

**Productivity and Development Center**  
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[2024] PROJECT ACCOMPLISHMENT REPORT

**I. Project Information**

|                     |                                                                                                   |
|---------------------|---------------------------------------------------------------------------------------------------|
| Project Code        | : QGGZS                                                                                           |
| Project Title       | : MGR Program 2024 - Regulatory Review Component, P2                                              |
| Project Start       | : 01 January 2024                                                                                 |
| Project End         | : 31 March 2025                                                                                   |
| Project Price       | : From PHP16,854,000.00 (original price) to PHP 15,554,000.00 after the approved finplan revision |
| Client Organization | : Department of Budget and Management                                                             |

**II. PROJECT DETAILS**

**Project Team**

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Manager              | : Rosario E. De Castro                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Team Members                 | : Arnel D. Abanto, Monica D. Saliendres, Lea S. Peralta, Adelina D. Alvarez, Amado Bonifacio T. Alto, John Leo Gavino M. Gamboa, Mary Rose Ann S. Fariscal, Dorothy D. Ferrer, Janine Coleen D. De Villa, Stephanie Muriel M. Elupre, Rosalie T. Diaz Sales, Christian S. Eparwa, Raymund G. Macanas, Coleen Caryl Leslie C. Torres, Flordeliza F. Manalastas, Danielle Marie Irish T. Solaña, Kamille R. Moraleja, Queenielyn I. Rodaje, Ronald Armin F. Ocampo, Aileen A. Ricohermoso, Maria Corazon P. Ramos, Ma. Vina P. Tacbobo, Pamela S. Balindan, Jerome John P. Salut |
| Supervising Fellow           | : Reuel R. Hermoso                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Consultants/Resource Persons | : Casper B. Agaton, Mark Anthony M. Gamboa, Eduardo T. Gonzalez, Ma. Sheilah G. Napalang                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

**Project Description**

The DAP's Modernizing Government Regulations Program (MGRP) is an initiative focused on regulatory reform, aiming to enhance national productivity and competitiveness by reviewing regulations and proposing potential reforms in regulatory governance. The program seeks to support the national government's efforts to improve the ease of doing business by developing mechanisms that would make regulations more relevant and coherent, and by identifying measures to reduce unnecessary regulatory burdens on specific sectors and industries. The ultimate goal is to improve regulatory quality and coherence, which will help create a better business and investment climate in the country.

The MGRP's Regulatory Review Component, P2, focuses on analyzing the regulatory environment of priority sectors and industries. Its goal is to address stakeholder concerns and enable regulatory reforms by thoroughly reviewing regulations and processes, offering key recommendations for streamlining burdensome regulations, reducing compliance costs for businesses and citizens, and improving the overall efficiency of the government's regulatory management system. The MGRP also aims to involve the private sector, government agencies, civil society organizations, and academic institutions in raising awareness about the importance of regulatory reforms in the country.

In 2024, P2 focused on agencies dealing with agency-to-agency (A2A) and government-to-business (G2B) transactions in the following industries: a) Shipbuilding and Ship Repair (SBSR); b) Waste-to-Energy (WtE) Facilities; and c) Water Utility. In addition to the three regulatory reviews conducted, three other special studies were produced, i.e., an exploration of the impact of regulations on agricultural productivity, an inventory of key regulations and recommendations in sectors/industries

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subjected to regulatory review from 2016-2022, and a tracer study of participants in the Regulatory Impact Assessment (RIA) courses conducted by P3, the Capacity Development component of MGRP.

To give more time to enhance the quality of research outputs, project QGGZS was approved for extension until 31 March 2025 through SO-P2024-28A dated 9 January 2025. This Project Accomplishment Report covers the period 1 January – 31 December 2024.

