

. Capacity Building Activities

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1. Overview of the Assisting Programs

Start-up Phase

The Program started with the fielding of an Inception Mission formed by the TA Team in December 2002. Intensive discussion meetings were held to grasp the detailed needs and background by each component counterpart. The results of the Inception Mission were compiled in a Work Plan prepared by the TA Team in February 2003, which forms a basis for implementing the Program activities. The sub-team for the information sharing system (Component 1) immediately started interviews and questionnaire survey to identify the current circumstances in WTO-related information delivery. The “Kick-off Seminar” was launched in March 2003, with the participation of a Japanese scholar and government official to explain the Program to all relevant counterpart officials and the public, and to share the experience of Japan.

Implementation Phase

The TA Team performed further research, in May 2003, on the current constraints faced by each counterpart in fine-tuning the contents to be delivered for seminars and workshops, as well as to form a base of information for preparing recommendations. The implementation of seminars and workshops were conducted from June 2003 to January 2004, for components in Agriculture/SPS (August 2003), GATS (June and November 2003 and January 2004), SG/AD (July 2003), and TBT (August and November 2003). The resource speakers have been mobilized from Japan (both government and non-government), the US and Europe, depending on the needs identified and the qualifications of the speakers. The total number of speakers as well as participants are listed in Table -1-1 and -1-2.

Table -1-1 Breakdown of Resource Personnel

Japanese Government Expert	7
Japanese Academics	2
Japanese Private Sector Expert	1
Third Country Expert	4
Philippine Expert	3
Total	17

Table -1-2 Number of Participants for Seminars/Workshops

Seminar/Workshop	Date	Days	Participants
Kick-off Seminar	2003.3	1	134
Agriculture/SPS	2003.8	3	96
GATS(1)	2003.6	3	118
GATS(2)	2003.11	2	100
GATS(3)	2004.1	5	210
SG/AD	2003.7	4	45
TBT(1)	2003.8	2	33
TBT(2)	2003.11	2	37
Wrap-up Seminar	2004.2	1	83
Total		23	856

Besides implementation of seminars and workshops, some components were engaged in the studies to analyze the present circumstances and constraints faced by specific sectors, and to develop the information sharing system. The studies were sub-contracted to local-based firms, for the subjects listed on Table -1-3.

Table -1-3 List of Sub-contracted Studies/Development

Components	Subject
Information System	Information sharing system development
GATS	Comparative study on tourism
GATS	Comparative study on maritime transportation
SG/AD	Legal /institutional background and cases on SG/AD

Concluding Stage

At the final stage of the Program, the following two concluding meetings were held.

- (1) Wrap-up meeting for draft final discussion: February 2004
- (2) Delivery of information sharing system: February 2004

One the occasion of wrap-up meeting, recommendations prepared by the TA Team were discussed, to be reflected to the Final Report. The delivery of information sharing system also has functioned to confirm further operation and maintenance by the counterparts.

Table -1-4 Overview of the Capacity Building Program

Component	Counterparts	Program Conducted	Targeted Objectives
Inter-agency Information Sharing	BITR-DTI	03.8: Proposed Basic Design for Pilot System 03.9: Developed Alpha version for Pilot System 03.12: Developed Beta version for Pilot System Final version for Pilot System and its operational management manual to be developed/proposed in 2004.2)	Distinguished from simple technical system development, the program focused on a comprehensive, from top to bottom, stream process through collaborative work with the counterpart as the task which shall contribute to strengthening institutional capacity centered on information sharing. At the system introduction stage, the institutional strengthening was emphasized by enhancement of utilization.
Agriculture/SPS	DA	2003.8: Three-day Workshop on Agriculture/SPS in general Speakers: Japanese MAFF, and a private sector expert. Organized by DA	Deferring from the plain transient training program in general, from the preparatory stage, the program aimed to transfer technical know-how to design and operate capacity building activities as well as enhance knowledge on the significance of Agreements to contribute to the continuous and self-reliant human resource development.
GATS	NEDA DOT, DOT]C, PRC, DOE, DENR	2003.6: Three one-day Workshops on 1) general understanding of the GATS, 2) tourism and 3) transportation sectors Speakers: European expert (ex-WTO senior official) Organized by NEDA, DOT and DOTC 2003.11: Two one-day Workshops on 1) professional services, and 2) environment and energy Speaker: European expert (ex-WTO senior official) Organized by NEDA, PRC, DOE and DENR 2004.1: One-day Seminar for familiarization of GATS, two-day technical session of GATS negotiations, and two half-day sturdy reporting sessions (tourism and transportation) Speakers: WTO official, European expert (ex-WTO senior official) and TA Team members Organized by NEDA, DOTC and COT	

SG/AD	BIS-DTI Tariff Commission	2003.7: Four-day Workshop on particular technical issues and further capacity improvement Speakers: European/American Lawyers, Japanese Academic, and local lawyer. Organized by BIS-DTI	
TBT	BPS-DTI	2003.8: Two-day Workshop on 1) Rights and obligations under the TBT Agreement, 2) Implementation of the TBT Agreement and 3) Current Topics in the TBT Committee Speakers: Japanese METI, BPS-DTI and TA consultants. Organized by BPS-DTI 2003.12: Two-day Workshop on 1) Further Understanding of the TBT Agreement, 2) MRAs and 3) Current discussion in the TBT Committee Speakers: Japanese METI, BPS-DTI and TA consultants. Organized by BPS-DTI	
Action Plan	BITR-DTI	2003.3: Kick-off Seminar 2004.2: Wrap-up Seminar	Designing an Action Plan for further overall Capacity Building activities. The Action Plan was prepared in the form of recommended actions and check points on the methodology in evaluation of capacity building.

2. Technical Assistance Activities by Each Component

2.1 Enhancement of Inter-Agency Information Sharing (Component 1)

The technical assistance under the first Component ultimately aims to enhance organizational capabilities within the Philippine Government in order to facilitate the implementation of the WTO Agreements through development of an information sharing system, which serves as the core infrastructure of the Program. The target recipient organization is the Bureau of International Trade Relations (BITR) under DTI, which is mandated with focal point for implementation of WTO Agreements. In addition to BITR, Bureau of Import Services (BIS) and Bureau of Product Standards (BPS) were assisted to facilitate the provision to the private sector of information on tariffs and other related information and the general public. BITR, BIS and BPS are all linked through the existing local area network (LAN) within the DTI, which has been used as a basic framework for the information sharing system.

2.1.1 Summary of the TA Activities

(1) Design of Support Activities

Bearing in mind the technical assistance needs specified in 2.1.1, priorities have been clarified through mutual consultation with DTI, and the details of technical assistance activities have been determined, for the development of the pilot system for the sharing of WTO-related information. There are four stages of technical assistance activities:

(a) Design of the WTO-related information sharing system

First, having understood the current status of the treatment of WTO-related information within DTI, the conceptual design was prepared for the pilot system to be installed at DTI, after which the system design specifications for the pilot system were developed.

(b) Pilot system development

The pilot system development was commenced, following the system design specifications. While development was being implemented, reviews were conducted with officers in charge at the DTI on a regular basis where we received specific

comments and requests regarding the pilot system. By incorporating the comments and requests in the development process, we are able to develop a system which is in accordance with the requirements of the DTI officers in charge.

(c) Gathering, classification and digitalization of WTO related information

The WTO-related information in digital data to be stored in the pilot system has been prepared. Because a lot of the WTO-related information within DTI was in paper format, documents were first digitized then stored in the system. In addition the documents to be stored were first classified into categories, after which each document attribute's (title, summary, key words, etc.) were chosen, and registered in the pilot system.

(d) System operation and technical assistance for future system expansion at the DTI

We made it possible for the DTI to maintain, manage and expand the pilot system in the future. In order to allow the DTI to acquire the know-how and methods to do so, we prepared the corresponding manuals, and implement the training using these manuals. At the same time, through continuing dialog with DTI officials, we decided on the future maintenance and management methods to be utilized for the pilot system. Furthermore, during each of the above stages, a number of discussion sessions were held with DTI counterparts, through which technical assistance activities were carried out on the methods for system design and system development know-how. The summary of technical assistance activities is shown in Figure -2- 1 -1.

2.1.2 Design of the Pilot System

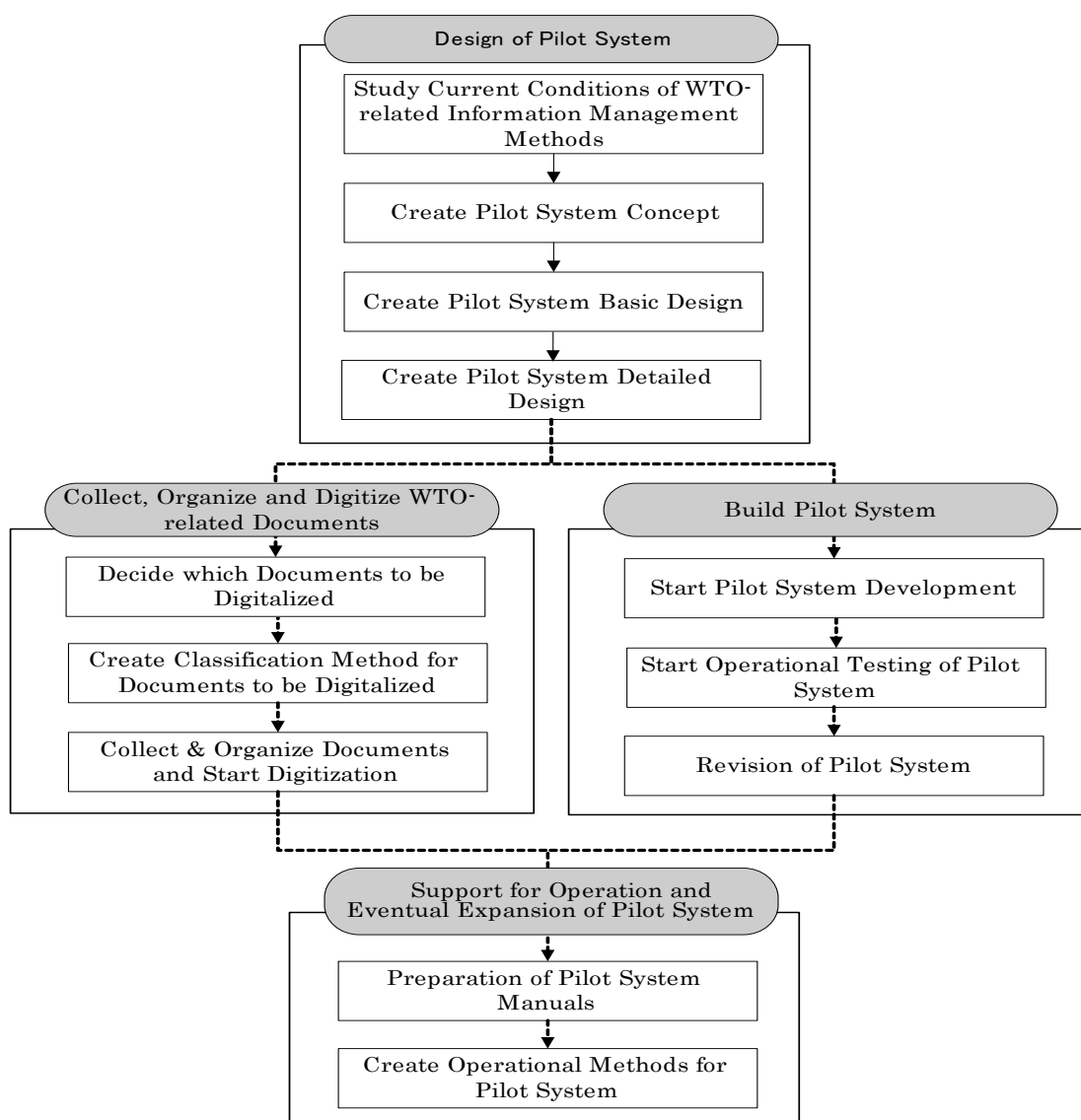
The WTO-related information sharing system was designed bearing in mind the present situation and issues concerning DTI management of WTO-related information.

(1) System Concept

The Pilot System enables sharing of WTO-related information by registering WTO-related documents and document attribute information that is usually handled in paper form. The Pilot System incorporates the following functions that enable the search and viewing of these documents and information:

- Search function for documents, document attribute information and document in

Figure -2-1-1 Summary of TA Activities



question, access authority registration, and edit functions.

- Search and view function for documents and document attributes by authorized users.

However, under the Pilot System, the users shall be restricted in access to confidential documents for the reasons stated below. Nevertheless, the system is given flexibility in design for future system expansion.

- Following the established rules for viewing of documents within DTI, it is necessary to maintain the confidentiality of documents.
- There is no intranet link between the DTI and other Philippine government institutions, and distribution of highly confidential information on the current Internet involves the

risk of information leaks. Due to this, highly confidential information will be viewed only within the DTI's LAN.

System users are broadly divided into the two types outlined below, and functions that can be utilized by non-DTI users shall be limited.

<Users within the DTI>

- Search function for documents, document attribute information and document in question, access authority registration, and edit functions.
- Search and view function for documents and document attributes by authorized users.

<Users from other government institutions and private enterprises>

- Search and view function for publicly released documents and document attributes.

(2) System design

The Pilot System was designed, taking the above system concept (1) into account, after due consultation with the DTI counterpart.

(a) File formats for documents to be registered and automatic file conversion

Among the WTO-related documents for system registration, documents prepared outside DTI are sent in paper form and, in principle, such documents are scanned and registered as TIFF image files. There are two types of documents prepared within the DTI; files created with Microsoft Office and TIFF image files of scanned documents with signatures. Since each document type serves a different purpose, the same document can be registered in both ways. (Microsoft Office files are for reuse and TIFF image files serve as copies of official documents.)

Furthermore, a function shall be provided to automatically convert Microsoft Office and TIFF files into PDF format, since PDF has become the standard for posting documents on the Internet.

(b) Automatic OCR function

As mentioned in (a) above, all paper documents, created both internally at DTI and outside DTI, can be registered within this Pilot System, and both varieties of documents are subject to full text search. The paper documents have to be scanned to create TIFF files, then converted to TEXT files for full text search. For this purpose, an automatic text conversion function has been provided, using OCR when paper

documents are registered.

(c) Pilot System search items

Based on the needs of officials at DTI concerned with the WTO, the Pilot System is required to permit searches by the following document attribute information, and a search function by the following items shall be provided. In other words, when a search is conducted in the Pilot System using the items listed below, documents which match the search parameters will be displayed as search results. These items must also be used in inputting the attributes for each document upon registration into the system.

- Administrative ID (paper document ID)
- Title
- Date (date of issue, system registration date)
- Bureau, Author
- Person in Charge of Document Management
- Keyword
- Full text search
- Category (such as Agriculture or Services as defined in WTO Categories)
- Others

(d) Pilot System Display Items

Each of the documents listed in the search results have their own specific characteristics. Because of this reason, aside from the search items listed above, the searched documents will display the following items as well. Again, these items must also be used in identifying the attributes of each document upon registration into the system.

- Number of pages
- Number of versions
- Retention period
- Access level [refer to (e)]
- Open or closed to public [for internal DTI use only, or for public use]
- Related documents registered in Pilot System
- Related website URLs
- Others

(e) Viewing authority setting

With regard to the viewing authority setting for the registration, viewing,

revision, and deletion of documents, the existing rules for viewing paper documents is respected, and the system allows a detailed viewing authority setting. The viewing authority setting will be done based on two main concepts, as shown below.:

Authority based on Access Level - the decision is made on up to what level the access is allowed. In this case, the lower the level, the lower the confidentiality of the document becomes.

- Level 1 (Assistant Director and above within DTI)
- Level 2 (Assistant Division Chief and above within DTI)
- Level 3 (Other Officers within DTI)
- Public User (For internet viewing)

Authority based on Group – the access to document is decided based on the group to which the user belongs. In this case, the bigger the group, the lower the confidentiality level of the document.

- Members of DTI
- Members of BITR (It is possible to further subdivide into Divisions)
- Members of BIS
- Members of BPS
- Others

(f) Acceptance Function for Registered Documents

Depending on the settings made by the registrant, some documents can be made available for viewing on the Internet, while others will require the registrants to be at a higher level before they can be registered, revised, or deleted. The registrant's level can be up-graded at the approval of a superior.

(g) Stand-alone function

In consideration of security, the Pilot System is designed to prevent highly confidential documents from being searched and viewed via the Internet. However, in order for DTI officials to view WTO-related information during business trips, a stand-alone function has been provided, which enables downloading of WTO-related information that is registered with the Pilot System to notebook computers and permits search/view functions that can be run on a stand-alone computer.

(h) System administrator functions

To reduce the management load of the Pilot System's administrator served functions have been provided: user management functions (management of user accounts), access level and group management functions (management of levels and groups for authority settings), category management functions (management of WTO-related information classification categories), document-migration functions (a function to shift the location of documents with elapsed retention periods), and log record/management functions (recording system usage and viewing of such records, as well as a counting function).

