

## STDF PROJECT PREPARATION GRANT (PPG)

### APPLICATION FORM

The Standards and Trade Development Facility (STDF) provides Project Preparation Grants (PPGs), up to a maximum of US\$50,000, for the following purposes (or a combination thereof):

- application of SPS-related capacity evaluation and prioritization tools;
- preparation of feasibility studies that may precede project development to assess the potential impact and economic viability of proposals in terms of their expected costs and benefits; and/or
- preparation of projects proposals that promote compliance with international SPS requirements, for funding by the STDF or other donors.

Applications that meet the STDF's eligibility criteria are considered by the STDF Working Group, which makes the final decision on funding requests. Complete details on eligibility criteria and other requirements are available in the *Guidance Note for Applicants* on the STDF website ([www.standardsfacility.org](http://www.standardsfacility.org)). Please read the *Guidance Note* before completing this form. Completed applications should be sent by email (as Word documents) to [STDFSecretariat@wto.org](mailto:STDFSecretariat@wto.org).

<b>PPG Title</b>	<b>Preparation of a Project Proposal for the Adoption of Good Regulatory Practices (GRP) in the agriculture-fishery sectors through institutionalization of Regulatory Impact Assessment in its regulation</b>
<b>Budget requested from STDF</b>	<b>\$ 32450</b>
<b>Full name and contact details of the requesting organization(s)</b>	Dr. Vivencio R. Mamaril, PhD Bureau of Agriculture and Fisheries Standards (BAFS) +632 928 8741 to 56 local 3306 +632 254 0867
<b>Full name and contact details of contact person for follow-up</b>	Mary Grace R. Mandigma Technical Service Division <a href="mailto:tsd.bafs@gmail.com">tsd.bafs@gmail.com</a> +632 928 8756 local 3306 or 3316

### I. BACKGROUND AND RATIONALE

1. What is the purpose of this PPG? Explain whether it is requested to: (i) apply an SPS-related capacity evaluation or prioritization tool; (ii) prepare a feasibility study (prior to project development) to assess the potential impact and economic viability of proposals in terms of their expected costs and benefits; and/or (iii) prepare a project proposal for consideration by the STDF or other donors?

The general purpose of this PPG is to develop a 3-year project proposal on the adoption of Good Regulatory Practices in agencies regulating agriculture and fishery sectors through the adoption and implementation of regulatory impact assessment (RIA). The institutionalization of RIA within the concerned agencies will allow them to craft sound and better regulations for the stakeholders affected, thereby ensuring implementability, cost reduction and helping facilitate trade and market access for their produce and products.

The concept of Good Regulatory Practices (GRP) was first introduced to the proponent, the Bureau of Agriculture and Fisheries Standards (BAFS), during the Asia Pacific Economic Cooperation (APEC) Forum hosted by the Philippines in year 2015. Among the conferences held, BAFS attended the 8<sup>th</sup> Conference of Good Regulatory Practices on August 27-28, 2015 led by the APEC Sub-Committee on Standards and Conformance (SCSC). This activity served as a venue for government experts and participants to reinforce and strengthen their understanding of GRP elements and discuss specific actions member economies are applying to ensure its adoption. In 2016 to 2017, several trainings and orientation were also attended by BAFS together with other agri-fishery regulatory agencies on GRP specifically RIA and its associated tools. Department of Trade and Industry (DTI) and Development Academy of the Philippines (DAP) spearheaded these trainings.

The BAFS, as the standard setting agency of the Department of Agriculture (DA), facilitated the adoption of GRP principles and RIA in the department through drafting of Guidelines for GRP and RIA. This complemented the efforts of DTI, which is currently leading the implementation of GRP in the Philippines. However, due to limited competency on using RIA tools, the guidelines prepared continue to be drafts for discussion delaying its adoption and implementation.

In order to pursue the initiated endeavour, several activities need to be carried out and experts need to be consulted for guidance. As with the limited resources and expertise on the matter, BAFS would like to request assistance through PPG, in crafting a 3-year project proposal on institutionalizing RIA for Philippine agriculture and fishery regulatory offices. The intended outcome of this PPG is a full project proposal for a Project Grant from STDF and other relevant donors that will help ensure the achievement of RIA implementation in the Philippines, specifically in agriculture and fishery sectors.