**Project Objectives**

The Regulatory Review Component aims to examine the existing regulatory environment affecting the identified priority industries/sectors. Specifically, the regulatory reviews intend to:

1. Examine the regulatory environment of priority sectors/industries
2. Map the regulations and their subordinate requirements covering the priority sectors/industries
3. Identify and analyze ineffective and burdensome regulations such as, among others:
  - a. duplicative and conflicting regulations implemented by authorities in different levels of the government
  - b. redundant and irrelevant documentary requirements of regulations
  - c. excessively invasive regulatory enforcement activities
  - d. excessively prescriptive regulation
  - e. inconsistent regulations that are not well-designed to achieve their policy purpose
4. Determine the unintended consequences (if any) of the regulation being evaluated.
5. Determine the factors that hinder or support the sustainability of the outcomes of the regulation.
6. Provide sound, evidence-based, business-friendly, citizen-focused and actionable recommendations to improve the regulatory environment of the identified sectors/industries.

|                     |   |                                  |
|---------------------|---|----------------------------------|
| Focus Area          | : | Policy Review/Reform, Governance |
| Project Type        | : | Research                         |
| Project Beneficiary | : | Bureaucracy/Public Sector        |
| Regional Coverage   | : | National                         |

**III. Project Accomplishments****Key Activities Implemented****1. Development and Approval of the Concept Note (February-May 2024)**

Research and writing of the 2024 Regulatory Review concept note commenced in February and a draft was forwarded to NEDA on 24 April for their comments which they gave in written form on 8 May. The concept note was finalized and approved by DAP management in mid-May.

**2. Study Team Formation and Alignment Meeting (May-September 2024)**

A total of six study teams were established to produce the six planned research outputs for QGGZS in 2024. The first three teams focused on regulatory reviews of priority industries (WtE, Water Utility, and SBSR), while the fourth team examined the impact of regulation on agricultural productivity (RAP). All four studies required specialized technical expertise, so the teams were carefully selected to ensure they had the necessary qualifications to deliver high-quality research results. Each team consisted of a research fellow (RF) and research associates. The study teams were supported and guided by the DAP Project Team throughout the process.

A fifth study team was formed to conduct special research in the form of a tracer study of past participants in the courses conducted by the Capacity Development component of the MGRP on basic

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and advanced Regulatory Impact Assessment (RIA), Regulatory Compliance Cost Assessment (RCCA) and Seminar on Public Consultations in RIA. The study was spearheaded by the Policy Research Office under the DAP's Center for Governance.

A sixth study team comprised of personnel from the PDC's Productivity Development Research Office (PDRO) was also formed to conduct mapping of the regulations tackled in the industry/sector regulatory reviews conducted by MGRP from 2016-2022 (Table 1).

| <b>Table 1: 2024 MGRP Study Teams</b>                                                              |                                |                                                             |
|----------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------------------------------|
| <b>Topic</b>                                                                                       | <b>Research Fellow / Lead</b>  | <b>Research Associate</b>                                   |
| Waste-to-Energy Facilities Industry Regulatory Review                                              | Casper B. Agaton, Ph.D.        | Martelle Caleb R. Halili                                    |
| Water Utility Industry Regulatory Review                                                           | Atty. Mark Anthony M. Gamboa   | Prof. Ryan Randle B. Rivera<br>Ivan Adriel A. Austria       |
| SBSR Industry Regulatory Review                                                                    | Ma. Sheilah G. Napalang, Ph.D. | Glenn Simon D. Latonero                                     |
| Regulation's Impact on Agricultural Productivity                                                   | Eduardo T. Gonzalez, Ph.D.     | John Leo Gavino M. Gamboa<br>Colleen Caryl Leslie C. Torres |
| Tracer Study on Past Participants of Various RIA Courses                                           | Gilbert F. Lumantao            | Policy Research Office (PRO) Staff                          |
| MGRP Regulations Mapping (2016-2022): Summary Assessment and Current Status of Key Recommendations | Adelina D. Alvarez             | Ma. Nissa R. Montecillo                                     |

An alignment meeting for the WtE and Water Utility study teams was held on 22 August to level-off understanding of the requirements for the completion of the research outputs. In that meeting, the DAP Project Team presented the proposed research framework and research tools which the study teams will use in the conduct of the regulatory reviews, as well as the administrative requirements and procedures for claiming honoraria payments. The project timeline for the completion of the regulatory reviews was agreed upon with a note that there could be some flexibility in the schedule of deliverables, as necessary. Equivalent alignment meetings were held separately in September for the study teams working on the SBSR regulatory review, research on regulation's impact on agricultural productivity, tracer study on past participants of various RIA courses, and the mapping of regulations tackled by MGRP from 2016-2022.