(i) Expected volume of documents

Based on the volume of WTO-related documents within DTI, the expected volume of documents to be registered for the Pilot System is as follows:

- Initial registration: Approximately 50,000 pages
- Additional registration: Approximately 30,000 pages per year
- Additionally registered document retention period: 10 years
- Total number of pages expected: 350,000 pages (50,000 + 30,000 x 10)
- Total number of expected documents: 70,000 documents (on the assumption that one document contains 5 pages)

The system has been designed to allow a wide margin in the expected volume of documents described above.

(j) Digitization of the existing WTO-related documents

The existing paper documents that are currently stored within DTI have been digitized so that they can be readily searched at the start of system operation. Each document's attributes, necessary for system registration, have been extracted and registered in the Pilot System.

(k) Presumed users

Users of the pilot information-sharing system can be divided into Primary Users and Secondary Users. The main users are Primary Users, and the system is aimed to increase the efficiency of the work of these users so that they can register and search for information in the system. Secondary Users have access to search function but not to register function. In the future, however, system design will allow a portion of Secondary Users to conduct the same operations as Primary Users in the system.

<Primary Users>: Officials at the WTO desk at BITR

Officials in the BITR, engaged in WTO-related work at some division other than the WTO desk

Officials engaged in WTO-related work at BPS

Officials engaged in WTO-related work at BIS

<Secondary Users>: Other Officials in the DTI

Officials engaged in WTO-related work outside of DTI (Internet access)

General Public (Internet access)

(l) Server environment

To ensure security, the intranet and Internet web servers are run on separate hardware, as listed below:

- Intranet web server (1 unit)
- Internet web server (1 unit)
- Database server (2 units)
- Backup server (1 unit)

(m) Network environment

The Pilot System has been designed based on the existing LAN at DTI.

- While BITR and BPS are in the same building, BIS, in a separate building, is linked through the internal LAN of the DTI.
- In order to ensure the security of registered documents, two sets of database servers will be prepared. Only those documents with low confidentiality will be stored in the database server for outside users, which will enable access from the Internet.

(n) Client PCs

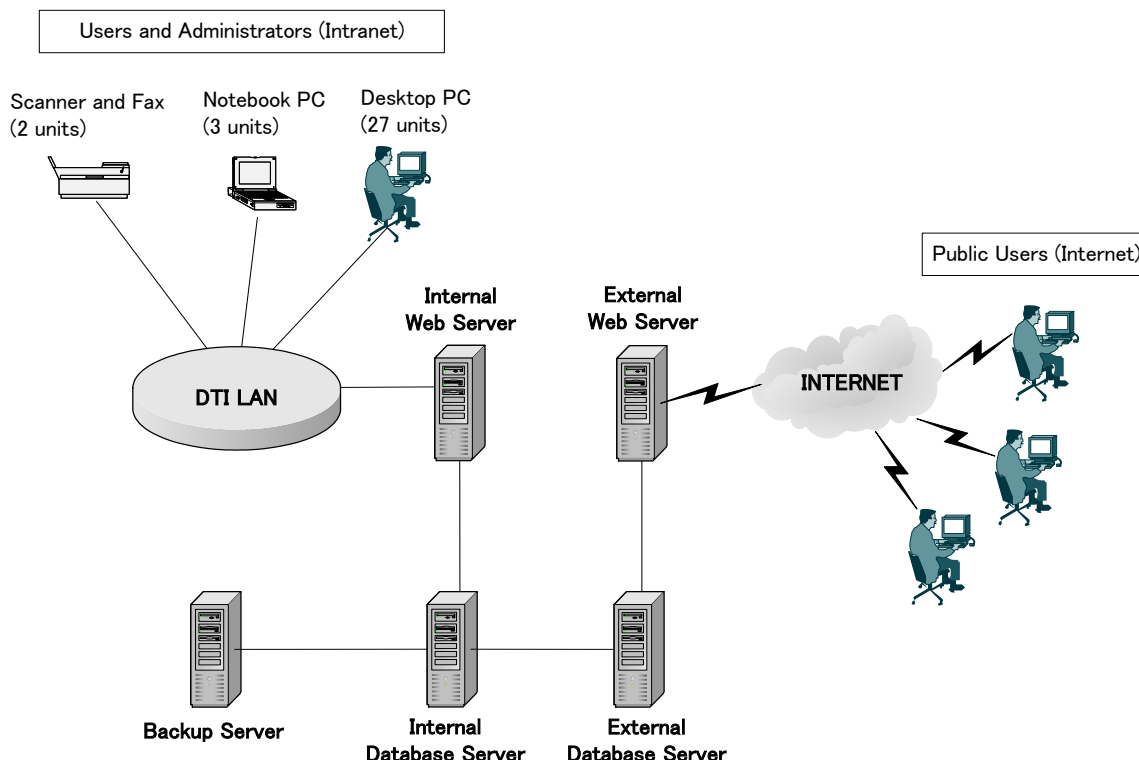
Due to limited number of personal computers (PC) at BITR, BIS and BPS, PCs are shared by more than one official. To improve the efficiency of WTO information sharing through the Pilot System, 30 sets of PCs has been provided through this TA Program, so that the main users have individual-use PCs to register, update, search, and view WTO-related information.

(o) Scanner

To efficiently digitalize WTO-related paper documents, three high-speed,

auto-feeding scanners have been provided to DTI. These are installed in the BITR and BPS where most WTO-related documents are received and sent. The system configuration of the Pilot System is as follows:

Figure -2-1-2 System Configuration of the Pilot System



2.1.3 Development of Pilot System

The development of Pilot System was carried out in two stages; through “Alpha version” and “Beta version”. The Alpha version was a prototype which covered all user screens but did not operate as a system, and the Beta version was a system which covered all standard features and worked under the actual DTI network environment, prior to the final version. Opinions and requests from both the staff members and their DTI counterparts were discussed and taken into consideration at each stage of the development of the Alpha, Beta, and final versions.

(1) Introduction of the Alpha version

The Alpha version was developed according to the system design and introduced to DTI on the 16th of October 2003. The features and design of the Pilot System were widely explained to the actual system users and administrators using the

alpha version user's manual and administrator's manual. Opinions about and specific development requests for a concrete prototype were offered and incorporated.

(2) Introduction of the Beta version

Taking into account the DTI's opinions and development requests regarding the Alpha version, the Beta version was developed. This was introduced to the DTI on the 11th of December 2003. After explaining features and operations of the Beta version, further opinions about and specific development were offered and incorporated.

(3) Introduction of the Final version

After taking into account the comments and requirements of DTI regarding the Beta version, the final version of the Pilot System was introduced to the DTI on the 24th of February 2004.

(4) Digitization of the existing WTO-related documents

The existing WTO-related paper documents presently stored within DTI were digitized, and the document attributes necessary for system registration were extracted to make WTO-related information available for sharing from the start of the Pilot System operation. This was done in order to create an environment conducive to the sharing of WTO-related information. DTI took the initiative to implement this task while the TA consultant team maintained its role in providing advice. The following factors were considered:

- It is necessary to organize existing WTO-related documents within DTI mainly to determine the classification categories of WTO-related information.
- By centralizing all information administered by each member of the BITR, BIS and BPS in a cross-referenced manner, it is hoped that all parties will be more conscious about sharing their information.
- The members will be prepared for introduction of a WTO-related information sharing system by taking the initiative in completing their task in their office space.

In accordance with the above mentioned, WTO-related information has been collected, arranged and digitized. These preparations were made to ensure that at the same time that the Pilot System became operational.

2.1.4 Technical assistance for the Management and Future Expansion of the Pilot System in the DTI

This shows the activities implemented in relation to the management of the pilot system and its future expansion.

(1) Start of Official Operation

Box - 2-1-1 The Launching Ceremony for the WTO-related information sharing system

Date & Time : 24 th February (Tue) 10:00 ~ 12:30
Venue : BITR Conference Room (Within DTI)
Participants : 30 persons from the various DTI bureaus (BITR, BPS, BIS, MIS)
Objective : Review of Assistance Activities, Introduction of the Information Sharing System (Overview), Introduction of the Management Organization for System Operation, and the Manuals
Opening Remarks : JICA: JICA Philippines Office Deputy Director Mr. Takata DTI: Assistant Director Benedictos (BITR) TA Team: Mr. Tanaka
Closing Remarks : JICA: JICA Philippines Office Deputy Director Mr. Takata DTI: Mr. Angelo S.M. Benedictos, Jr., Assistant Director, BITR Mr. Luis Catibayan, Director, BIS Ms. Cirila S. Botor, Assistant Director, BPS TA Team : Mr. Tanaka

Together with the official release of the pilot system, a System Turnover Ceremony was held at DTI. Assistant Director Benedictos began by introducing the activities under this component. He also discussed his high hopes and expectations regarding the utilization of the system. He was followed by Mr. Takata of JICA and Mr. Tanaka of the TA Team, who explained the respective efforts of JICA and the TA Team. A demonstration of the system was made for the officers of BITR, BIS, BPS and MIS, in order to emphasize the convenience of using the system. This was followed by an explanation of the operation and management organization for the system upon its turnover, which served as a confirmation of the operation and management organization for the system within DTI. The contents and organization for the implementation of a one-year operational support by the local development company (ADTX Systems, Inc.) were also explained. Mr. Takata then made a ceremonial turnover of the system by

handing over to Assistant Director Benedictos the list of hardware and software. This was followed by closing remarks from Mr. Tanaka, and representatives from BIS and BPS. The level of interest and expectations of both BIS and BPS, especially with regard to information dissemination and sharing with their outside constituency, was higher than initially anticipated, and we foresee a positive utilization of the system.

(2) Creation and Distribution of Manuals

As part of the preparations for the eventual utilization, operations, maintenance and management by DTI of the pilot system developed and created under this assistance, we have created System Administrators Manual, System Operators Manual and System Users Manual, which were distributed to the various DTI bureaus. These manuals will likewise be used as text books for the training seminars which will be implemented from here on.

(3) Implementation of Training

As part of the preparations for the eventual utilization, operations, maintenance and management by DTI of the pilot system developed and created under this assistance, we are implementing training seminars for system utilization, and methods for the operation, maintenance and management of the system.

The training for System Administration will be divided into two: for System Administrators and for System Operators. For System Administrators, their main function will be repair of the system, trouble countermeasures, and system expansion, and this function will be the responsibility of the MIS section. The System Operator is also a user whose main function is to promote use of the system within their respective departments: Assistant Director Benedictos is the person responsible for oversight of all System Administrators and System Operators, and will appoint replacements upon reassignment of assigned administrators and operators.

(4) System Support within DTI

As part of system operations support, in order to promote utilization of the pilot system, and to ensure proper operation, maintenance and management of the system within DTI as well as answer questions from users, the following support will be provided:

(a) Software Maintenance

ADTX Systems, the developer of this system, will provide measures for bugs and other system troubles, implementing changes and additional development (from April 2004 to March 2005). For the period from April until June 2004, two (2) ADTX personnel will be stationed within DTI to provide system support. Specifically, they will provide Users Training for DTI officers, as well as implement additional system development. They will also conduct a transfer to know how regarding operation and management of the pilot system to DTI personnel.

(b) Hardware Maintenance

In case of trouble with regard to hardware equipment, the system developer, ADTX Systems will replace or repair defective parts (from April 2004 until end March 2005.)

(c) Support for Digitization

With regard to the digitization of WTO-related documents within DTI, ADTX Systems has assigned certain personnel to DTI for this purpose. However, in response to the request from DTI, we have decided to extend the period for digitization (three persons for April 2004, then one person from May until June 2004. With this additional assistance, it is expected that more documents will be registered in the system.

(d) Periodic Reports on System Operations

A monthly report on system utilization (number of users, number of registered documents, incident reports) will be submitted by ADTX Systems to the officer in charge within DTI. A periodic meeting will also be held, where discussions on measures for improving utilization, how to deal with problems and matters regarding pilot system utilization will be conducted. Through the assistance activities listed above, we will be able to create a firm foundation which will enable DTI to independently operate and expand the system in the future. Moreover, ADTX Systems will likewise provide training for the responsible MIS personnel on technical matters related to methods of system expansion.

2.2 Capacity Building for Agriculture and SPS <Component 2>

2.2.1 Program implemented

After a series of the discussions with the counterpart officials of the Department of Agriculture and resource persons from the Ministry of Agriculture, Forestry and Fisheries, Japan, a three-day seminar with six sessions was delivered during the period August 4-6, 2003 in Manila. The main objectives of the seminar included the following:

- a) To provide participants, from both public, including quarantine officers of major regional air / seaports and private sectors, a deeper understanding on the Agreements on Agriculture and SPS measures;
- b) To give the participants a better understanding on quarantine procedure, and the distribution system of plant and animal products in Japan; and
- c) To assist government officials in carrying out risk analysis under SPS measures.

The Seminar was divided into six sessions. The 2nd session on “Distribution System of Agricultural Products in Japan” was based on a commitment by Japan as a part of “the ASEAN Plus 3” activities.

1) General Understanding of the Agreement on agriculture
2) Distribution System of Agricultural Products in Japan
3) General Understanding of the SPS Agreement
4) The Situation of Livestock Industry and Animal Quarantine System of Japan
5) Plant Quarantine System in Japan
6) Food Safety and Risk Analysis

Special attention was paid for the Seminar materials as participants were expected to diffuse the gained knowledge back in their office and regions. Not only copies of Power point presentation image but also reference documents were distributed for further understanding. The list of the reference materials is as follows:

- WTO Agriculture Negotiations, The Issues, and where we are now
- WTO Agricultural Negotiations, Negotiating Proposal by Japan

- The Present Status of the Japan Wholesale Market Law
- The Present Status and Future Issue of the Japanese Wholesale Market
- Outline of Animal Quarantine in Japan (MAFF)
- Animal Quarantine Service (MAFF)
- Plant Protection Law and Regulation (MAFF)
- Plant Protection Station (MAFF)

The First Day (August 4, 2003)

(a) The Opening of the Seminar

Dr. Segfredo R. Serrano Assistant Secretary, Department of Agriculture conveyed the gratitude of the DA and the Philippine Government as a whole for the continued generosity of the Japanese Government through the JICA. He started his position that the Philippine Government position in the WTO Agriculture Negotiations was meant to correct the imbalance of trade caused by unfair trade practices, and that, the Philippine Government maintains and emphasizes fairness. In closing, he stated that SPS Agreement and risk analysis contents of the seminar will be very helpful for the Quarantine Officers, but that understanding the mother agreement, Agreement on Agriculture is equally important.

Following his speech, Mr. Hirohiko Takata, Deputy Resident Representative of the JICA Philippines Office, made opening remarks and introduced the background of the WTO Capacity Building Program, encouraging participants to learn the significance of the agreements and their influence on national food security. Then, Mr. Hidekazu Tanaka, the team leader of the TA consultant team, introduced the outline of the seminar as well as the speakers.

During the three-day program, with six sessions, the number of participants totaled 118, consisting of officials from the Department of Agriculture, the Department of Trade and Industry, relevant government authorities, representatives from the private sector, congress, and a farmer's organization. The followings are the outline of the seminar.

(b) Session 1: General Understanding of the Agreement on Agriculture

The speaker, Mitsuki Shindo of the International Economic Affairs Division, Ministry of Agriculture, Forestry and Fisheries (MAFF) of Japan first updated the audience on the Mini-Ministerial Meeting in Montreal, Canada where the European Union (EU) and the United States (US) presented a joint proposal on agriculture agreement. This proposal included proposed levels of tariff cuts, a position on TRQ (Tariff Rate Quotas) and exemptions of sensitive products. He then presented the structure of the Agreement on Agriculture and covered basic feature of the Agreement. Using the additional handout, the commitment of the Philippines and EU was explained. He specifically pointed out the issue of Safeguard and Special Safeguard, and briefly explained the case of Japan. In addition to these main issues, the speaker also highlighted the outline of Doha Development Agenda and key elements of success for the Fifth Ministerial Meeting at Cancun.

The following points were discussed during the QA session;

- 1) Special provision of Peace Clause and difference between safeguard and anti-dumping;
- 2) Japan's experience on liberalizing rice;
- 3) Japan's public view towards the WTO;
- 4) How the WTO can ensure that member countries comply with the agreement; and
- 5) The most important benefits from the WTO agreements.

(c) Session 2: Distribution System of Agricultural Products in Japan

The speaker was Dr. Akitoshi Kimura, Principal Consultant of the Marketing Research Department of the Marketing and Research Institute for Agricultural Cooperative. The presentation outlined the present circumstances and the future challenges in Japanese agriculture as well as the distribution system of agricultural products in Japan. The speaker also highlighted the function of Japanese agricultural co-operatives that organize almost all agriculture producers throughout Japan. The speaker then illustrated a wide range of distribution channels of agricultural products in Japan, for example, the distribution system for fresh vegetables and fruits through the central wholesale markets and local wholesale markets, showing several photographs of

distribution sites at a central wholesale market. He also highlighted the distribution system of rice as a staple food product, and beef as an example meat product.