2. Explain the key SPS problems and/or opportunities to be addressed. Clarify why these issues are important, with attention to market access and poverty reduction. Describe, if relevant, how these issues relate to SPS priorities in the Enhanced Integrated Framework's Diagnostic Trade Integration Studies (DTIS), the findings of SPS-related capacity evaluations, national poverty reduction strategies, sector development strategies or policies, etc. See Qn. 7. (b) – (d) of the Guidance Note.

A study in 2008 assisted by Asian Development Bank (ADB) entitled ADB-Assisted Increasing Competitiveness for Inclusive Growth Program revealed that several weaknesses are observed in the Philippine Regulatory System. These included the following: a) overlapping regulatory functions and interests; b) no systematic reporting and stocktaking of new regulations accessible to public; c) no systematic consideration of regulatory impact of proposals by decision makers; d) limited consultation with stakeholders before issuance of new regulations; and e) inconsistency of regulations with competition and competitiveness. In response, the Philippine government to address the said weaknesses did several efforts. One of these is the adoption of Good Regulatory Practices (GRP) through pilot projects of Regulatory Impact Assessment (RIA) to three (3) government agencies namely Department of Tourism (DOT), Department of Labor and Employment (DOLE) and National Economic Development Authority (NEDA). This was also conducted through the assistance of ADB. During implementation, more specific issues were observed that included limited capacity of analysing impact of regulations, weak coordination across offices when developing and assessing laws and regulations and weak regulation development. While these issues are being addressed, DTI as the lead agency in operationalizing GRP in the Philippines has conducted several efforts to disseminate the concept of RIA to other agencies.

Department of Agriculture agencies, including BAFS, were able to participate in RIA seminars and trainings led by DTI. At the same time, the Philippine Council for Agriculture and Fisheries (PCAF), an agency under the DA, commissioned a study on Review of Laws and Regulations to Enhance Policy Environment towards Agriculture and Fisheries Modernization, where several issues were identified specifically for agri-fishery regulatory offices. Key findings revealed the following:

- a) Regulations for agri-fishery sectors has been observed to have unnecessary regulatory burdens such duplication of requirements and overly rigid requirements affecting the ease of the sectors' products marketability;

- b) There were conflicting jurisdictions among DA agencies worsened by their lack of coordination among each other;
- c) There are limited capacity and budgetary allocations for the implementation of the regulations leading to weak implementation; and
- d) There are some regulations that are overlapping and non-complementary leading to confusing enforcement.

In this study, one of the recommendations provided by the consultant (Development Academy of the Philippines) was to adopt the Regulatory Impact Assessment (RIA) by the regulators to help improve their decision-making on regulations. Among the RIA tools deemed useful in strengthening current system of regulation development are cost-benefit analysis (CBA), cost-effective analysis (CEA), standard cost model (SCM) and multi-criteria analysis (MCA). This is deemed helpful for the regulatory agencies in gathering quantitative and qualitative allowing them to have an objective assessment of the options.

The current practice in the DA when developing regulations involves identification of problems, drafting regulations and conduct of public consultation. Identification of alternative options and analysis of such options using various RIA tools are not yet part of the regulation development process, hence, observations of the abovementioned issues. This intended initiative also complements the Philippine Export Development Plan 2018-2022, where among the strategies noted was the improvement of the overall climate for export development specifically on removal of unnecessary regulatory impediments to goods movement and services delivery.

3. Which government agencies, private sector, academic or other organizations support this PPG request? Letters of support from each of these organizations would be advantageous (Appendix 1). See Qn. 7. (e) of the Guidance Note.