Atty. Mark Anthony M. Gamboa, Research Fellow of the Water Utility Industry Regulatory Review, during the Alignment Meeting held via Zoom on 22 August 2024

### **3. Inception Report Submission (July - December 2024)**

Of the six study teams formed in 2024, the first to submit an inception report was the RAP team in July. The WtE and Water Utility study teams submitted theirs on 30 August containing the research framework, data gathering methodology, project timeline, detailed work plan, research requirements and assumptions to complete the regulatory reviews within the agreed upon timeframe. Additionally, the MGRP tracer study team submitted its inception report in September while the regulations mapping (2016-2022) team submitted in October.

The SBSR study team submitted their inception report much later in December since their contract started late in mid-November already—the reason being that they were a last-minute replacement for the senior project officer from the MGRP team who was originally assigned to serve as RF for the SBSR study but failed to fulfill the part mainly due to health reasons.

### **4. Regulatory Review Launch (30 September 2024)**

The 2024 MGRP Regulatory Review was officially launched using a hybrid platform at the DAP Pasig on 30 September with former PCEO Majah-Leah V. Ravago, PhD, delivering the welcome remarks. The objectives of the Regulatory Review Launch were to: a) present the industry profiles and the initially identified regulatory issues and concerns in those industries based on desk reviews; and, b) solicit comments and feedback from the industry stakeholders on those regulatory issues and concerns. The Launch was participated in by a total of 118 individual stakeholders from the WtE and Water Utility industries, with 113 attending online and five attending onsite at the DAP building in Pasig City.

MGRP Study Teams with former PCEO Dr. Majah-Leah V. Ravago during the 2024 Regulatory Review Launch held in DAP Pasig on 30 September 2024

### **5. Perception Survey (October – December 2024)**

The perception survey aims to determine the overall perception of the stakeholders in terms of ease or difficulty in complying with business regulations. The survey results helped provide leads in the identification of problematic regulations for further validation through the conduct of other research methodologies such as systematic desk review, regulations mapping, key informant interviews, sector/industry dialogues, focus group discussions, and public consultations.

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For 2024, the perception survey was utilized in three industries, i.e., Waste-to-Energy Facilities, Water Utility and SBSR. The respondents who participated in the survey were private sector representatives who had experience in dealing with government-to-business (G2B) transactions. These survey respondents were culled from the databases of private sector stakeholders produced by the WtE, Water Utility and SBSR study teams. Of the total 1,335 individual entries in the three databases, the bulk came from Water Utility at 1,072 entries; SBSR had 247 entries while WtE had 16. The perception survey questionnaire was sent to all 1,335 individual entries in an effort to meet the target number of 250 respondents. However, only 26 replied (Table 2).

| <b>Table 2: Perception Survey Respondents</b> |                           |
|-----------------------------------------------|---------------------------|
| <b>Sector/Industry</b>                        | <b>No. of respondents</b> |
| Waste-to-Energy Facilities                    | 11                        |
| Water Utility                                 | 12                        |
| SBSR                                          | 3                         |
| <b>Total</b>                                  | <b>26</b>                 |

**6. Regulations Mapping (September – November 2024)**

Regulations mapping is another source of information for the regulatory reviews. The objective of the regulations mapping is to gain understanding of regulations related to starting, operating and closing businesses belonging to the selected industries. Significant and/or problematic regulations were identified to be mapped in order to provide an inventory of the legal basis, documentary requirements and processes. The regulations mapping provided information on the burdensome processes and redundant documentary requirements in the selected industries. A total of 30 agencies were mapped out of the targeted 20.

**7. Industry Dialogues/Key Informant Interviews (September – December 2024)**

A series of dialogues and interviews were conducted to gather information and validate the study teams' initial findings derived from the desk reviews, perception survey and regulations mapping. Participants to these information gathering activities included stakeholders from the private sector, government, academe, non-government and international organizations.

The three study teams on WtE, Water Utility and SBSR conducted primary data gathering activities using a mix of online and in-person focus group discussions and key informant interviews in order to see the real situation and validate the issues identified during the initial desk researches conducted.



Water Utility Study Team led by RF Atty. Mark Anthony M. Gamboa in a huddle with a Moncada Water District representative and stakeholders online.



WtE Study Team led by RF Dr. Casper B. Agaton consulting online with WtE stakeholders.