The participants raised a number of specific questions related to several issues:

- 1) The reaction of local producers to the influx of cheap imported goods;
- 2) Trends of share between the traditional wholesale markets and producer-consumer direct sales;
- 3) Incentives and subsidies given to cooperatives;
- 4) The difference between the Food Control Law and the Staple Food Law; and
- 5) The basis of imported goods' prices and tariff imposition

The Second Day (27th of August 2003)

(a) Session 3: General Understanding of SPS Agreement

Mr. Ryosuke Hirooka, Assistant Director of International Economic Affairs Division, MAFF of Japan, outlined the framework and general understanding of the SPS Agreement which covers rights and obligations, harmonization, transparency, dispute settlement, equivalence, notification procedures, and Special and Differential Treatment. The speaker further explained the benefits from the implementation of the SPS agreement on the aspect of consumers, developing countries and exporters/importers. He then briefly showed how Philippine products were sold in Japan.

The participants raised specific questions related to the Japanese experience with the SPS related Dispute panel, such as the codling moth problem with US Apples. The rest of the questions were pertaining to the following issues:

- 1) Differences between standards and regulation;
- 2) International bodies establishing equivalence;
- 3) Violation of the SPS measures and resulting consequences; and.
- 4) Japan's current standpoints on GMO products and its relation to the Cartagena Protocol on Bio-safety

(b) Session 4: The Situation of Livestock Industry and Animal Quarantine System of Japan

The speaker was Ms. Mari Iwanaka, Animal Quarantine Officer, Risk Analysis Section Animal Quarantine Service, MAFF Japan. The presentation was composed of three parts, animal health administration system, animal health measures within the borders and the animal quarantine system. She also added the current training system of animal quarantine officers in Japan. Her presentation began with an outline of the present state of the Japanese livestock industry as well as the veterinary system. The speaker then touched on the legal framework related to the animal quarantine system in Japan. She went into a more detailed explanation of the procedures relating to animal health measures and specifically discussed Classical Swine Fever (CSF), Foot and Mouth Disease (FMD), and Bovine Spongiform Encephalopathy (BSE). Then, she went onto explain the animal quarantine system starting from the legal framework, organization structure, and the detailed procedures of both import and export inspection. Lastly, she highlighted the significance of risk analysis and briefly explained the case of FMD in EU countries.

The participants raised the following practical questions relating to the animal quarantine system:

- 1) The duration, cost of inspection, nature of the government owned quarantine area, disposing measure of manure, and detail of the procedure;
- 2) The linkage of Customs and Quarantine service, and its network system;
- 3) Control and disposing measures of infected animals, specific measures of incineration;
- 4) The details of detection of BSE cases in Japan;
- 5) The composition of the risk assessment team of Japan, and its focus;
- 6) The system of identification, registration and traceability of animals in Japan
- 7) The formula introduced to quantify the risk of FMD in Japan; and
- 8) The possibility of animal (meat) exports from the Philippines to Japan.

The moderator highlighted that the Japanese experience of developing strong capability to timely inspect and control diseases taught the importance of in-depth surveillance. In addition, she pointed out that in-country measures should be as rigorous as border measures.

The Third Day (28th of August 2003)

Before starting the morning session, several minutes were spared for the question of the US-Japan Dispute Case on codling moth left unanswered from the previous day's session. Mr. Hirooka explained the background that the US complained of Japan's refusal to accept green apples due to the possibility of codling moth entry in Japan. Despite the risk analysis conducted and succeeding bilateral consultations, the US was dissatisfied with the results. A Panel was constituted to hear the case which later moved to an Appellate Body. Both concluded that Japan's basis for rejecting US apples did not have sufficient scientific basis. From the Japanese government point of view, it was worthwhile to challenge even though the process was long and costly, if only in order to prevent possible harm and justify the current quarantine measure. Mr. Hashimoto explained the newly introduced quarantine measure, Concentration Time Value or CT product following the advice of the Appellate Body.

(a) Session 5: Plant Quarantine System in Japan

Mr. Hiroaki Hashimoto, Senior Researcher of the Research Division of the Yokohama Plant Protection Station with MAFF Japan, as the fifth speaker, began by announcing the resumption of importation of papaya from Mindanao after a ten-month suspension. This resulted from the detection of larvae of fruit fly but thanks to efforts from both sides, Japan decided to dispatch a quarantine officer at short notice for a final check.

The speaker began by introducing the chronology of legislation on the Plant Quarantine system in Japan. Then, recent figures of import inspection volume were introduced, and the latest reform of the plant quarantine system was highlighted. The detail procedure of the import, export and domestic plant quarantine systems were also described. The new issues such as Methyl Bromide and its alternatives, the past experience of eradicating the quarantine pests and monitoring measures were also illustrated. In conclusion, current efforts in training and research were explained.

The participants raised questions as follows:

- 1) How and when information on shipment had become available on the computer network;

- 2) More detail about the procedure of quarantine such as duration of isolation and inspection;
- 3) Standard duration of lifting ban of plants;
- 4) Control measure of GMO products and its regulatory agency of Japan;
- 5) Alternative measures for vapor heat treatment which is regarded as expensive for developing countries; and
- 6) The possibility of certifying inspection only by Philippine quarantine officers without paying Japanese quarantine officers to be dispatched.

(b) Session 6: Food Safety and Risk Analysis

The last speaker was Dr. Kazutaka Yamamoto, Senior Researcher with the Food Hygiene Team of the Research Planning and Coordination Division and Carbohydrate Laboratory Food Material Division National Food Research Institute, Japan. The presentation was divided into the four parts, a) food safety and risk analysis, b) case study of risk analysis, c) competence of Testing Laboratories, and d) food safety administration in Japan. The concept of food safety was explained by using the case of developed countries and international trade agreements. Further, the role of the Codex Alimentarius Commission and the structure and contents of the risk analysis, which consist of risk assessment, risk management and risk communication, were introduced. Then, a Danish case of *Campylobacter* in chickens was introduced as a case study. Further, competence of testing laboratories was explained as this involves the import and export control of foods. Lastly, recent developments in food safety administration in Japan since the BSE outbreak were outlined. Problems still prevailing in Japanese regulatory agencies were discussed.

The participants raised specific questions related to the concept and procedures for risk analysis, which is indicative of their keen interest in this field.

- 1) How to enhance capabilities and what to recommend to accelerate development of expertise in food safety;
- 2) When risk analysis should be conducted, how to justify the cost;
- 3) Clarification on iterative process, mitigation process and modeling;
- 4) Specific provision on WTO agreement on certifying standards; and
- 5) Accredited laboratories in Japan

(c) The Closing of the Seminar

Dr. Blo Umpar Adiong, Director, Bureau of Plant Industry, Department of Agriculture offered words of appreciation remarks towards the Japanese representative who made the seminar available. Drawing attention to the import surge of agricultural products from the region, he advised the participants to use the knowledge they learned to upgrade the skills for overall efficiency of the agriculture sector in the Philippines. Following Dr. Adiong's remarks, Mr. Hidekazu Tanaka, team leader of the TA Consultant Team, made concluding remarks. Words of appreciation were added, on behalf of both Japanese and Philippine counterparts, for the successful conduct of the three-day Seminar.

2.3 Capacity Building for GATS <Component 3>

2.3.1 Overview of the Program

Based on the needs identified in II 2.3 of this report, NEDA and other service-related agencies, and the TA Consultant Team had a series of meetings during the 1st field survey (Inception Mission) in December 2002, the Perpetration Mission in May 2003, and before and after the “Phase I” workshops in June 2003. After the consultations, the schedule of activities comprising the GATS component was developed (refer to “Structuring Activities of Component 3 (GATS)”).

(1) Enhancing capacity of service related governmental agencies

Two workshops for officials of NEDA and IAC-TS member agencies were programmed. These workshops are meant to: share information on the progress of GATS negotiations; provide ideas on how to deal with the negotiations; improve understanding of the schedule of commitments; and discuss the economic impact of services trade liberalization. Among two workshops, first workshop was held as one of the workshops in “Phase I”.

Another workshop on simulation exercise on the “Request-Offer” approach to services trade negotiations was held for two days during “Phase III” in January 2004, simulating GATS request and offer negotiations, based upon strong requests by NEDA and members of IAC-TS.

(2) Enhancing capacity on specific service sectors

Four one-day workshops on specific service sectors (i.e., tourism, transport, energy and environment, and professional services) were also planned on the basis of consultations with the Philippine government. The purpose of these workshops is to assist in preparing for the on-going and future GATS negotiations. Government officials and private sector representatives from the targeted sectors have been identified as participants to the workshops. Topics such as the relation between industry policies and services liberalization, GATS negotiations, and enhancement of competitiveness, among others, were particular areas of interest.

Each planned workshop took into account the outcome of the consultations with the Philippine government, the prioritized needs and the state of play of the GATS negotiations. Of significance to NEDA is how to develop a negotiating position and strategy for GATS negotiations, and how to assess “requests and offers.” DOT and DOTC signified their interest on: 1) the overall picture and status of services negotiations; 2) the present situation in the tourism and transport industries in the Philippines; and 3) technical problems in dealing with the negotiations.

In response to a request from the counterparts, the TA Team organized pre-sessions to explain the basics of the WTO and the GATS to officials not familiar with the subject.

(3) Conducting comparative study of markets, industry policies and liberalization in the transport and tourism services sector

In addition to holding workshops, the TA team, with the collaboration of local experts, also considered the conduct of comparative studies on markets, industry policies and extent of liberalization in the transport and tourism services sectors.

The studies are intended to: 1) provide an overview of market situations; 2) analyze industrial and competition policies; and 3) analyze the approach to liberalization with respect to maritime transport services in Japan, United States, European Union and Thailand, and tourism services in ASEAN countries vis-à-vis the Philippines.

Both studies focused on “competitiveness” based on the concept shown in the Figure III-2-3-2 and Figure III-2-3-3:

Figure -2-3-1 Structuring Activities of Component 3 (GATS)

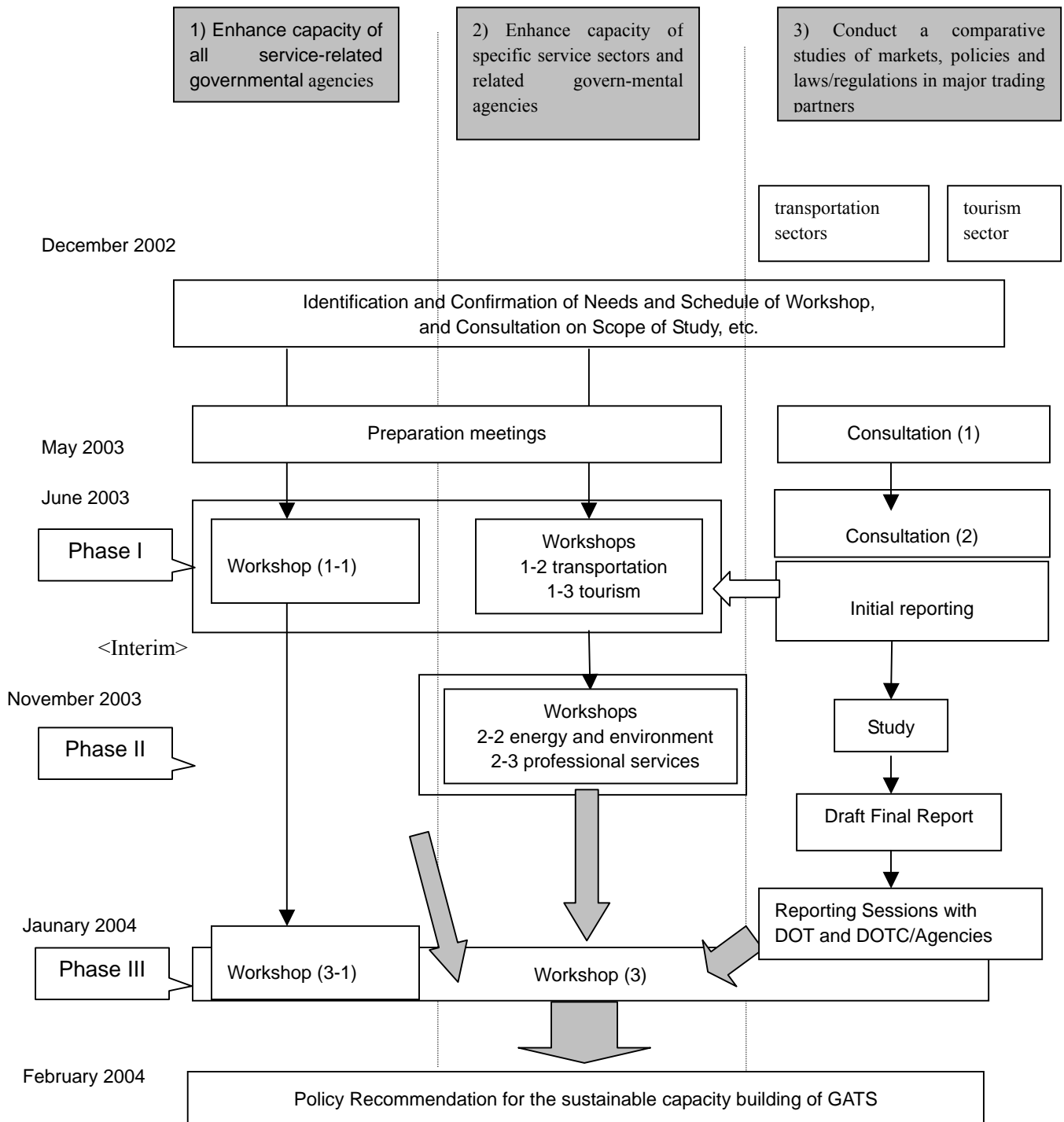


Figure -2-3-2 Coverage of Study on Transportation

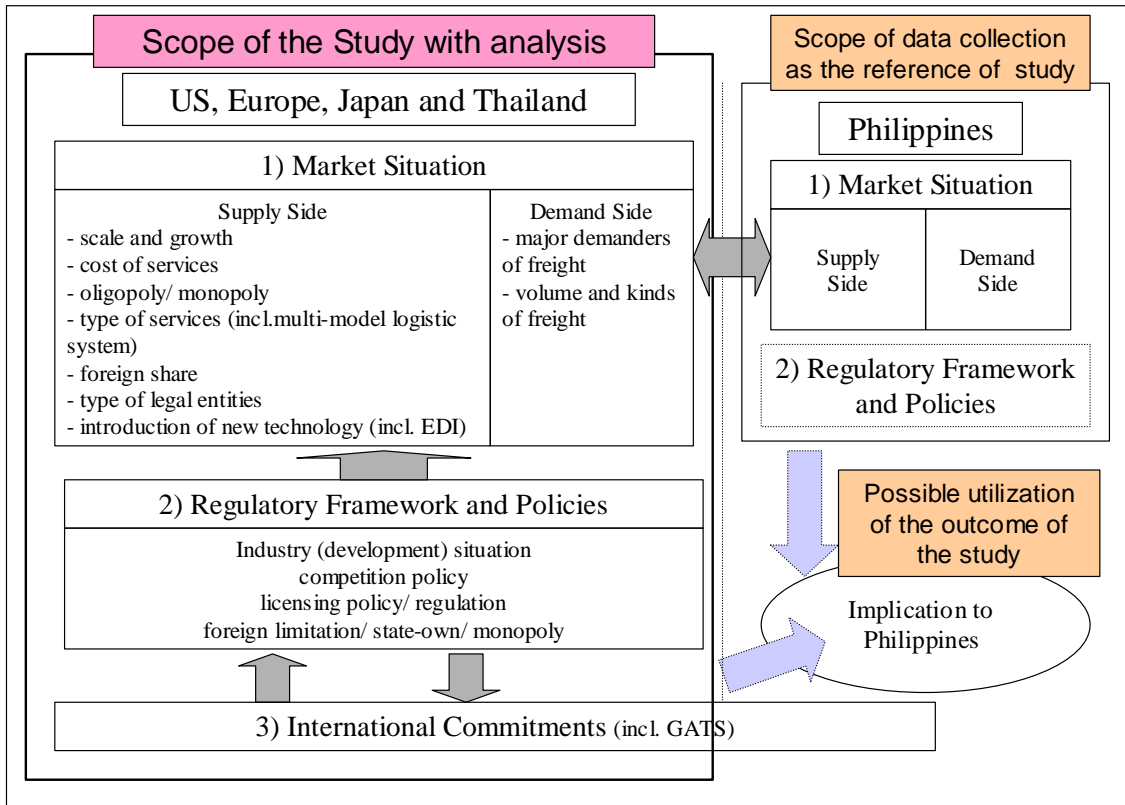
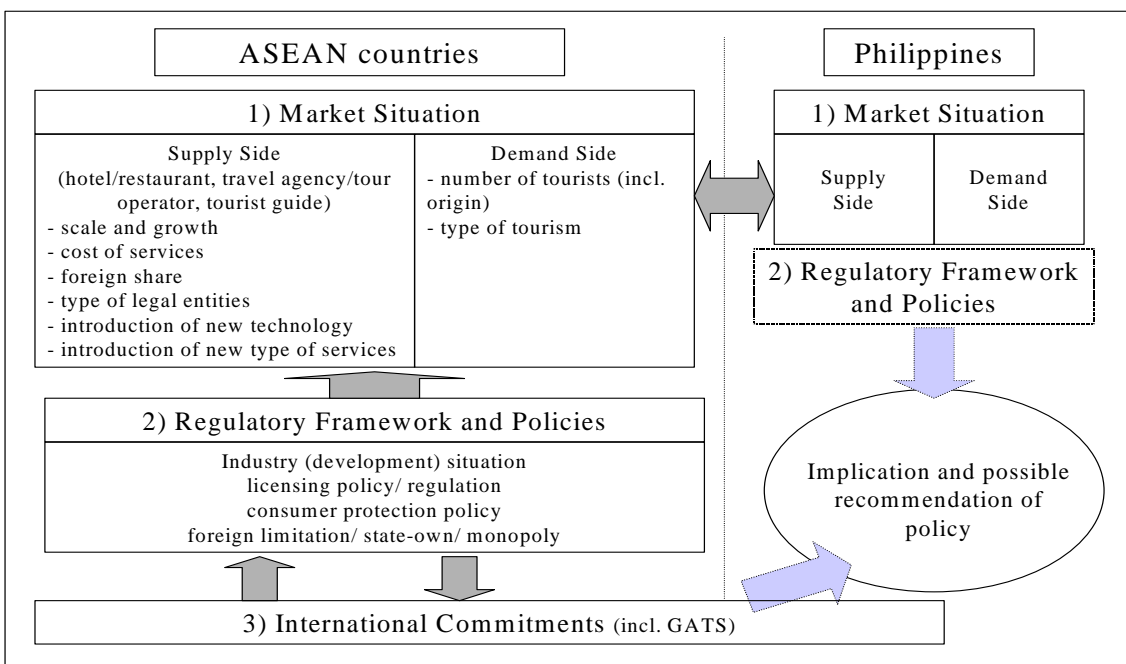


Figure -2-3-3 The coverage of the Study on Tourism



The Studies have been launched and the initial reporting was done during the workshops for tourism and transportation in June 2003.

