Clarify responsibilities for units to update manuals</p> <p>ii. HRM&amp;D role in operating and training manuals</p> <p>iii. Ensure the link between FA and operating &amp; training manuals</p> <p>iv. Role of HRM&amp;D in the DAOs</p>	PM of day 3
Manage the Personnel Management System (now to be within a new Unit of Competency titled) "Manage the Performance Management System"	1. Preparing secondment packages	<p>i. Review the ingredients of secondment packages</p> <p>ii. Assist the Administration Unit to prepare secondment packages from job descriptions</p>	AM of Day 4
	II. Ensure the integrity and operation of the Performance Recognition System	<p>i. Review forms and processes for efficiency</p> <p>ii. Review HRM&amp;D role in PRS</p> <p>iii. Review HRM&amp;D role in dispute resolution</p> <p>iv. Review HRM&amp;D role in ensuring all personnel are familiar with the PRS</p>	AM of Day 4
	III. Ensure the integrity and operation of the E&I Package	<p>i. Review elements and principles of the E&amp;I package in particular the Incentives Plan</p> <p>ii. Review forms and linkage of the Incentives Plan with the PRS</p> <p>iii. Review HRM&amp;D role in ensuring all personnel are familiar with the Incentives Plan</p>	PM of Day 4
	iv. Manage work attitudes – a training program for HRM& D teams to deliver to unit chiefs	i. Lead people effectively using attitude management strategies and techniques	Day 5

		<ul style="list-style-type: none"> <li>ii. Detect the signs of negativism and take corrective action</li> <li>iii. Mould positive attitudes needed for employee excellence</li> <li>iv. Design and implement plans that will develop positive attitudes and behaviours</li> <li>v. Help create a positive and proactive working environment</li> <li>vi. Create the “attitude advantage” in the Project through linkage between the logframe, structures and operations</li> </ul>	
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**End of document**

**OOOoooOOO**

## **ANNEXES**

### **Annex 2:**

Secondment Package ingredients

**Item 1:** Special Order with attachment of Current Job Description of the job to which the officer is assigned

**Item 2:** Sample Memorandum of Agreement (MOA)

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**Annex 2:** Contract of Service (for Contractuals)

**Annex 3:** Sample Certificate of Recognition to be provided to all seconded officers and Contractuals who complete each year of service with the Project as well as for recognition for services provided over and above the job requirements either in underpaid overtime, extra work such as training and mentoring





3. Whereas the Project will do its utmost to provide requisite entitlements and incentives to the Seconded Officer to enable him or her to undertake the secondment work to the best of his or her competence.

4. Whereas the project undertakes to assess the competency and performance of the Seconded officer so that he or she will know clearly the standard to which they are performing the work

5. Whereas the Project will coordinate with the home office of the Seconded Officer to ensure recognition of his or her Project assigned work

IN WITNESS THEREOF, the parties hereto have caused this MOA to be signed by the duly authorized representatives on this .....day of ..... In the year .....

**The LAMP2 Project**

By:

Executive Director

Signed .....

**The Seconded Officer**

By:

.....

Signed .....

and:

**Australian Team Leader**

Signed .....

**Annex 2**

**CONTRACT OF SERVICE**

**KNOW ALL MEN BY THESE PRESENTS:**

This contract made and entered by and between:

The **DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**, a government agency of the Republic of the Philippines, with principal office at Visayas Avenue, Diliman, Quezon City, represented herein by the Undersecretary for Management and Technical Services **ATTY. JOSE N. FERRER, JR.**, hereinafter referred to as the "First Party";

-and-

XXXXXXXXXXXXXXXXXXXXXXXXXXXX, **of legal age, Filipino, a resident of 4 Falconet St., Area III, Sitio Veterans, Quezon City, hereinafter referred to as the "Second Party";**