While discussions are still on going, the following agencies will be tapped to be part of this project:

- a. Within the Department of Agriculture:
  - i. Office of Policy, Planning, Research and Development and Regulations  
Oversees the policy and regulations development and implementation
  - ii. Office of Assistant Secretary for Regulations –  
Directly oversees the development and implementation of regulations
  - iii. Philippine Council for Agriculture and Fishery  
Leads the engagement with different agriculture and fishery sectors
  - iv. Nine (9) Food Safety Regulatory Agencies  
Various regulatory agencies in charge of implementing regulations within their jurisdictions (e.g Bureau of Plant Industry for plant sectors, Bureau of Animal Industry for animal sectors, Bureau of Fishery and Aquatic Resources for fishery sectors)
  - v. Consumer group
- b. Agencies outside Department of Agriculture:
  - i. National Economic Development Authority (NEDA)  
Leads the Philippine economic development and planning
  - ii. Bureau of Philippine Standards  
Leads the development and adoption of standards to help ensure trade of quality products and services
  - iii. Anti-Red Tape Authority  
Leads the implementation of Ease of Doing Business law in the Philippines
  - iv. Development Academy of the Philippines  
Leads the capacitating of public sectors in order to perform their respective roles and mandate efficiently

Letter of support of the following agencies will be provided later upon finalization of collaboration agreements with the said agencies.

4. How does this PPG complement and/or build on past, ongoing and/or planned national programmes and/or donor-supported projects? See Qn. 7. (f) of the Guidance Note.

This could be the first initiative for comprehensive establishment of RIA program under STDF. As previously mentioned, essential element needed for the development and implementation of RIA includes familiarization with the following tools namely: SCM, CBA, CEA and MCA. While this could be a pilot initiative, it would complement and promote the adoption of existing STDF endeavour such as P-IMA tool which is similar to MCA.

5. Have you discussed this PPG request – or funding for the project proposal which would result from it – with any potential donors (bilateral, multilateral, Enhanced Integrated Framework, etc.)? If so, provide details below and indicate potential sources of funding for the resulting project. See Qn. 7. (g) of the Guidance Note.

The proponent has not discussed yet any other source of funding for the said proposal. The intention is to request under PPG formal assistance in drafting a full project proposal and request the said proposal funding from Project Grant of STDF. The full project proposal will be implemented for three years including capacity building activities and workshops. The proponent wishes to request assistance from STDF in identifying other funding institutions where we could request financial support should the funding from STDF would not be secured.

6. Briefly explain how cross-cutting issues (e.g. related to gender, the environment) are relevant for this PPG and, if appropriate, how they will be addressed.

As the initiative intends to address issues on regulation development and regulatory system, this is considered gender neutral and expected not to show any gender bias issues in the future. Same with environmental risks and issues. However, should there be any issues in the future, these concerns will be included in the conduct of risk management for this project.

## II. IMPLEMENTATION & BUDGET

7. Who will take the lead in implementing this PPG? If particular national experts and/or international consultants are proposed, attach a copy of their Curriculum Vitae and record of achievements (Appendix 2). If no names are provided, the STDF will provide a shortlist of consultants if the PPG request is approved.

The proponent will lead the implementation of the PPG. Currently, we have not identified any national experts nor consultants for the PPG and wishes to request assistance from STDF in identifying relevant experts for this project.

8. In the table below, briefly describe the main activities to be carried out under this PPG and specify who would be responsible. Provide an estimate of the budget required (e.g. for national/international expertise, travel and DSA of consultants, stakeholder meetings or workshops, general operating expenses, etc.).

Activity	Responsible	Estimated Budget (US\$)
Meetings	<b>Bureau of Agriculture and Fisheries Standards- Technical Services Division</b>	<b>2000</b>
Workshops		<b>10,000</b>

Vehicle rental		<b>1000</b>
Consultant fee		<b>10000</b>
Travel costs - Air fare and DSA (for consultant and other participants)		<b>5000</b>
Miscellaneous		<b>1500</b>
Sub-total		<b>29500</b>
Contingency budget (10% of the sub-total)		<b>2950</b>
<b>TOTAL</b>		<b>32450</b>

**TIMETABLE:**

Activity	Week number												
	1	2	3	4	5	6	7	8	9	10	11	12	
1. Meeting within the Department of Agriculture (DA)													
2. Meeting with agencies outside DA													
3. Inception report drafting (c/o consultant)													
4. Inception report submission (c/o consultant)													
5. Data preparation													
6. Workshop													
7. Project formulation and drafting (c/o consultant)													
8. Presentation of project proposal (initial draft)													

Activity	Week number												
	1	2	3	4	5	6	7	8	9	10	11	12	
9. Finalization of project proposal													