Details on the purpose, scope and schedule of activities are shown in the boxes at the end of this Chapter.

2.3.2 Pre-Session and Workshops I

(1) Program and contents of Pre-Session

Prior to the workshops in Phase I the TA Team organized a pre-session in two parts for administrative officials who are not familiar with the WTO and GATS. These pre-session introduced and responded to queries on the WTO system and the provisions of the agreement on services.

Date	Target	Venue	Participants
June 5 P.M.	DOTC, DOT	DOT	20 officials from NEDA, DOTC (incl. ATO, PPA, CAB) and DOT
June 6 P.M.	Marina and business representatives	Marina	12 officials from MARINA and maritime industry representatives

(2) Program and contents of Phase I

In accordance with the work plan of the GATS components, workshops on horizontal issues, tourism-related and transport services were held on June 9, 10 and 11, 2003, respectively. Major counterparts and the number of participants for each workshop were as follows:

Date	Sectors	Counterparts	Number of participants
June 9	All Service Sectors	NEDA	45
June 10	Tourism Services	DOT	28
June 11	Transportation Services	DOTC	45

The program agenda for each workshop was set by the basis of close consultations with NEDA, DOT and DOTC (incl. its attached agencies). The agendas are shown in the Boxes Figure III-2-3-1 - Figure III-2-3-3 in the end of this Chapter.

(a) Workshop for All Service Sectors (June 9, 2003)

A total of 45 officials from service-related governments/agencies and bureaus participated in the workshop.

The workshop started with the opening remarks by NEDA Assistant Director-General Margarita R. Songco. She mentioned that the GATS has generated keen interest from concerned government agencies and, hence, urged participants to seek answers to their concerns. Following the opening remarks, Mr. Takata, Deputy Resident Representative of JICA Philippine Office, talked on the impact of trade in services and its characteristics, and how it differs from the trade in goods. He emphasized the importance of the GATS component activity. Mr. Tanaka, TA Team Leader, gave a background on and provided an overall picture of the capacity building program. He pointed out its importance to the Philippines, being an exporter of services by overseas workers thru Mode 4.

Session 1: Overview of the Current GATS negotiations

Mr. Hartridge gave an overall picture of the WTO “Doha Round” and the negotiations on services, agriculture and textiles, which are the major agenda of the Round. As for the services negotiations, he mentioned that in general, negotiations are progressing smoothly in Geneva, although some groups who believe that negotiations are a threat to development have expressed opposition. He also touched on the status of submission of initial requests and offers (deadline was end-June, 2002), and expressed the view that careful consideration is needed for formulating offers since other WTO members’ requests tend to call for further liberalization from the initial offers circulated. In response to the question of NEDA Director Brenda Mendoza on how offers will be treated if the Round does not wind up successfully, Mr. Hartridge answered that the member countries can withdraw the offer in such case. He also stressed that each WTO member has the right to determine, based on its own priorities, which areas to liberalize but is not allowed to backtrack its existing commitments.

Session 2: Developing a Negotiation Position and Strategy

Mr. Hartridge explained that the most important step in formulating requests is to hold dialogues with concerned government agencies and the key stakeholders in the service industry. He said that negotiators could be more properly equipped if they are aware of industry needs and the impediments or barriers that are present in the

market. Requests from other members and the promotion of domestic economic welfare are the two most important points to observe, of which the latter is given more importance. Mr. Hartridge also cited the necessity to introduce restrictions to ensure market stability and consumer protection prior to liberalization. In preparing offers, he suggested that a country should first examine the internal market to determine where to induce competition and investment because the purpose of liberalization should be to promote a country's own economic welfare. Mr. Hartridge further explained that besides bilateral request-and-offer negotiations, informal groups of delegations meet to discuss specific sectors or issues. These are called "informal friends meetings". GATS committees negotiate on multilateral issues.

The need to manage requests and offers was emphasized by Mr. Hartridge because there are dangers in unguarded negotiations. As such, government should ensure that domestic capacity is properly developed, and proper regulatory and supervisory regimes are in place before opening up its service sectors. On assessing the impact of liberalization, he pointed out that the assessment of results is made extremely difficult by the inadequacy of statistics on trade in services.

Q&A Session

- In response to the question on whether the fact that the Philippines has not ratified the Fourth protocol to the GATS (basic telecommunications) will become a problem, Mr. Hartridge replied that domestic legislation process in response to the results of GATS negotiations is entrusted to each member's voluntary decision. The member country is not convicted as long as it continues its efforts toward ratification while various political constraints exist. Further, the Philippines being a signatory to the said Protocol which has not yet been ratified, the matter could in a way be considered as autonomous liberalization. It may not also be deemed as such, on the other hand, because commitments were made in the context of multilateral negotiations.
- To an opinion that healthcare service (export of healthcare professionals), one of competitive sectors, cannot be opened up due to a legislative problem, Mr. Hartridge responded that one could take into account the conclusion of a mutual recognition agreement (MRA) first although the agreement still has argument in the context of Article VI of GATS.
- Other questions included measures to assess benefits of service trade liberalization, coverage of the Annex on movement of Natural Persons, relationship between WTO

and other agreements, what voluntary liberalization means, or what the government should do in case there are no requests submitted.

- There were also opinions stressing the importance of formulating safeguard rules for developing countries, and conducting trainings on technical knowledge and service classification.

Director Brenda Pimentel of the Marina’s Overseas Shipping Office gave the view that while recognition prevails that GATS or WTO has little to serve developing countries, it is necessary to sincerely engage in dialogues with the shipping industry to be acquainted with its weaknesses, and to determine how the country could enjoy the benefits of foreign investment.

In closing, Director Mendoza expressed her wish that the workshop would be a good opportunity to enhance cooperation among government agencies and stimulate dialogues between the government and the private stakeholders.

Box -2-3-1: Workshop for all service sectors (1st Workshops)

[Monday, 9 th of June, 2003] 9:00 - 16:15	
Venue: Room “Paranaque AB”, 3rd floor, Makati Shangri-La Co-organize: National Economic Development Authority (NEDA)	
Session 1: Overview of the Current GATS negotiations	Mr. David Hartridge, WTO Expert Senior Director, White Case International (Former Director of Trade in Services Division of WTO)
Session 2: Developing a Negotiation Position and Strategy	
- Formulating requests and offers	
- Assessing requests and offers	Mr. Hartridge
Managing Request-Offer Negotiations	
Assessing the impact of services liberalization	Mr. Hartridge
* Q&A session included	

(b) Workshop on Tourism Services (June10, 2003)

A total of 28 officials and representatives from DOT central office, DOT regional offices, and tourism-related associations (mostly from the hotel industry) participated in the workshop.

The workshop commenced with the opening remarks of Ms. Elizabeth F. Nelle, Director of Tourism Development Planning, DOT, who called for cooperation between government and the tourism industry stakeholders to achieve a harmonious response to the GATS negotiations. Following the opening remarks, Mr. Tanaka, TA Team Leader, gave a background on and provided an overall picture of the current program.

Session 1: Principles and understanding the GATS

Mr. Hartridge discussed the terms of reference of the Doha Round and clarified its difference from the Uruguay Round. He explained the coverage of the GATS, the rights and obligations under the agreement, and the agreement's importance to the tourism industry. Utilization of the GATS was encouraged for the promotion of investments and exchange of tourism industry personnel (hotels, restaurants, etc.) within the GATS framework.

Session 2: Liberalization – The Philippines Tourism Industry and other ASEAN countries

Mr. Supangco of the TA team presented the state of the Philippine tourism industry, and an analysis of its competitiveness compared to other ASEAN nations. Questions were raised particularly by the hotel industry representatives on the present status of Philippine commitments on tourism, and on how the restrictions on foreign investment should be assessed. In response to a question on the bargaining ability of Philippine negotiating officials, NEDA underscored the importance of ensuring that adequate consultations with the service sectors concerned have been undertaken prior to the negotiations.

Session 3: Facilitating Investment and Manpower Development in the Hotel and Restaurant Sector - An Agenda for GATS

Mr. Hartridge informed the participants of the status of the negotiations on tourism. He also mentioned the importance of being present at “informal friends meetings”.

Q & A Session

Most of the afternoon was devoted to the question-and-answer session. Queries raised pertained to the measurement of tourism competitiveness, readiness of the country to liberalize tourism services, effect of bilateral negotiations, issues of

Concerns raised pertained to such issues as the domination of foreign capital in domestic companies after liberalization, the imposition of sanctions under the GATS, and how a member country can avoid making commitments to liberalize. Participants recognized that a certain level of liberalization in the transport service sector is inevitable.

Session 2: Transportation Industry of the Philippines

Atty. Pimentel reported on the Philippine maritime transport industry, the relevant laws/regulations affecting maritime service providers which are presently being reviewed due to its inapplicability and restrictive provisions, and current initiatives to boost the Philippines' maritime sector.

Mr. Porvenir Porciuncula, Chief of Economic Planning and Research, Civil Aeronautics Board (CAB), talked on liberalization policy with respect to the Philippine air transport sector. He identified the limited knowledge on the WTO-GATS, and regulatory conflicts as the problems confronting the liberalization of the sector.

Session 3: Review and Assessment of Requests and Offers by Other WTO members

Mr. Hartridge again discussed the assessment of requests and offers by other WTO members, relating this to inter-modal transport services.

Session 4: Introduction of the Study on Transportation

Mr. Ernesto Gorospe of the TA Team introduced the study to be undertaken on the competitiveness of the Philippine air and maritime transport services. He also briefed the participants on the current state of affairs in these sectors, including policy reforms to promote competition and limitations on market access. Technical questions on how subsidies or preferential tax treatments and "combined transport service" are treated under the GATS were raised by the participants.

Q&A Session

Questions/issues raised during this session related to government subsidies as an impediment to the implementation of the GATS, whether the grant of tax exemptions is a form of subsidy, the MFN rule and the provisions of the Philippine Constitution, regulations on operations in the Philippines of foreign carriers, backtracking commitments, and flexibility which developing countries are allowed to exercise, among others.

(a) Workshop on Energy and Environment-related Services

Fifty (50) officials and representatives from the NEDA, DOE, DENR, and energy and environment-related associations participated in the workshop. The workshop started with the welcome remarks by Ms. Rebecca Abesamis, Chief Economic Development Specialist of NEDA. Emphasizing the increasing importance of the services sector as shown by the magnitude of its economic contribution to the Philippine economy, she underscored the significance of capacity building exercises on the GATS for specific service sectors, especially those that have been identified by the WTO as “emerging” such as energy and environment-related services. As in the other workshops, the opening remarks were followed by a brief presentation on the program by Mr. Tanaka.

Session 1: A Review of GATS

As an introduction, Mr. Hartridge referred to services as “infrastructures” of trade in goods, stating that efficiency of service delivery leads to improved competitiveness of traded commodities. He then talked on the provisions and principles of the GATS, and the status of the negotiations on services, citing that the latter could be affected by the failure of the WTO Ministerial Conference in Cancun.

With regard to environmental services, Mr. Hartridge cited the recent strong trend towards privatization and contracting out of public environmental services with the rise in environment-related problems. So far, only 48 countries have made commitments in the sector.

On energy services, he mentioned that these were not negotiated as a separate sector in the Uruguay Round since power generation, transmission, and distribution were vertically integrated in most countries at that time.

GATS commitments have been made on services incidental to mining, energy distribution, and pipeline transport of fuels. Eight (8) countries (“Friends of Energy Services”) have presented their negotiating proposals in the Doha Round. Issues raised with regard to these proposals related to the need for better classification of energy services, more commitments on market access and national treatment, regulatory and competition issues, and the interests of developing countries and small and medium enterprises.

Participants raised questions on the benefit that developing countries could get from commitments to liberalize, the difference between WTO agreements and regional free trade agreements, the EC request to the Philippines, on negotiating in Geneva as a bloc or group (e.g., ASEAN), issue on classification of energy services, conditionality of commitments and on the settlement of disputes.

Session 2: Current State of Environment-related Services in the Philippines

Assistant Director Fernandino Concepcion of DENR made a presentation on the current state of environment-related services in the Philippines, including the incentives available under the Clean Air Act, and restrictions under the Philippine Constitution on the exploration of natural resources.

Concerns raised by the participants pertained to investment in hazardous waste management facilities, the negotiation process, and commitments under the WTO vis-à-vis under bilateral agreements.

Session 3: Current State of Energy Services in the Philippines

Assistant Secretary Lasse A. Holopainen of DOE gave a brief overview of the Philippine energy sector, particularly the current situation with respect to power generation, transmission and distribution. He stated that the DOE has been encouraging investments in the energy sector (goods and services) through various laws. There are also pending bills in Congress in support thereof.

Queries raised related to the current restrictions on foreign direct investments in the energy sector, existing energy-related projects with foreign participation, the role of the Power Sector Assets and Liabilities Management Corporation or PSALM, and the Electric Power Industry Reform Act or EPIRA.

Session 4: Technical Aspects of Scheduling of Commitments for Energy and Environment-related Services

Mr. Hartridge explained the technical aspects of scheduling commitments, taking other countries' schedules as examples, and pointing out the mistakes that are often committed in making entries.

Session 5: Request and Offers

He also discussed the request and offer approach to negotiations, making use

of requests and offers made by countries on energy and environment-related services as examples.

Mr. Ishida, Vice Leader of the TA Team, and Ms. Abesamis of NEDA gave the closing remarks.

Box -2-3-4: Workshop on Energy and Environment-related Services

[Thursday, 6 th of November, 2003] 8:30 - 17:00	
Venue: Camella and Dahlia Function Rooms, Dusit Hotel Nikko, Makati City Co-organizer: NEDA, DOE, DENR	
Session 1: A Review of GATS Principles and understanding of GATS GATS in the context of the energy and environment-related services Mr. David Hartridge, Senior Director, White Case International (Former Director of Trade in Services Division of WTO)	
Session 2: Presentation on the Current State of Environment-related Services in the Philippines Asst. Dir. Fernandino Concepcion, DENR-EMB	
Session 3: Presentation on the Current State of Energy Services in the Philippines Asst. Sec. Lassie-Matti A. Holopainen, DOE	
Session 4: Technical Aspects of Scheduling of Commitments for Energy and Environment-related Services Mr. David Hartridge	
Session 5: Request and Offers Examples from other WTO Member Countries Self-Assessment Exercise Discussion of Issues Mr. David Hartridge	
* Q&A session included	

(b) Workshop on Professional Services (November 7, 2003)

Fifty (50) officials and representatives from the NEDA, PRC, Professional Regulatory Boards, accredited professional organizations, DOLE, DOTC, DFA, UNDP, and other bodies concerned with professional services attended the workshop.

The participants were welcomed by Ms. Rebecca Abesamis of NEDA, who encouraged them to take advantage of Mr. Hartridge's presence by seeking clarifications specifically on the complexities underlying the liberalization of international trade in professional services; and asking how benefits could be maximized under the GATS.

Ms. Antonieta Fortuna-Ibe, chairperson of PRC, gave the opening remarks. She

cited PRC's role in developing the skills of Filipino professionals and mentioned that the Philippines already has competitive service providers such as seafarers, nurses and CPAs. Further efforts, however, need to be exerted to bring the competitiveness of Filipino professionals to higher levels.