## SHIPBUILDING AND SHIP REPAIR: INITIAL RECOMMENDATION



- Evaluate feasibility of a mini-mill in the Philippines versus exporting scrap: A mini-mill is a type of steel mill that uses scrap metal instead of iron ore as its base. It uses a different smelting technique called electric arc furnace (EAF). Reprocessing scrap steel in the Philippines will likely be more profitable than exporting scrap and it will provide a source of domestic steel needed in multiple end markets.
- Incentivize domestic and foreign shipbuilders to purchase recycled inputs: once the facility is operational, drive demand for output by encouraging shipyards to purchase recycled inputs and market capabilities to ship owners and builders in other countries (i.e. Europe) that have a strong environmental focus.

Source: Stacey, Frederick (2017). The Philippines in the Shipbuilding Global Value Chain (GVC). Duke University, Center on Globalization, Governance & Competitiveness (Duke CGGC)

SBSR Study Team led by RF Dr. Ma. Sheilah G. Napalang consulting SBSR stakeholders online regarding initial recommendations to improve the regulatory landscape of the SBSR industry.

### 8. Public Consultation (4 November 2024)

The public consultation conducted online was attended by 96 participants from government, the private sector, academia, and civil society groups from the Waste-to-Energy and Water Utility industries. These vital stakeholders provided feedback on the regulatory review findings and emerging recommendations aimed at streamlining processes to create a more competitive and business-friendly environment in those two industries. The additional comments from stakeholders were secured for consideration and inclusion in the final reports.



Public Consultation participants from the Water Utility and WtE industries via Zoom

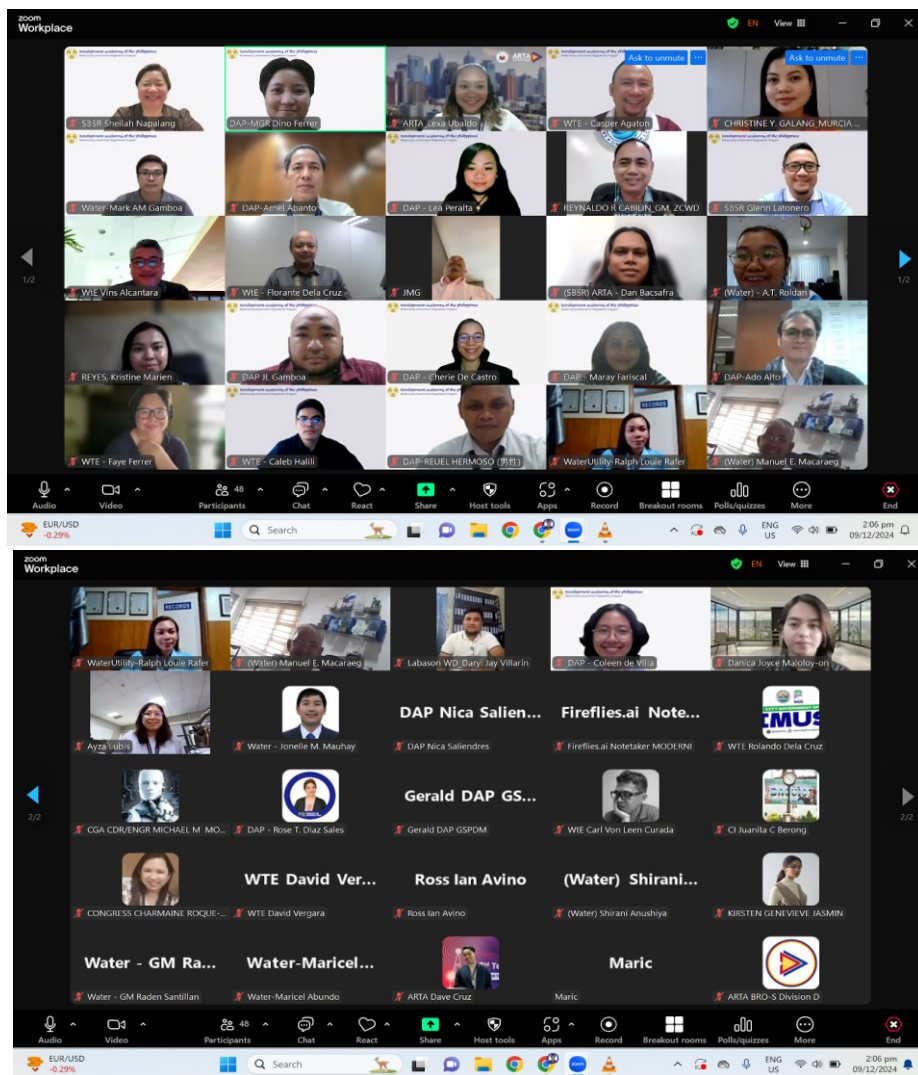
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**9. Public Forum (9 December 2024)**