**WITNESSETH:**

1. That the First Party is in need of the services of the Second Party who shall perform work not performed by the regular personnel of the First Party;
2. That the Second Party has signified her intention, to which the First Party has accepted, to provide the service needed by the latter;
3. That the Second Party hereby possesses the education, experience, and skills required to perform the job as described herein;
4. That the Second Party hereby attests that she is not related within the third degree of consanguinity or affinity to the: 1) hiring authority and/or 2) representative of the First Party; that she has not been previously dismissed from government service by reason of an administrative offence; that she has not already reached the compulsory retirement age of sixty-five (65);
5. That in view hereof the Second Party is hereby contracted as **(position)** \_\_\_\_\_ for the period of **July 01 to December 31, 2007** in consideration of a monthly rate of \_\_\_\_\_ **(based on new salary schedule \_\_\_\_\_ (SG amount)** drawn from Fund 102 under the Land Administration Management Project Phase 2 (LAMP2), to be paid on a semi-monthly basis;
6. That as \_\_\_\_\_ **(position)** \_\_\_\_\_ the Second Party is expected to assist the First Party in achieving the following Key Result Areas (KRAs):
  - i.
  - ii.
  - iii.
  - iv.
  - v.
  - vi.
7. That the Second Party will be provided additional entitlements as they are determined from time to time.

8. The Second Party will be assessed on his/her performance in achieving the above KRAs at least twice per year. The results of said assessment will determine the package of incentives that may provided to the Second Party.
9. That the Second Party shall perform work at a time and schedule to be agreed upon by both parties;
10. That it is understood that this contract does not create an employer-employee relationship between the First Party and the Second Party, that the services rendered hereunder are not considered as government service; and that the latter is not entitled to benefits enjoyed by the regular personnel of the First Party.
11. That the Second Party is entitled to traveling expenses while on official travel subject to the usual accounting and auditing rules and procedures.
12. That this Contract may be terminated by either party for any reason as may be deemed appropriate before the expiration of the period indicated in Item No. 5 hereof, giving the other party prior written notice not less than fifteen (15) days before the intended date of termination.

**IN WITNESS WHEREOF**, both parties have hereunto set their hands this \_\_\_\_\_ day of \_\_\_\_\_, 2007 at \_\_\_\_\_.

**DEPARTMENT OF ENVIRONMENT  
AND NATURAL RESOURCES**

By: \_\_\_\_\_ **and** \_\_\_\_\_

**ATTY. JOSE N. FERRER, JR.**  
*Undersecretary  
Management and Technical Services*

**XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX**  
*Project Development Officer II/HRM Officer*

**SIGNED IN THE PRESENCE OF:**

\_\_\_\_\_

**ACKNOWLEDGMENT**

Republic of the Philippines)

BEFORE ME, a Notary Public for and \_\_\_\_\_, personally appeared the following:

	Community Tax Cert. No.	Date/Place Of Issue
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES BY: <b>ATTY. JOSE N. FERRER, JR.</b>	xxxxxxxxxx	Date Quezon City
 xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	 xxxxxxxxxx	 Date Quezon City

Known to me and to me known to be the same persons who executed the foregoing Contract of Services and they acknowledged before me that the same is their free and voluntary act and deed, as well as the free and voluntary act and deed of the entities they represent.

IN WITNESS HEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place hereinabove written.

Doc. No. \_\_\_\_\_  
Page No. \_\_\_\_\_  
Book No. \_\_\_\_\_  
Series No. \_\_\_\_\_

**Annex Three: Sample Certificate of Recognition of Services**

**See over**



# *Certificate of Recognition*

is awarded to

**XXXXXXXXXXXXXXXXXX**

**For having provided exemplary service to LAMP2 in excess of the usual requirements of the Project**

Given this \_\_\_ day of July 2007 in Tacloban City.

For the Executive Director

**XXXXXXXXXXXX**  
Title

For the Australian Tam Leader

**XXXXXXXXXXXXXXXXXX**  
Title