Following the welcome and opening remarks, Mr. Tanaka, TA Team Leader, briefed the participants on the program.

Session 1: A Review of GATS

Mr. Hartridge introduced the GATS, stating that it is one of the agreements under the WTO that has become the least controversial due to its flexibility, i.e., member countries are free to decide how fast and how far they want to liberalize.

The participants were informed that professional services is the biggest component of the sectoral classification list. Of the 42 committed services for the sector, engineering services has the most number of commitments, while nursing/midwifery has the least. The importance of making commitments was pointed out. Even if it is already possible for foreign professionals to work in a country, commitments are valuable to the host country because these can induce inward remittance by giving legal security to investors; can stimulate competition and efficiency through foreign capital inflows, technology transfer, and enhancement of management skills; and can be used as negotiating leverage in other areas where a country has major export interests e.g., agriculture and textile for the Philippines. Mr. Hartridge also expounded on the disciplines on domestic regulation in the accountancy sector, the barriers to trade in accountancy services and on Mutual Recognition Agreements (MRA).

Technical questions from the floor included the relationship between Mode 3 and Mode 4, the coverage of Mode 4, including its applicability to Filipino overseas contract workers, the replacement of a withdrawn commitment by another commitment of equivalent value, issues on incorporation, and whether multilateral or bilateral approaches to services negotiations would be better for developing countries.

Session 2: Technical Aspects of Scheduling of Commitments for Professional Services

Mr. Hartridge made detailed explanations on the classification system for services, the commitments made by major countries, and how to interpret the modes of supplying services, especially Modes 3 and 4 in the schedule of commitments. He also

explained the Guidelines for Mutual Recognition Agreements in the Accountancy Sector as well as Disciplines on Domestic Regulation in the Accountancy Sector adopted by the WTO Council for Trade in Services in 1997 and 1998, respectively.

The afternoon session focused on the process of negotiations, the movement of natural persons, difference in opinions between developed and developing countries in the handling of workers and of visas.

Session 4: Request and Offers

Mr. Hartridge expressed the view that the request and offer negotiation process could slow down due to the failure in the WTO Ministerial Conference in Cancun. A DFA representative reiterated the necessity of understanding the advantages of acceding to the GATS and promoting the interests of developing countries including the Philippines, but mentioned that there is still strong opinion that market access secured through participation in FTAs may be a better arrangement.

The workshop ended with the closing remarks by Mr. Ishida of the TA Team and Ms. Abesamis of NEDA.

Box -2-3-5: Workshop on Professional Services (2nd Workshops)

[Friday, 7 th of November, 2003] 8:30 - 17:00
Venue: Camella and Dahlia Function Rooms, Dusit Hotel Nikko, Makati City Co-organizer: NEDA, PRC
<p>Session 1: A Review of GATS Principles and understanding of GATS GATS in the context of Professional Services Mr. David Hartridge, Senior Director, White Case International (Former Director of Trade in Services Division of WTO)</p> <p>Session 2: Technical Aspects of Scheduling of Commitments for Professional Services Mr. David Hartridge</p> <p>Session 3: Presentation on the Current State of Professional Services in the Philippines Atty. Abelardo T. Dumondon, PRC Consultant on WTO Matters</p> <p>Session 4: Request and Offers in Professional Services Examples from other WTO Member Countries Self-Assessment Exercise Discussion of Issues Mr. David Hartridge</p>
* Q&A session included

2.3.4 Phase III

(1) Program and contents of Workshops III

The following functions were held in January 2004 with the assistance of NEDA, DOT and DOTC:

Date	Sectors	Counterparts	Number of participants
January 22 (half day)	Reporting and Discussion Session on Tourism Services	DOT	50
January 26-27 (two days)	Technical Session – Simulation workshop on Request and Offer Negotiations (the “Technical Session”)	NEDA	40
January 28 (half day)	Reporting and Discussion Session on Transportation Services	DOTC	30
January 29 (one day)	Seminar on Liberalization of Trade in Services (the “Seminar”)	NEDA	90

Refer to “2.3.4 Studies” below for Reporting and Discussion Sessions on Tourism Services (January 22) and Transportation Services (January 28).

(a) Technical Session – Simulation Workshop on Request and Offer Negotiations (the “Technical Session”)

This session was designed by the TA Team with the assistance of NEDA for the members of the IAC-TS. The objective of the exercise was to strengthen the IAC-TS members’ understanding of the GATS negotiation process and strategies, and to improve their negotiating skills by ensuring they gain a thorough understanding and appreciation of the procedures involved in services trade negotiations.

DAY-1, AM; Opening and Background Explanation

NEDA Assistant Director-General Margarita R. Songco, the Philippines’ chief negotiator for the GATS, opened the session. Recalling the activities under the first two phases of the program, she emphasized its importance in understanding the more practical aspects of the request-offer approach, including the formulation and

assessment of requests and offers, and the management of request-offer negotiations. Mr. Tanaka of the TA team then presented an overall picture of JICA's capacity building activities.

Mr. Hartridge followed with a presentation in several parts: i) the current situation of the GATS negotiations; ii) the request and offer negotiation process; and iii) the linkage of GATS Articles XVI to XX to the schedule of commitments. The presentation provided a basis for the simulation workshops.

1) Day-1, PM and DAY-2: Continuation of Technical Session (January 26 and 27, 2004)

The forty (40) participants from the IAC-TS member-agencies were divided into four groups, with each group corresponding to a country at a certain level of development and with specified characteristics. The objectives of the simulation workshop were explained by Mr. Ishida who stressed the importance of developing a negotiating strategy, while Ms. Maki Kunimatsu, GATS Component Leader of the TA Team, clarified the rules and mechanics.

Each group was provided with a "Fact Sheet" containing the economic condition, industry situation, laws and policies of the country, as well as its GATS schedule of specific and horizontal commitments on financial and tourism-related services. Additional information was also provided pertaining to changes in economic conditions, amendment of laws, the issuing of positions by industry associations, among other topics, for consideration during the course of the simulation exercise. Based on the given information, each group proceeded to work as follows:

- 1) identification of development objectives and negotiation strategy
- 2) development of requests to its trading partner
- 3) bilateral consultations on tabled requests and seeking clarifications thereon
- 4) formulation of offers to its trading partner
- 5) bilateral negotiations based on requests and offers tabled
- 6) review of negotiation process and outputs, assessment by each group
- 7) group presentation and evaluation

The negotiations between Group A and Group B (developed and developing countries) did not result in a compromise, while that between Groups C and D enabled the tabling of offers. Lessons learned from the exercise, as presented by the group

leaders, included the following:

- the importance of preparedness to negotiate by having a clear understanding of existing commitments
- the need to conduct country assessment
- the need to carefully identify development objective and strategy
- the importance of preparing alternative requests
- the importance of stakeholder consultations
- the value of highlighting mutual benefit
- the importance of “corridor diplomacy”
- the need to properly state requests and offers in the schedule of commitments

Technical and strategic advice was provided by Mr. Hartridge, with the assistance of NEDA, throughout the workshop.

Box III-2-3-6: Simulation Workshop on the GATS Request-Offer Approach to Services Trade Negotiations

[Monday, 26 th and Tuesday, 27 th of January 2004] 8:30 - 17:00
Venue: Pasay A, Makati Shangri-La Co-organizer: NEDA
DAY-1 Opening Remarks Ms. Margarita R. Songco, Assistant Director-General National Economic and Development Authority (NEDA) Mr. Hidekazu Tanaka, Team Leader, JICA WTO TA Consultant Team Presentation on: 1) Current Situation of the GATS Negotiation 2) Request and Offer Negotiations Process 3) Linking GATS Articles XVI to XX to the Schedule of Specific Commitments Speaker: Mr. David Hartridge, Senior Director, White Case International Briefing on the Objective and Activities of the Technical Session Speaker: Mr. Masayuki Ishida, Sub-Leader, TA Consultant Team Explanation of the Workshop Rules and Mechanics Speaker: Ms. Maki Kunimatsu, Component Leader, GATS, TA Consultant Team Workshop 1: Formulation of Requests <ul style="list-style-type: none">■ Identification of Negotiating Strategy■ Developing Requests

- Tabling Requests (Group A vs. B, C vs. D)

Workshop 2: Formulation of Offers

- Developing Offers Based on Requests
- Review and Enhancement of Negotiating Strategy

DAY 2

Workshop 2 (continued)

- Confirmation of Negotiating Strategy

Workshop 3: Negotiation Exercise (Group A vs. B, C vs. D)

- Make compromises
- Confirming the results with negotiating partners by describing revised Schedule of Specific Commitments (Group A vs. B, C vs. D)

Workshop 4: Review of Negotiation Process and Outputs

- Assessment by each group

Group Presentations and Discussion

(b) Seminar on Liberalization of Trade in Services (the “Seminar”)

A total of ninety (90) participants from the business sector, NGOs, academe, and officials from other government agencies not familiar with the GATS attended the seminar. The seminar sought to enlighten these groups on the significance of liberalizing international trade in services, and to introduce the GATS to achieve fruitful dialogues between the government and various stakeholders.

Director Mendoza of NEDA gave the opening remarks on behalf of ADG Songco, stating that the seminar is designed for those who have little or no knowledge on the GATS as it is the government’s objective to increase public awareness, knowledge and understanding of the agreement. Mr. Takata, Deputy Resident Representative of the JICA Philippine Office cited the continuing effort of the Japanese government to contribute to the sustained expansion of world trade by building capacity such as through understanding the GATS.

Following the brief on the GATS component of the capacity building program and on Japan’s involvement in providing technical assistance by Mr. Tanaka, Mr. Honeck, Counselor, Trade in Services Division, WTO, gave a presentation on “Services

Liberalization, Development and Enhancement of Competitiveness” which comprised three parts: (i) an introduction to trade in services and some aspects of liberalization and development; (ii) an overview of the GATS agreement; and (iii) a conclusion which expressed that a reliable and predictable framework for world services trade is in place.

Questions with regard to his presentation related to sanctions for violating the GATS; the achievement of a balance between economic gains from and social cost of liberalizing; how the Philippines fare in the negotiations; whether it is domestic law that prevent the Philippines from making commitments under the GATS; and the prospects for agricultural services.

Mr. Hartridge, for his part, briefed the participants on the achievements under the GATS, including the negotiations on financial services, basic telecommunication services and movement of natural persons. He also shared his analysis of the impact of politics on the negotiations. Issues raised included the pressure from a third party, and how to utilize the negotiations to develop competitiveness.

The afternoon session was devoted to a panel discussion on “GATS Negotiations as a Step for a Stronger Service Industry”. The discussions began with a presentation by Dr. Cal, JICA consultant and Chairman, Desarrollo Internationale Consult, Inc., on the findings of the maritime and air transport sector study undertaken under the program. Dr. Ong, Vice Chair of the Philippine Chamber of Commerce and Industry served as reactor, while Mr. Hartridge and Mr. Honeck participated as commentators. Concerns brought up by the participants pertained to the need for the study on transport to assess the impact on workers of the liberalization of air and maritime transport services; if citizenship is a discriminating factor when it comes to attracting foreign investment; and the importance of consulting with stakeholders prior to the negotiations for purposes of identifying possible areas for liberalization and the specific amendments required to Philippine laws.

Ms. Mendoza and Mr. Ishida closed the seminar by expressing their desire for sustainable capacity building activities.

Box III-2-3-7: Seminar on Liberalization of Trade in Services

[Thursday, 29th January 2004] 8:30 - 17:00

Venue: Makati A/B, Makati Shangri-La

Co-organizer: NEDA

Opening Remarks

Ms. Brenda Mendoza, Director, Trade, Industries and Utilities Staff
National Economic and Development Authority (NEDA)

Mr. Hirohiko Takata, Deputy Resident Representative

Brief on the Capacity Building Program

Speaker: Mr. Hidekazu Tanaka (Team Leader, TA Team)

Services Liberalization, Development and Enhancement of Competitiveness

Speaker: Mr. Dale Honeck (Counselor, Trade in Services Div., WTO)

Eight-Year Achievement of the WTO/GATS

Speaker: Mr. David Hartridge (White Case International)

Panel Discussion on “GATS Negotiations as a Step for a Stronger Service Industry”

Presentation on the Competitiveness of Transportation Services in the Philippines in Comparison with the United States, European Union and Thailand

Speaker: Dr. Primitivo C. Cal (Chairman, Desarrollo Internationale Consult, Inc.)

Mr. Ernesto Gorospe (JICA Consultant, TA Team, co-author))

Reactor: Dr. Eduardo G. Ong (Vice President for Internal Affairs, PCCI)

Commentators: Mr. Hartridge and Mr. Honeck

Co-Moderators: Ms. Mendoza (Director, NEDA)

Mr. Hidekazu Tanaka (TA Team Leader)

2.3.5 Studies

The results of the comparative studies on tourism-related and transport services were presented provided direction particularly for policy reform in order to be competitive in the international trade of transport and tourism services.

The reporting sessions were held at the DOT and DOTC, with officials from tourism and transport-related agencies and associations in attendance. Reactors to the study on tourism were representatives from the HRAP, PEZA, NUWHRAI, and AIT. Representatives from the MARINA, CAB, and ATO reacted to the study on transport during the presentation.

Box III-2-3-8: Comparative Study Transportation

Comparative study on markets and policies of major countries in Transportation Services

Purposes:

To overview the situation of markets and industry/competitive policies of major partners for the reference of Philippines' future policy development

Subject Countries:

Japan, United States, European Union and Thailand

Scope of Study

Proposed scope of the study is as follows ;

- (a) To aggregate information/data of the markets
- (b) To analyze industry/competitive policies
- (c) To analyze approaches to multilateral liberalization

Procedure of Study:

TA Consultants will be the focal point of consultation with and reporting to the Government of Philippines.

DOTC official(s) are expected to advise to the TA Consultants based upon TA teams initial/interim reporting.

NEDA and DOTC are expected to make use of the outputs of the study and evaluate.

Box III-2-3-9: Comparative Study on Tourism Transportation

Comparative study on markets and policies of major countries in Tourism Services

Purposes:

To overview the situation of markets and industry/competitive policies of ASEAN Countries for the reference of Philippines' future policy development

Subject Countries:

ASEAN countries

Scope of Study

Proposed scope of the study is as follows (to be discussed);

- (d) To aggregate information/data of the markets
- (e) To analyze industry/competitive policies
- (f) To analyze approaches to multilateral liberalization

Procedure of Study:

TA Consultants will be the focal point of consultation with and reporting to the Government of Philippines.

External experts may work based upon the instruction from TA Consultants

DOT official(s) are expected to advise to the TA Consultants based upon TA teams initial/interim reporting.

NEDA and DOT are expected to make use of the outputs of the study and perform an evaluation.

(1) Reporting and Discussion Session on Transportation Services

Box III-2-3-10: Reporting and Discussion Session on Transportation Services

[Thursday, 28 th January 2004] 9:00 – 13:00
Venue: Department of Transportation and Communication (DOTC) Co-organizer: DOTC
Opening Remarks Dir. Ildefonso T. Patdu, Jr., DOTC Transportation Planning Service
Introduction on JICA Study Speaker: Mr. Hidekazu Tanaka (Team Leader)
Presentation of JICA Study on Transportation Services in the Philippines Speaker: Mr. Ernesto S. Gorospe (JICA Consultant)
Presentation of JICA Study on Transportation Services in the United States, European Union and Thailand Speaker: Dr. Primitivo Cal (JICA Consultant)
Reaction on the JICA Studies: CAB / ATO / MARINA

(2) Reporting and Discussion Session on Tourism Services

Box III-2-3-11: Reporting and Discussion Session on Tourism Services

[Thursday, 22 nd January 2004] 9:00 – 13:00
Venue: Quezon B, Makati Shangri-La Co-organizer: DOT
Opening Remarks Undersecretary Evelyn B. Pantig, DOT
Introduction on JICA Study Speaker: Mr. Masayuki Ishida (Sub-Leader)
Presentation of JICA Study on Philippine Competitiveness in Tourism Services Speaker: Mr. Joselito P. Supangco (JICA Consultant)
Reaction on the JICA Study: Speakers: Ms. Elizabeth dela Fuente (Hotel and Restaurant Association of the Philippines) Mr. Wilhelm Ortaliz (Philippine Economic Zone Authority) Mr. Daniel Edralin (National Union of Workers in Hotel and Restaurant and Allied Industries) Mr. Bien Claraval (University of the Philippines – Asian Institute of Tourism)

2.4 Capacity Building for SG/AD <Component 4>

2.4.1 Overview of the Program

The four-day workshop was held from July 7 to 10, 2003, at the Inter-Continental Hotel Manila. Forty-five participants representing governmental agencies in the Philippines attended the Workshop. The number of participants was increased from the original plan due to the consideration that the workshop should invite all government agencies involved with the SG/AD procedures. Through a series of consultations with BIS-DTI and local lawyers, representatives from agencies such as the BITR-DTI, the Board of Investment, the Court of Tax Appeal, the Office of Solicitor General, and the House of Representatives (Congress) were included to the participant list in addition to the originally targeted three authorities. There was also a change in the style in some sessions of the workshop, at the request of BIS-DTI. Sessions for case studies of DS were modified to include participants' presentations and debates, taking something of a 'moot court' like style, instead of just having lectures.