On 9 December 2024, the MGRP conducted a Public Forum for the WtE and Water Utility industry stakeholders to present and validate the findings and near-final recommendations of the two study teams, as well as solicit any further comments or feedback from the stakeholders for consideration in the finalization of the written reports.

The Public Forum was conducted online and attended by 49 participants composed of representatives from regulatory agencies, regulated entities (e.g., water districts, environmental groups, etc.), oversight agencies, civil society groups and the DAP-MGRP study teams and personnel.



Public Forum participants as shown in the Zoom platform

**IV. Major Outputs**

1. Inception Reports – a total of five inception reports were produced comprised of three industry-specific regulatory review reports (i.e., WtE, Water Utility and SBSR), one RAP study and one special research (MGRP tracer study) involving past RIA-related course participants. These inception reports outline the study teams' plans, analysis framework, research methodology, resources needed and timeline to complete the studies.

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2. Industry Briefers (ppt and writeup) – these are throughputs required by the DAP Project Management Team during the conduct of consultation activities with stakeholders. Four industry briefers were produced by the WtE, Water Utility, SBSR and RAP study teams.
3. Interim Reports – four industry-specific interim reports were produced (WtE, Water Utility, SBSR and RAP) containing the preliminary results of the studies which include regulatory and related issues and the emerging recommendations generated from the desk reviews, perception surveys, dialogues and consultations conducted with the stakeholders.
4. Draft Final Reports – four of these were submitted by the WtE, Water Utility, SBSR and RAP study teams in December 2024.
5. Final Reports – two final reports were submitted by the study teams on MGRP Tracer Study and MGRP Regulations Mapping (2016-2022) in December 2024.

The four other final reports (WtE, Water Utility, SBSR and RAP study) are due for submission within the first semester of 2025 on account of the QGGZS spillover granted through SO-P2024-28A issued in January 2025.

## **V. Project Impact**

Project impact has yet to be determined at this time for the four priority industries (WtE, Water Utility, SBSR and RAP study) since these studies are ongoing and the final reports have yet to be submitted. As to the two other research studies completed (MGRP Tracer Study and MGRP Regulations Mapping 2016-2022), the MGRP Tracer study is already being used as reference in improving the design of the RIA training courses offered based on the findings and recommendations presented in the final report. In turn, the findings of the MGRP Regulations Mapping (2016-2022) study will serve as a reference for the next MGRP planning exercise in developing a multi-year research agenda for MGRP-P2, covering at least 2026-2028 or possibly extending to 2030 for a five-year research agenda.

## **Lessons Learned**

Project implementation of QGGZS was full of challenges for two main reasons: 1) The shift in Resource Person/Consultant procurement processes from the simpler Letter of Invitation (LOI) to the much more complicated Contract of Service (COS) that had to go through R.A. 9184 (Government Procurement Reform Act) procedures including the Bids and Awards Committee (BAC) processes which MGRP was implementing for the first time in 2024. P2 was informed later in the year (towards June or July already) that the usual LOI that we've been using to contract RPs/Consultants was no longer accepted and that a COS should be used instead per audit requirements. The shift in procurement process was naturally fraught with steep learning curves, combined with the long waiting time it took for the contracted consultants to produce the complete deck of BAC's documentary requirements. 2) The failure of the MGRP senior project officer who was originally assigned to serve as RF of the SBSR study to fulfill his duties and the waiting time it took to find his replacement.