Speakers were invited from Wilmer, Cutler & Pickering (WC&P) in Washington D.C./Brussels, University of Shizuoka in Japan, and PricewaterhouseCoopers (PwC) in Manila. Attorneys Leonard Shambon and Axel Desmedt from WC&P took charge of most parts of the workshop, mainly focusing on technical and practical aspects from the point of view of their professional backgrounds. Ms. Yuka Fukunaga, Assistant Professor of Shizuoka University, introduced various cases of DS from an academic viewpoint, and managed a moot court session. Attorney Jeremy Gatdula from PwC contributed to the workshop by presenting his knowledge about Philippine laws and practices obtained from the Survey and his daily collaboration with both public and private sectors.

2.4.2 Practice of the Workshop

(1) Contents of the Workshop

The workshop started with the opening remarks from Mr. Adrian S. Cristobal, Jr., Undersecretary of the Consumers' Welfare and Trade Regulations Group of the Department of Trade and Industry, and Mr. Hirohiko Takata, Deputy Resident Representative of the JICA Philippine Office.

(a) The 1st day (July 7, 2003)

Session 1: Safeguard (SG) and Anti-dumping (AD) Proceedings (1) – Introduction, SG and AD Proceedings in the Philippines –

After a brief introduction session on the structure of the course from Atty. Leonard Shambon and Atty. Axel Desmedt, WC&P, the first session was on the Safeguard and Anti-Dumping Proceedings in the Philippines. This was conducted by Atty. Jeremy I. Gatdula, Senior Trade Consultant from PwC. Atty. Gatdula discussed Safeguard and Anti-Dumping Proceedings in the Philippines with the objective of providing brief explanations on several issues of the relationships between international and municipal laws; familiarity with the requirements and effects of the WTO rules on domestic laws; and the position of Philippine laws with regards to international laws. The discussions were focused on the legal foundations, relevant institutions, history, basic concepts and the processes to be applied for both Safeguarding and Anti-Dumping Measures. Likewise, the critical roles of the Philippine Government agencies and tools were explained by Atty. Gatdula.

Session 2: Safegrd (SG) and Anti-dumping (AD) Proceedings (2) - Common concepts –

The second session was handled by Atty. Leonard Shambon and Atty. Axel Desmedt, from WCP, and dealt with Safeguard and Anti-Dumping Proceedings. Specifically, Atty. Shambon outlined the legal authorities on safeguard and anti-dumping measures; why do we have these laws; what are ‘like products’, and other topics. He gave examples on these measures, particularly on problems that arise on like products, by looking at the US case.

On the other hand, Atty. Desmedt gave more specific explanations and exercises on like products. He stressed that there is a divergence of approaches on the issue of like products. Tax discrimination cases are closer to competition issues, while like products cases are closer to customs cases. Four sample cases were presented for the following products: footwear; bicycles; carbon and alloy; and standard, line and pressure pipes.

(b) The 2nd Day (July 8, 2003)

Session 3: Special aspects of SG and AD Proceedings (1) : AD Particulars

On the 3rd Session, more detailed presentations were focused on the particulars of Anti-Dumping, which dealt on prospective versus retrospective systems, lesser duty rules, new shippers' review, and management of overseas investigations, market and non-market economies, and the status of developing countries in this regard. Also discussions went on about the management of overseas investigations, market and non-market economies, and anti-dumping cases in developing countries. The speakers also gave actual cases that occurred in the US and the EC.

Session 4: Special aspects of SG and AD Proceedings (2) : SG Particulars

Special aspects of safeguard particulars were taken up, including fair trade, political aspects, general or selective measures, quotas or duties, compensation, monitoring of adjustment of domestic industry, and how these will apply to developing countries.

Questions raised:

1. Regarding the case of India as presented, if imports from India were found to have surged, what would be the steps of the Americans?
2. A similar case in the Philippines has occurred in the form of a surge in the import of ceramic tiles from Thailand, and we were not sure how to proceed. We are wondering whether an additional review is necessary or another investigation should be conducted. What procedures are necessary to be GATT-consistent?

Response:

1. (Atty. Shambon): It's completely discretionary on the authority the President. If he were unable to find a way around that rule based on some measures, he might just have stick to it.
2. (Atty. Desmedt): One point to watch out for is the parallelism issue. Although you are not formally required under the Agreement to re-start an investigation, if you have excluded Thailand from the beginning of your investigation on the surge of imports and injury because of the 3% rule, then you should re-do an investigation to see what increase they represent and what injury they have caused. If this has not been done, there is the risk that the measure will not be parallel to your investigation. The logical way to do it is to involve in the investigation since the start and consider as import, and

those volumes also as part of the increase in import, and consider them in the injury analysis.

(c) The 3rd Day (July 9, 2003)

Session 5: Case Studies of Dispute Settlement (DS) (1)

Atty. Desmedt discussed in detail all about WTO dispute settlement, its general overview and advocacy. It was stressed that a case against a non-WTO member country can not be accepted. Major changes from GATT were explained very vividly, as well as who are the important players or actors in the settlement.

Questions raised:

With regard to conflict of interest, without questioning the integrity of the appellate body, suppose one of the respondents comes from the same country as a member of the appellate body, will the latter exclude himself from the body in this particular case?

Response (Atty. Desmedt):

No, the appellate body is a fix seven-member body. When a dispute involves a country where one member is a national, he will nevertheless stay on as a member. When you present a case to the appellate body, the composition of the appellate body remains secret until such time that you appear before the body. As regards panels, a respondent can choose the members of the panel, or object to a panel member being a national of another member country.

Discussions continued on the dispute settlement roadmap. To make it better understood by the participants, a timeline of an actual case on sardines was presented.

Session 6: Case Studies of Dispute Settlement (DS) (1) (continued), Case Studies of Dispute Settlement (DS) (2)

The original time schedule was slightly changed to continue the discussion on dispute settlement. Atty. Desmedt started on the steps to be considered in bringing a case to the WTO. He also discussed consultations that may be brought up by any member country, which he stressed should be handled very carefully. He spoke on how cases are handled from both the plaintiff's and the defendant's side, how panelists are selected, and how a request is drafted, and all details on these topics. Likewise, the topic

of ‘burden of proof’ was vividly explained, with actual cases cited. Other topics taken up were:

- Drafting the written submissions
- Hearings
- Interim Review
- Post-ruling
- Appeal Procedure, Time Schedules, Substance

Moot court

The participants were divided into four groups. There were two hypothetical cases; in each case had one group played the role of complainant and the other the role of defendant.

Case #1(SG case): GROUP 1 (complainant) *versus* GROUP 2 (defendant)

Case #2(AD case): GROUP 3 (complainant) *versus* GROUP 4 (defendant)

The presented cases were the safeguard measure by the United States against lamb meat imports (case#1) and an EU anti-dumping petition for Indian bed linen (case #2). In the first case, the substantive issues were on a) unforeseen developments, b) domestic industry definition of lamb meat as including live lambs, and c) threat analysis. For the case of India bed linen, on the other hand, the issues were a) determining the dumping margin, b) zeroing, c) determining injury, and d) developing country preference, which was discussed extensively.

(d) The 4th Day (July 10, 2003)

Session 7: Case Studies of Dispute Settlement (DS) (3)

Assistant Prof. Yuka Fukunaga of University of Shizuoka presented the 7th session, which was originally planned to concern on Case Studies regarding dispute settlements, specifically the lecture on the US Line Pipe Safeguards. Assistant Prof. Fukunaga opted to present these real cases and reviews of these cases on Trade Remedies instead. She also discussed an actual case on zeroing and computing the dumping margin. A question was raised on the computation of the dumping margin and zeroing cases. Sample cases presented included the Thailand steel case, hot-roll steel case, US lamb case, line pipe case.

Moot court – Second exercise

The participants retained the same grouping as in the previous exercise. There were also two hypothetical cases, wherein the previous complainants became the defendants for this cases, and vice versa.

Case #1(SG case): GROUP 2 (complainant) *versus* GROUP 1 (defendant)

Case #2(AD case): GROUP 4 (complainant) *versus* GROUP 3 (defendant)

The simulated cases involved the imposition by Australia of safeguards in the form of tariff rate quotas against Philippine pineapple exports (case#1), and an Australian anti-dumping case against car stereo systems with embedded CD players from Malaysia (case#2). A number of ideas arose from the simulated Australian safeguards case on pineapples, particularly with regard to the claim that a company or government should give due consideration to issuing claims regarding the establishment of a panel, including a) parallelisms, b) the allocation of quotas, and c) claims about emergency actions. With regard to the case of Malaysian stereos allegedly being dumped into Australia, substantively, two relevant points were derived: 1) the entitlement for Australia to deny desired adjustments in the case of a responding exporter that fails to show that any "difference in level of trade, quantities, or physical characteristics affected price comparability" and 2) Australia's inadequacy in establishing a percentage figure it indicated as "sufficient magnitude to justify the use of home market sales for the determination of home market value".

Session 8: Discussion for capacity improvement in technical, institutional and organizational aspects

Discussions focused on capacity improvement in technical, institutional and organizational aspects. The participants were asked to give their view of how their different agencies would be able to cope with all that the WTO will require, and how they will be able to improve regarding the application of trade remedy laws. Atty. Gatdula discussed what the relationship of the public sector vis-à-vis the private sector on the trade liberalization program is. The following are the participants' ideas on how their respective agencies can improve their capacity to adapt to the program.

Tariff Commission

- More seminars, capacity building, training on tools on Safeguard and Anti-Dumping; More specific discussions and computations;

- Trainings to address the limited knowledge on law, domestic and international; Additional lawyers and technical staff;
- Improved access to accurate data necessary for decision making, including import, studies, WTO documents, systems of access to information, and industry profiles
- Amend IRR pertaining to period of investigation; the allowed 120 days time frame of WTO is too short;
- More support from the commercial attaché in data verification and obtaining data needed for the investigation;
- Addressing the political pressures on SG & AD cases;
- Measures to be applied to enforce decisions on trade remedies to deter circumvention (refers to the Bureau of Customs, they should also be attending seminars like this).

Office of the Solicitor General (OSG)

Court of Tax Appeals

- What the judges and judicial staff of the Court of Appeals really need are workshops in trade remedy laws as these are new laws that need to be explained.
- The OSG wants more coordination and consultation with concerned agencies, while a particular safeguard measure is being evaluated;
- Establishment of better institutional linkages between and among the various concerned agencies of the government;
- The OSG should get more involved in cases pending before WTO panels and appellate bodies;
- Pressing problems on how to insulate the process from political pressures; How do other countries deal with such problems, if they occur?

Department of Agriculture

- The Trade and Remedies Office of the DA has just existed for barely a year; they are under-manned, and even worked without pay for four months;
- Lack of trust and good faith among colleagues from other agencies of the government; accusations when it comes to the imposition of trade remedies should be addressed;
- In-depth and continuous training programs on SG & AD are needed;
- Observance of actual practices in other countries that are successful, like Japan.

House of Representatives

- Budget – Advise concerned agencies to go through the proposal of each agency as presented to the DBCC, so as to get approval from congress. In order that WTO concerns are in the budget, specifically site these in the budget;
- Have an advocate within the Committee on Appropriations;
- Fine line between safeguards and anti-dumping measures on the one hand, and trade protectionism on the other hand; A balance between these issues and see through the benefits of the economy as a whole;
- There should be proper consultation and coordination among agencies to come up with one position and objective.
- Congress' role is oversight; Thus, Congress questions if these safeguards and anti-dumping measures work and to whose interest do these works? Is it for someone's vested interest or for the economy as a whole?

Bureau of Import Services

- Enhancement of technical expertise; more seminars such as these to help improve skills and specialization in handling cases;
- Transfer of knowledge from experts to strengthen the government personnel abilities to conduct trade remedy cases;
- Strengthening of networking with other agencies of the government;
- Strengthening technical working groups for the SG &AD cases;
- Improve inter-bureau relationships;
- Intensify dialogue with other private sector industries such as the FPI to facilitate the investigation of cases;

Closing Remarks

After conferring a certificate of completion for this workshop to each participant, Atty. Edgardo B. Abon, Chairman of the Tariff Commission, gave his closing remarks, noting that the workshop has been very vital in the government's aim to be fully prepared in facing trade liberalization, globalization and all things in this respect.

(2) Outcome of the Workshop

TA Team conducted a questionnaire survey to the participants of the workshop to evaluate its outcome. Out of 45 participants, 31 responded to the questionnaire. The

results of this survey, which are shown in a later section in detail, indicate that the workshop was useful and informative to the most participants, while there is a need for further capacity building with a somewhat permanent framework or mechanism. The speakers highly appreciated the participants' contribution to the workshop, noting a difference in knowledge level among participants. The management and communication ability of the counterpart agency was also evaluated.

(3) Workshop Program

Box -2-4-1 Workshop Program

[1 st Day– Monday 7, July (morning and afternoon)]	
09:00 - 09:30	<i>Registration</i>
09:30 - 09:40	Opening Remarks <ul style="list-style-type: none"> • Mr. Adrian S. Cristobal, Jr., Undersecretary, DTI • Mr. Hirohiko Takata, Deputy Resident Representative, JICA Philippine Office
Session 1 (09:40 - 12:00)	
09:40 - 10:00	Safeguard (SG) and Anti-dumping (AD) Proceedings (1) Introduction <ul style="list-style-type: none"> • Speakers: Counsel Leonard Shambon and Mr. Axel Desmedt, WC&P <ul style="list-style-type: none"> - Starting position - Structure of the course
10:00 - 12:00	SG and AD Proceedings in the Philippines <ul style="list-style-type: none"> • Speaker: Atty. Jeremy Gatdula, PricewaterhouseCoopers
10:00-10:30	- Philippines' rules and practice and WTO Compliance: International & municipal law
10:30-10:45	<i>Coffee break</i>
10:45-12:00	- Critical role of the Philippine government agencies and instrumentalities: Anti-dumping and safeguards introductory review (Each item on the agenda includes Q&A/discussions)
12:00 - 13:30	<i>Lunch</i>
Session 2 (13:30 – 17:30)	
	Safeguard (SG) and Anti-dumping (AD) Proceedings (2): Common concepts <ul style="list-style-type: none"> • Speakers: Counsel Shambon and Desmedt, WC&P
13:30 - 15:30	Like product consideration
15:30 - 15:50	<i>Coffee break</i>
15:50 - 17:30	Standard examination of Injury and Causality Public interest test (Each item on the agenda includes Q&A/discussions)

[2nd Day – Tuesday 8, July (morning and afternoon)]

Session 3 (09:30 – 12:00)

	Special aspects of SG and AD Proceedings (1): AD Particulars
	• Speakers: Counsel Shambon and Desmedt, WC&P
09:30 - 10:30	Management of overseas investigation
10:30 - 10:45	Remedies: prospective versus retrospective systems
10:45 - 12:00	<i>Coffee break</i>
	Lesser duty rule / new shipper's review
	(Each item on the agenda includes Q&A/discussions)
12:00 - 13:30	<i>Lunch</i>

Session 4 (13:30 – 17:30)

	Special aspects of SG and AD Proceedings (2): SG Particulars
	• Speakers: Counsel Shambon and Desmedt, WC&P
13:30 - 15:00	Rules and procedure of investigation
	Application of SG measures (provisional/general/special) and special regard to developing countries
15:00 - 15:20	<i>Coffee break</i>
15:20 - 17:30	Consultation procedures
	Monitoring of adjustment of domestic industries and other post-investigation process
	(Each item on the agenda includes Q&A/discussions)

[3rd Day– Wednesday 9, July (morning and afternoon)]

Session 5 (09:30 – 12:00)

	Case Studies of Dispute Settlement (DS) (1)
	• Speakers: Counsel Shambon and Desmedt, WC&P
	• Advisor: Ms. Yuka Fukunaga, Assistant Professor, University of Shizuoka
09:30 - 10:30	Procedure and technique of WTO-DS process (“Advocacy tips”)
10:30 – 10:50	<i>Coffee break</i>
10:50 – 12:00	Case study of DS (mini moot court 1)
12:00 - 13:30	<i>Lunch</i>

Session 6 (13:30 - 16:40)

	Case Studies of Dispute Settlement (DS) (2)
	• Speakers: Counsel Shambon and Desmedt
	• Advisor: Ms. Fukunaga
13:30 – 14:30	Case study of DS (mini moot court 1) (continued)
14:30 - 16:40	Case study of DS (mini moot court 2)

[4th Day– Thursday 10, July (morning and afternoon)]

Session 7 (09:30 – 12:00)

Case Studies of Dispute Settlement (DS) (3):

- Speaker: Ms. Yuka Fukunaga

09:30 - 12:00

Case study of DS (mini moot court 3)

12:00 - 13:30

Lunch

Session 8 (13:30 - 16:30)

Discussion for capacity improvement in technical, institutional and organizational aspects

- Speakers: BIS-DTI/TC
- Commentators: Ms. Fukunaga and Atty. Gatdula

16:30

Closing

- Atty. Edgardo B. Abon, Chairman, Tariff Commission

2.5 Capacity Building for TBT <Component 5>

2.5.1 Overview of the Program

The TA Consultant Team conducted the 1st field survey in the Philippines from December 2 to 11 in 2002 to consult with related organizations on the assistance method and agenda to be covered, on the occasion of the Inception Mission. At the meeting, it was clarified by BPS that a workshop needs to be held to enhance the Philippine government's capacity to efficiently implement the Agreement. BPS also mentioned that priority should be placed on enhancing the TBT-related knowledge of government officials responsible for the development of technical regulations, on raising the private sector's awareness with respect to technical barriers to trade and their impact on business, and on creating an environment for strengthening the national coordinating committee on the TBT Agreement.

Based on these needs, a TA Consultant Team has started TA activities for the Capacity Building Program for the TBT Agreement, in cooperation with BPS and other regulatory agencies responsible for domestic technical regulations and conformity assessment procedures. The first step was to conduct an organizational diagnosis of the Philippines' TBT-related agencies, such as the BPS, the Bureau of Trade Regulation and Consumer Protection of DTI, and the National Telecommunication Commission. A wide range of issues were covered in this analysis, including the general understanding about the TBT Agreement, the allocation of human resources, consistency of domestic regulatory mechanisms with the TBT Agreement, national standards development and review processes, current state of alignment of domestic standards with international standards.

In order to make this assistance program beneficial and effective, the TA Consultant team decided to focus on the following three points;

- 1) Holding workshops to enhance understanding of the TBT Agreement
- 2) Developing a teaching material on the TBT Agreement to complement the workshops
- 3) Making recommendations for the institutional capacity building

First, the TA Consultant Team planned to conduct a series of workshops for government officials and private sector representatives to enhance understanding of the

TBT Agreement. Topics covered in the workshops were decided in consultation with the BPS and other technical institutions.

(Topics covered in the first Workshop in August 2003)

- Understanding of the individual articles of the TBT Agreement
- Coverage of the Agreement (including differences between the SPS Agreement and the TBT Agreement)
- Notification procedures under the Agreement
- The role of a national enquiry point and suitable coordination among technical institutions
- The impact of the Agreement on international trade

(Topics covered in the second Workshop in December 2003)

- Labelling Issues under the TBT Agreement
- The recent Reform of Technical Regulation and Coordination among Government Agencies in Japan
- The legal and Economic Background of MRAs and Japan's Experiences
- The Philippine's Experiences and perspective on MRA with other ASEAN Countries
- The result of the Third Triennial Review of the TBT Agreement

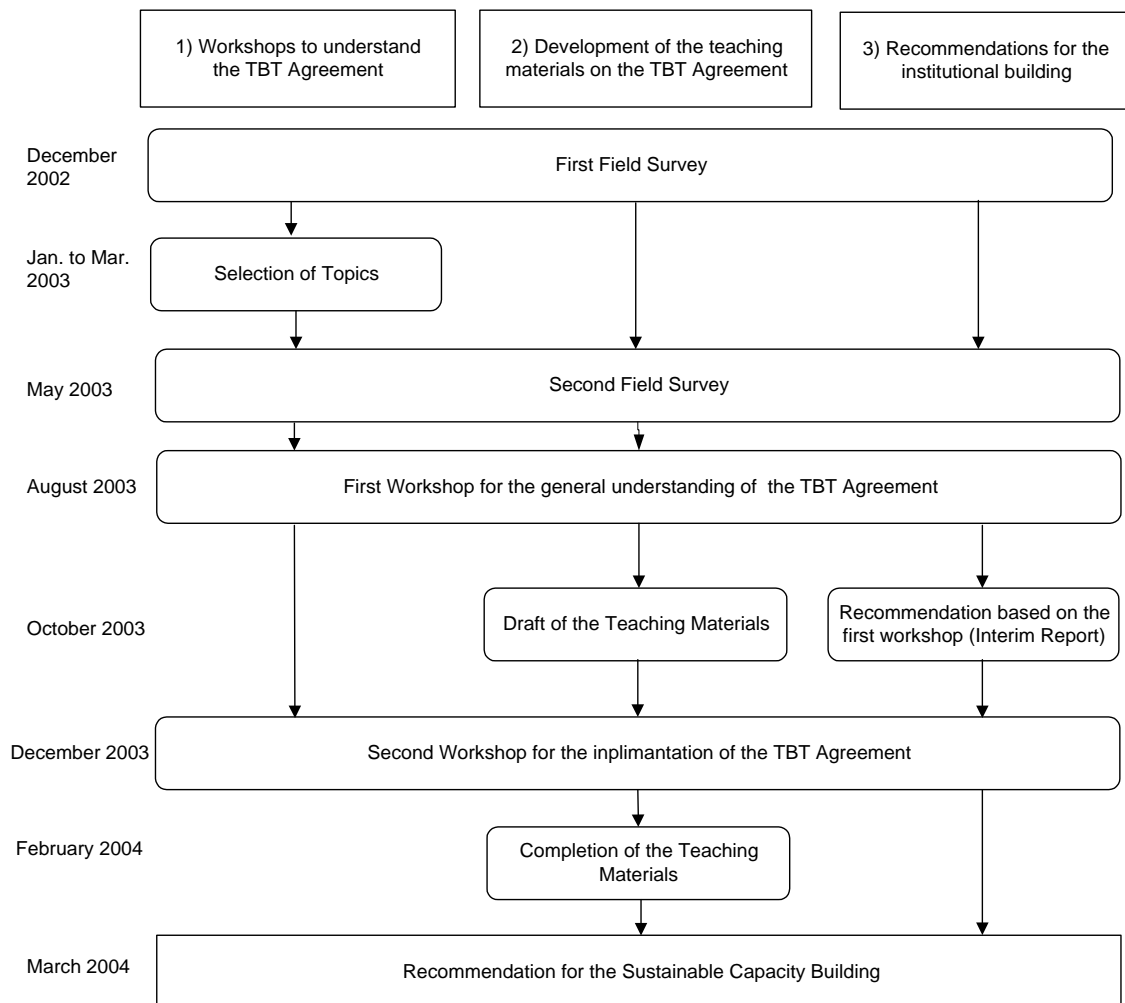
Second, the TA Consultant Team developed a booklet, containing useful information on the TBT Agreement, so that an appropriate knowledge transfer would be continued in a sustainable way within the Philippine government. Consulting with the BPS, the TA Consultant Team decided to include an explanation of important articles of the TBT Agreement, notification procedures, and recent topics on the TBT Agreement. In developing the booklet, the TA Consultant Team took problems peculiar to the Philippines into consideration, utilizing Japanese resources such as the Japanese Standards Association, which has expertise on the TBT Agreement and other standard-related issues in Japan. The booklet covers the following issues:

- Explanation of the important articles of the TBT Agreement
- Obligation of the WTO member countries (notification, revision of national laws and regulations, establishment of the national enquiry point, utilization of international standards/guides)
- TBT notification manual
- Rights and obligations for notification/enquiry points (including dispute cases)

- Important notice regarding standards development
- Appendix (Reference, text of the TBT Agreement, TBT-related articles in the Doha Ministerial Declaration)

Third, based on some outputs and outcomes derived from the assistance activities described above, the TA Consultant Team has made recommendations on institutional capacity building regarding TBT-related issues for the Philippine government. The comments from speakers of the workshops, the counterpart agency (BPS), and participants of the two workshops were taken into consideration in preparing the recommendations.

Figure -2-5-1 Flow of Knowledge Transfer Activities in Component 5



2.5.2 Workshop (1)

(1) Contents of the workshop (1)

The two-day Workshop (1) was held from August 20 to 21, 2003 (see Box -2-5-1 and -2-5-2 for the program). There were 33 participants, representing seven governmental agencies in the Philippines as well as the private sector attending the first Workshop. The speakers were from Japanese METI and the TA Consultant Team, while BPS also provided a speaker to present the Philippine's circumstances in implementing the TBT Agreement.

The Workshop consisted of six speakers: 1) Understanding the TBT Agreement, 2) The economic Impact of the TBT Agreement on Trade, 3) Notification Procedures and the National Enquiry Point, 4) TBT related Dispute Settlement Cases, 5) The current situation on Implementation of the TBT Agreement in the Philippines, and 6) Current Topics in the TBT Committee. After these classroom sessions, participants were divided into six groups in which participants discussed solutions for tackling TBT-related issues.

Session 1: Rights and obligations under the TBT Agreement

1-1: Understanding the TBT Agreement: Coverage and Important Articles

Mr. Masaki Oda, a TA Consultant Team member, presented in detail the general principles and structure of the WTO Agreement, the principles and coverage of the TBT Agreement, including the preparation, adoption and application of technical regulations by central government bodies, and the establishment of a national enquiry point. He also clarified the differences between the TBT Agreement and the SPS Agreement.

1-2: Economic Impact of the TBT Agreement on Trade

Mr. Arata Kuno, a TA Consultant Team member, first illustrated how it would be if the world were to have no international standards and what the impact would be on importing countries. Thereafter, he clarified the benefits of international standards utilizing a conceptual model. Consequently, a linkage between international standards and the TBT Agreement was presented, with emphasis on the advantages to an economy of adopting international standards as national standards.

Session 2: Implementation of the TBT Agreement

2-1: Notification Procedures and the National Enquiry Point of the TBT Agreement

Mr. Kuno started the session with the rights and obligations of Notification Authorities and National Enquiry Points under the TBT Agreement. He also covered the actual implementation of the TBT Agreement in Japan.

2-2: TBT related Dispute Settlement Cases

Mr. Oda gave examples on TBT related dispute settlement cases. He pointed out that to date there have been only two cases on the TBT Agreement, namely the EC-Canada Asbestos case and the EC-Peru Sardine case. He introduced in detail the Sardine case, emphasizing that description of food could be regarded as a technical regulation by other member countries, and that any WTO member country could also appeal to the panel/ appellate body against another member.

2-3: Current situation on Implementation of the TBT Agreement in the Philippines

Ms. Victoria Campomanes, Chief of the Standards Data Center and National WTO TBT Enquiry Point at BPS, discussed the current state of the implementation of the TBT Agreement in the Philippines. She explained the structure of BPS, implementation of the TBT Agreement in the Philippines, development of infrastructure for standards/standardization, the role of the BPS as a national enquiry point, and current problems faced by the Philippines in implementing the Agreement.

Session 3: Current discussion regarding the TBT Agreement

3-1: Current Topics in the TBT Committee

The current topics within the TBT Committee were presented by Mr. Naotake Fujishiro, Deputy Director of the International Team, from the Standards and Conformance Unit of the Ministry of Economy, Trade and Industry of Japan. Several participants showed interest in the eco-labelling issue, the relationship between the labor safety requirement and the TBT Agreement, and the efficient participation of developing countries in international standardizing activities, such as in ISO/IEC.

Session 4: Group Discussion/Workshop

The participants were divided into six groups. Each group was given one of three themes on which to develop solutions and asked to make a 10-minute presentation. Each theme was addressed by two groups, and they were asked to discuss their results with each other. The themes given to the groups were:

Theme1: The role of the National Coordinating Committee on the TBT Agreement

Theme2: How to enhance effectiveness and efficiency of the Notification System

Theme3: How to make use of TBT Agreement for Domestic Stakeholders

In order to appropriately implement the rights and obligations under the TBT Agreement in the Philippines, the group discussion had the following purposes;

- To identify the current obstacles/problems faced by the Philippine government /industries;
- To understand the current circumstances of other organizations through discussing in inter-departmental/association groups;
- To consider how to solve problems in a realistic manner;
- To contribute to future cooperation within and between government and industry.

Each theme was presented by two groups, after which senior officials of the BPS and Japanese experts offered some comments. Afterward, it was discussed that these proposals made by the six groups, including comments made by speakers, would be considered as a basis of BPS's action program on implementing the TBT Agreement.

Finally, Ms. Cirila Botor, on behalf of Mr. Jesus Motoomull, and Mr. Tanaka offered their closing remarks, both emphasizing that they highly evaluated the outcome of the workshop and the participants' keen interest on the topics.

(2) Outcome of the Workshop (1)

(a) Comments from the counterpart agency (by BPS)

BPS considered that the topics included in the first workshop were all useful for the Philippine participants. They pointed out that it was particularly important that participants were able to understand what kind of issues regarding technical barriers to trade have been discussed in international fora such as the WTO. BPS plans to reflect issues raised in the group discussions in their action plan immediately.

(b) Comments by Japanese speakers (by METI and the TA Consultant Team)

Through the workshop (1), Philippine participants offered a number of questions and comments to the speakers. A lot of interest was shown in rights and obligations under the TBT Agreement. A TA Consultant encouraged the Philippine participants to continue their effort for enhancing knowledge of TBT-related issues.

(c) Comment from participants (by Questionnaire Survey)

In Addition, the TA Consultant Team conducted a questionnaire survey on the first workshop to the participants, in order to evaluate the outcome. According to the survey, this workshop was many participants' first experience to acquire knowledge about the TBT Agreement for many participants, and they were satisfied with the contents of the workshop. All the participants attended the Workshop with the intention of gaining a general knowledge of TBT, and exchanging views with lecturers and other participants was another major motive for most of the participants.

Participants also requested the following issues as topics for the Workshop (2) planned in December 2003. The TA Consultant Team elaborated these issues to be included as topics in the second Workshop.

- Further understanding of the TBT Agreement with examples of dispute settlement
- Development & adoption of technical regulations, standards and conformity assessment procedures
- Standard setting, formulation/ policy making
- Mutual Recognition Agreement (MRA), Suppliers Declaration of Conformity (SDoC)

Box -2-5-1 Workshop (1) Program – 1st Day

1st Day (August 20, 2003, Wednesday) 09:00 - 16:00

Session 1 Rights and obligations under the TBT Agreement

1-1 Understanding the TBT Agreement: Coverage and Important Articles

Speaker: Mr. Masaki Oda (TA Consultant Team)

1-2 Economic Impact of the TBT Agreement on Trade

Speaker: Mr. Arata Kuno (TA Consultant Team)

Session 2 Implementation of the TBT Agreement

2-1 Notification Procedures and National Enquiry Point of the TBT Agreement

Speaker: Mr. Arata Kuno (TA Consultant Team)

2-2 TBT related Dispute Settlement Cases

Speaker: Mr. Masaki Oda (TA Consultant Team)

2-3 Current situation on Implementation of the TBT Agreement in the Philippines

Speaker: Ms. Ma. Victoria Campomanes (BPS)

Box -2-5-2 Workshop (1) Program – 2nd Day

2nd Day (August 21, 2003, Thursday) 09:00 -16:00

Session 3 Current Topics in the TBT Committee

Speaker: Mr. Naotake Fujishiro (METI)

Session 4: Group Discussion

Moderators: Mr. Masaki Oda and Mr. Arata Kuno (TA Consultant Team)

Theme1: Role of National Coordinating Committee on TBT Agreement.

Theme2: How to enhance effectiveness and efficiency of Notification System?

Theme3: How to make use of TBT Agreement for Domestic Stakeholders?

2.5.3 Workshop (2)

Considering the result of questionnaire survey conducted at the first workshop, comments from speakers and BPS, TA Consultant Team decided to focus the second workshop on new issues concerning the TBT such as labelling and MRA, as well as on developing further understanding of rights and obligation under the TBT Agreement. It was also decided that, in the case of TBT rights and obligations, discussion in groups of 5-6 people from different organizations elaborating solutions for problems by referring to the original text of the Agreement would be conducted to complement one-way

speakers.

(1) Contents of the workshop (2)

There were 37 participants representing 13 public and private organizations, and speakers were from the Japanese METI, the TA Consultant Team and BPS. (see Box -2-5-3 - Box -2-5-4 for program).

Session 1: Further Understanding of the TBT Agreement

1-1: Labelling Issues under the TBT Agreement

Mr. Masaki Oda, a TA Consultant Team member, presented some examples of existing labelling systems around the world, the relationship between labelling issues and the TBT Agreement, WTO members' concerns, and some implications for developing countries. In a Q&A session, questions were raised by participants on the relationship between the Agreement and labels relating to religious requirements such as the Halal mark or labels relating to labor requirements. A participant made a comment on the relationship between technological innovation and technical regulations including labelling.

1-2: Recent Reform of Technical Regulation and Coordination among Government Agencies in Japan

Mr. Arata Kuno, a TA Consultant Team member, introduced a trend of regulatory reforms/deregulation in the field of standards and conformity assessment policy in Japan. He also presented the concept of performance-based requirements incorporated into technical regulations, as well as the current coordination mechanism among regulatory agencies in Japan. After his presentation, a question was raised as to whether the performance-based requirement and design-based requirement could coexist in a technical regulation.