1. For the lesson learned in the first reason cited above on the shift from LOI to COS mode of contracting a consultant, the P2 Project Manager (PM) has noted the full cycle and chronological steps in producing the signed COS starting from the very first step of drafting the Consultant's TOR and the Purchase Request (PR) next where the Consultant's TOR is a required attachment. This notation serves as reference in the processing of upcoming contracts of service that will be used this year and beyond. Based on the 2024 experience, the PM also noted that it takes a lead time of a minimum two-and-a-half to three months to complete the project mobilization and contracting phases of the project management cycle, such that this phase must be started no later than February of each year to prevent a project spillover to the following year.
2. As to the lesson learned regarding the experience with the MGRP senior PO who failed to fulfill his SBSR RF duties as expected, it is that DAP should apply a more thorough and systematic

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vetting process when recruiting new personnel regardless of their rank as junior or senior staff. Beyond standard credentials such as academic background and work experience, it is essential to also consider a person's physical health, character, psychological well-being, and emotional stability. These critical factors are equally important, as they significantly impact an employee's performance once immersed in the daily grind of the workplace. A work portfolio should also be required for submission and evaluation, like sample articles or written reports especially when the position being applied for is technical in nature (APO level and above) which requires technical writing skills and English proficiency as core competencies. MGRP has had recent past experience of hiring the wrong people who were not able to perform and deliver as expected. The suggestions/recommendations mentioned here on adopting a more thorough and systematic vetting process for recruitment are intended to prevent the occurrence of a similar experience in the future.

3. Continue the close monitoring of project deliverables and study teams adopted since 2023 since it yields positive results in terms of delivery of research outputs even at the last-minute given the very tight project timeline. Close monitoring is in the form of periodic follow-ups/check-ins with each study team to know the status of their research; also to find out if there are issues or concerns that affect the proper conduct of their research activities. A Viber group chat with the study teams and project management team is quite helpful in facilitating communication and addressing issues as they arise.
4. Assign a dedicated P2 support staff to assist the Project Manager in the day-to-day operations of P2. This support staff must prioritize P2 tasks and not be called to do other tasks outside of P2 in situations where the P2 task is deemed urgent and important. This recommendation was already proposed in 2023 but had not yet been realized in 2024. It is also essential to designate technical staff to work closely with the study teams, ideally managing two teams per MGRP staff member. This will help address their research and admin needs and ensure the timely completion of quality outputs. At present, P2 is primarily implemented by one person (the PM), which is insufficient given the component's multi-layered structure. P2 encompasses regulatory review reports, perception surveys, regulations mapping, stakeholder consultations, event organizing, coordination with study teams for their research and administrative requirements, and report writing—tasks that demand a significant amount of time and effort to accomplish effectively.
5. Continue conducting hybrid sessions of key P2 events in DAP Pasig instead of the nearby hotels in the vicinity as the experience in 2024 turned out smooth and glitch-free (unlike in 2023) since this year's technical aspects of running a hybrid setup were handled by trained DAP technicians.
6. Maintaining collegial and friendly relations and open communication lines with the study teams contribute significantly in ensuring smooth project implementation and delivery of quality research outputs.
7. Implement last year's proposal of limiting the target number of survey respondents to just five to ten percent of the stakeholder database produced by the study teams since the response rate for an online survey has been consistently low based on past years' experience in administering it. This year's very low turnout of 26 responses represents a miniscule two percent of the 1,335 survey respondents.
  - 7.1. To boost survey response rates despite inherent limitations, such as the inability to offer incentives, it is recommended that the perception survey be integrated into key P2 events, including the Regulatory Review Launch, Public Consultation, and Public Forum. Attendees at these events already represent a relevant audience, making it easier to transition them into survey respondents. This approach is more effective than



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solely relying on email invitations sent to stakeholders with no prior engagement, which has consistently resulted in low response rates.

8. The Supervising Fellow should take a more active role in reviewing the major research outputs (i.e., inception and draft final reports at the minimum) to assist the study teams in producing the expected quality of research deliverables.

#### Prepared by:

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#### Approved by:

**MONICA D. SALIENDRES**  
Director, PDC-PDRO

#### Noted by:

**ARNEL D. ABANTO**  
Acting Vice President, PDC

#### Notes:

1. Project details on Sections I-III can be generated through the e-RMS folders on RP Outputs.
2. Project Managers are required to accomplish Section IV & provide Section V to reflect the results of project implementation.
3. Project Managers can update/adjust the pre-filled sections(I-III) based on actual data.