Session 2: Mutual Recognition Agreement (MRA)

2-1: Legal and Economic Background of MRAs and Japanese Experiences

Mr. Arata Kuno and Mr. Masaki ODA, TA Consultant Team members, explained mechanisms of various types of MRAs, the relationship between the TBT Agreement and MRAs, the costs and benefits of MRAs, and Japan's experiences on MRAs. In a Q&A session, participants raised questions on feasibility of concluding MRAs between two countries with different technological levels and on the benefits of

MRAs for developing countries.

2-2: The Philippine's experiences and perspective on MRA with other ASEAN Countries

Mr. Isagani Erna, Supervising Trade-Industry Development Specialist, International Relations at BPS presented the Philippine's experiences in participating in regional MRA such as ASEAN/ACCSQ and APEC, as well as its experiences in bilateral MRAs/MOUs with other countries. In a Q&A session, active discussion followed on various issues such as the inevitability of concluding MRAs for the Philippines, and inter-agency measures by which the Philippine government can monitor smuggled goods in the market.

Session 3: Current Discussion in the TBT Committee

➤ Result of the Third Triennial Review of the TBT Agreement

Mr. Naotake Fujishiro, Deputy Director of the International Team, Standards and Conformance Unit of METI presented an outline of the workshop on labelling held in October 2003 in Geneva, as well as an outline of discussion on the third triennial review on the TBT Agreement in the WTO/TBT committee. These were followed by the introduction of a revised JIS marking system in Japan. Concerning the new JIS marking system, participants raised questions on how foreign conformity assessment bodies were stipulated in the new law. It was also asked if the Underwriters Laboratories (UL) standard, which is an American standard, can be regarded as an international standards in the context of the TBT Agreement.

Session 4: Group Discussion for Implementation of the TBT Agreement

In this session, the participants were divided into six small groups comprising participants from different organizations. Each group was asked to develop solutions to tackle a problem (theme) given by the TA Consultant Team, and to make a 10 minutes presentation respectively.

The objectives of this group discussion were set as follows;

- To identify current obstacles in implementing the Agreement faced by the Philippine government /industries, and to share them among stakeholders;
- To elaborate feasible solutions to tackle the problems by referring to the original text of the Agreement.

- To understand the importance of international standardization activities.

After an explanation of the purpose and methodology of the activity by the TA Consultant team, each group started their discussion to develop possible solutions. Finally, each group made a presentation using PowerPoint software and exchanged views with other groups.

First, groups A and B presented on the theme “How to tackle new technical barriers in foreign markets” and demonstrate several solutions. Following these presentations, groups C and D presented on the theme “How to participate in international standardizing activities” and finally, groups E and F presented on the theme “How to enjoy/comply with the rights and obligations of the TBT Agreement when introducing a new technical regulation.” It was again decided that these solutions and proposals made by the six groups, taking note of comments made by speakers, would be considered a basis of BPS’s action plan on implementing the TBT Agreement.

After closing remarks by Mr. Tanaka, Team Leader of TA Consultant Team, Ms. Victoria P. Unson, Executive Director of PPSRFI, and Ms. Cecilia Matienzo, Engineer V, Medical Non-radiation Device Division, of DOH-BHDT, the workshop was adjourned.

(2) Outcome of the Workshop (2)

(a) Comments from the counterpart agency (by BPS)

At a meeting held right after the second workshop, BPS expressed their view regarding this workshop that the program contributed not only to the further enhancement of understanding of participants regarding the TBT Agreement, but also the creation of a constructive environment among government agencies through the group discussion, which is a necessary condition for effective implementation of the Agreement. In addition, it was also mentioned by BPS that the supplementation of physical infrastructure, especially in testing centers and conformity assessment bodies, would also be crucial in implementing the Agreement.

(b) Comments by Japanese Speakers (by TA Consultant Team)

TA Consultant Team pointed out that it is important for each participant to transfer his/her knowledge acquired during this workshop to other officials in their respective organizations, and to make use of the knowledge in planning/implementing TBT-related policies. On the topic of physical infrastructure, they mentioned that identification and prioritization of current problems to be solved and development of comprehensive TBT-related strategy are more urgent issue to be considered.

(c) Comments from participants (by Questionnaire Survey)

TA Consultant Team distributed a questionnaire survey on the workshop to the participants in order to evaluate outcomes of the second workshop. According to the survey, this workshop was found useful in increasing understanding about rights and obligations under the TBT Agreement, and Japan's experiences in implementing the Agreement. In particular, most participants expressed satisfaction with the group discussion activities, as well as speakers on MRA and labeling issues. It turned out that more than half of the participants had also attended the first workshop.

Box -2-5-3 Workshop (2) Program – 1st Day

1st Day (December 4, 2003, Thursday) 09:30 - 16:30

Session 1 Further Understanding of the TBT Agreement

1-1 Labelling Issues under the TBT Agreement

Speaker: Mr. Masaki Oda (TA Consultant Team)

1-2 Recent Reform of Technical Regulation and Coordination among Government Agencies in Japan

Speaker: Mr. Arata Kuno (TA Consultant Team)

Session 2 Mutual Recognition Agreement (MRA)

2-1 Legal and Economic Background of MRAs and Japanese Experiences

Speaker: Mr. Arata Kuno and Mr. Masaki Oda (TA Consultant Team)

2-2 Philippine's Experiences and Perspective on MRA with other ASEAN Countries

Speaker: Mr. Isagani Erna (BPS)

Box -2-5-4 Workshop (2) Program – 2nd Day

2nd Day (December 5, 2003, Friday) 09:00 -16:30

Session 3 Current discussion in the TBT Committee

3-1 Result of the Third Triennial Review of the TBT Agreement

Speaker: Mr. Naotake Fujishiro (METI)

Session 4: Group Discussion

Moderators: Mr. Masaki Oda and Mr. Arata Kuno (TA Consultant Team)

Theme1: How to tackle with new technical barriers in foreign markets

Theme2: How to participate in international standardizing activities

Theme3: How to enjoy/comply with the rights and obligations of the TBT Agreement when introducing a new technical regulation

2.6 Formulation of Action Plan <Component 6>

2.6.1 Kick off Seminar

As the first event under the Capacity Building Program for Implementation of the WTO Agreements in the Philippines, the Japan International Cooperation Agency (JICA) and Department of Trade and Industry (DTI) of the Philippines jointly organized a one-day “Kick-off” Seminar. This Seminar was recognized as the initial opportunity for formulation of common perspectives among government officials as to the benefits of the WTO regime – which shall become the basis for planning/designing further activities through identification of prior issues and motives. The following is a description of the highlights of the Seminar. A separate report is available with further information including evaluation.

(1) Overview

The Seminar, titled “WTO System and the Philippines” was held on 5 March 2003 at the Mandarin Oriental Hotel, Manila. (The Seminar was designed based on the discussion at the inception Wrap-up Meeting on December 10, 2002, at the Bureau of International Trade Relations, DTI.) An invitation was issued to a wide range of participants in order to enhance interest of the relevant government agencies, and 134 participants attended the Seminar, including various government agency officials from DTI, the Tariff Commission, the Bureau of Customs, NEDA, the Intellectual Property Office, the Department of Foreign Affairs, the Department of Environment and Natural Resources, the Department of Labor and Employment, the Department of Agriculture, the Department of Agrarian Reform, the Department of Transportation and Communication, the Office of the President, Banko Sentral ng Pilipinas, and other relevant government and private sector organizations.

The key speakers from Japan were, Prof. Mitsuo Matsushita, Professor of Law, Seikei University, (Former Member of the Appellate Body of the WTO), and Mr. Hiroyuki Yoshiya, Deputy Director, Multilateral Trade System Department, Trade Policy Bureau, METI. Mr. Thomas Aquino, Undersecretary, DTI, and Mr. Angelo Salvador M. Benedictos, Assistant Director, DTI, took part from the Philippine side. Seminar moderators were Atty. Edgardo B. Abon, Chairman, Tariff Commission, and Ms. Angie M. Sta. Catalina, Department of Foreign Affairs.

The seminar consisted of two sessions, Session 1, which covered the whole morning and which started immediately after the opening ceremonies and Session 2, which started after lunch break and continued up to 5:00 P.M.

(2) Opening Session

The seminar was opened by Mr. Thomas Aquino, Undersecretary, DTL., and Mr. Hirohiko Takata, Deputy Resident Representative of JICA Philippine.

For his opening address, Usec. Aquino expressed appreciation for the generosity of the Japanese Government in its capacity building program for APEC-members and developing countries, including not only the Philippines but also prior recipients of the programs in Thailand, Indonesia and Malaysia. The capacity building program of Japan was an offshoot of the multilateral commitment, specifically of APEC-member developed countries, to help APEC-member developing countries in their bid for trade liberalization. According to Usec. Aquino, Japan, having long and extensive experience in international trade surely has a wealth of experience to share and lessons from which to learn. He expressed confidence that the Philippine Government will gain knowledge to further improve its capability to implement the agreements under the WTO.

For his part, Mr. Takata relayed the interest of the Japanese Government, which is to support trade liberalization especially in the ASEAN Region through the WTO. For this purpose, JICA developed the technical cooperation program to help developing countries realize the gains of joining and fulfilling their commitments to the WTO. Under this program, JICA will bring in experts with experience on different aspects of the WTO Agreements.

(3) The First Session

At the first session of the Seminar presentation, Prof. Mitsuo Matsushita, former member of WTO Appellate Body, elaborated significance of the WTO system in multilateral trade regimes, focused on the rights and obligations under WTO Agreements. In his presentation, Prof. Matsushita stressed the importance of the role of the Dispute Settlement mechanism based on the rule of law in trade. He also introduced the nature of trade remedies as a measure to mainly deal with unfair trade practices, and

some relevant issues like environment, food safety, the proliferation of FTA and RTA, and intellectual property, issues which are considered to be at the frontier of the WTO.

Mr. Angelo Salvador M. Benedictos, Assistant Director of DTI, took over the session with a presentation on the current circumstances and issues in the Philippines on implementation of the WTO agreements. He made a very comprehensive presentation on this subject, explaining the historical perspective, objectives, functions, basic principles and structure/membership of the WTO, and elaborating the main elements of the agreements and the Philippine commitments. At the end of the first Session, a Q&A session was conducted with the moderation of Atty. Edgardo B. Abon, Chairman of Tariff Commission, where many participants were active in raising various questions.

(4) The Second Session

The second session started with a presentation by Mr. Hiroyuki Yoshiya, Deputy Director of Multilateral Trade Systems, METI, in Japan. He explained the proceedings of the negotiation at Doha Development Agenda (DDA), introducing its three major objectives. Concluding his presentation, Mr. Yoshiya stressed following three points: 1) the importance of a successful conclusion of DDA, 2) the necessity to implement WTO Agreements, 3) the importance of capacity building. With comments from Prof. Matsushita and Mr. Benedictos, and response by Mr. Yoshiya to those comments, Q&A was conducted with moderation by Ms. Angie M. Sta. Catalina, Department of Foreign Affairs of the Philippines. Some participants asked questions about the discussion at the mini-Ministerial Meeting in Tokyo, which the Philippine government had been unable to attend.

After the Q&A, Mr. Hidekazu Tanaka, leader of JICA TA Consultant Team, explained the objectives and content of this capacity building program. Finally, The Kick-Off Seminar was closed with remarks from Director Kabigting delivered by Asst. Director Benedictos.

(5) Points Raised at the Seminar

The participants of the seminar raised following points. These have been presented in the Q&A sessions and described in the evaluation questionnaire sheet after the session. These suggestions have been considered for integration in individual

component activities as indicated in brackets.

(a) Trainings/workshops suggested by participants

- Relation between WTO agreements
- Updates on the WTO Agreements
- Usefulness and Harmful Effects of the WTO Implementation
- Case Study and Analyses on Capacity Building of other countries
(Related issues are reflected in the individual component programs)
- Seminar – Workshop on GATS
- Industry-specific training
- Inclusion of DOLE in capacity building for GATS
(GATS component programs covered first point and partly covered the second point in relation to the service sectors.)
- Trade Remedies
(AD/SG component programs covered this point from the point of AD/SG .)
- SPS, Animal and Plant Quarantine, Environment
- The Effects of the Agreement on Sustainable Development, Agriculture and Food
- Technical issues in overcoming difficulties in agricultural products trade under the WTO agreement
(AG/SPS component programs partly covered these points.)
- Post Entry Audit, Implementation of Valuation methods, if possible
- Trade and Environments
- TRIPS Agreements and Intellectual Property Rights
(These points are to be covered in the future capacity building activities.)

(b) Other suggestions

- Institutional development
- Creation of an Institutional Body in the Philippines which will focus solely on WTO
- A WTO Library should be completed and accessible to those who need the information
(These points are not directly covered in the specific component

activities, but partly corresponded to the System Development component activities. The System Development component activities are to substantiate institutional orientation from the viewpoint of information sharing. The first two points may be addressed in the recommendations in the individual component.)

- Development framework for the conceptualization of guidelines for the enhanced adoption of the WTO standards

(This point has been considered on the process of discussion in the TBT component.)

- Technical assistance on TRIPS rules or origin and other trade-related issues must be given
- Conduct more seminars like this
- Partnership project with DAR to enhance the capability of the Agrarian Reform Implementation
- More capacity building programs and comprehensive seminars
- Assistance from JICA to MARINA

(These points are to be covered in the future capacity building activities.)

(6) Seminar Program

Box -2-6-1 KICK-OFF SEMINAR

“The WTO System and the Philippines”

Wednesday, 5 March 2003 at Mandarin Oriental Hotel

Program of Seminar	
08:00 –09:00	<i>Registration</i>
09:00 –09:15	Opening Remarks <ul style="list-style-type: none">• Mr. Osamu Nakagaki, Resident Representative, JICA Philippine Office (delivered by Mr. Hirohio Takata, Deputy Resident Representative)• Mr. Thomas Aquino, Undersecretary, DTI
09:15 – 09:30	Coffee Break
Session 1	Moderator: Atty. Edgardo B. Abon, Chairman, Tariff Commission
09:30-11:00	Keynote Speech: Significance of the WTO System in Multilateral Trade Regime - Rights and Obligations under WTO Agreements - <ul style="list-style-type: none">• Speaker: Prof. Mitsuo Matsushita, Professor of Law, Seikei University (Former Member of the Appellate Body of WTO)
11:00-12:30	Current Situation and Issues of the Philippines on Implementation of WTO Agreements <ul style="list-style-type: none">• Speaker: Mr. Angelo Salvador M. Benedictos, Assistant Director, DTI <p>- Q & A -</p>
(11:00-12:00	Press Briefing)
12:30 –14:00	Lunch Break
Session 2	Moderator: Ms. Angie M. Sta. Catalina, Department of Foreign Affairs
14:00 – 15:30	Update on the Doha Development Agenda <ul style="list-style-type: none">• Speaker: Mr. Hiroyuki Yoshiya, Deputy Director, Multilateral Trade System Department, Trade Policy Bureau, METI• Commentators: Prof. Matsushita, Mr. Angelo Salvador M. Benedictos
15:30 – 15:45	<i>Coffee Break</i>
15:45 – 16:15	- Q & A -
16:15 – 16:35	Importance of Capacity Building Program for WTO Agreement <ul style="list-style-type: none">• Speaker: Mr. Hidekazu Tanaka, Leader of JICA TA Consultant Team
16:35 – 17:00	Concluding Remarks <ul style="list-style-type: none">• Philippines: Ramon Vicente T. Kabigting, Director, DTI (delivered by Mr. Benedictos, Deputy Director, DTI)• Japan: Mr. Hidekazu Tanaka (JICA TA Team Leader)

2.6.2 Wrap-up Seminar

The Program was culminated in a Wrap-up Seminar conducted by the Japan International Cooperation Agency (JICA) in coordination with the Department of Trade and Industry (DTI) of the Philippines. This seminar was held at the Makati Shang-rila Hotel on 19 February 2004. The seminar aimed at summarizing and assessing the results of the series of activities that comprised the Capacity Building Program and reviewing how it has contributed to the Philippine Government as a whole in enhancing its capacity to maximize the benefits from the WTO system and minimize obstacles to trade. It was also an opportunity for respective counterparts to share their views on these issues as well as further capacity building activities to be addressed for the next step. The following discussion summarizes the highlights of the Wrap-up Seminar, while a separate detailed report has been prepared to include the results and an evaluation of the whole Technical Assistance conducted for the Program.

(1) Overview

The seminar was well attended, with 83 representatives of various Philippine Government agencies and organizations that have been actively involved in the series of workshops and seminars under the Program. These agencies were as follows:

- a) Department of Trade and Industry
 - Bureau of International Trade Relations
 - Bureau of Import Services
 - Bureau of Product Standards
 - Tariff Commission
- b) National Economic and Development Authority (NEDA)
- c) Department of Tourism
- d) Department of Transportation and Communications
- e) Civil Aeronautics Board
- f) Air Transportation Office
- g) Maritime Industry Authority
- h) Department of Finance
- i) Bangko Sentral ng Pilipinas
- j) Department of Environment and Natural Resources
- k) Department of Labor and Employment

- l) Professional Regulations Commission
- m) Department of Agriculture
- n) National Food Authority
- o) Board of Investments
- p) Bureau of Customs
- q) Intellectual Property Office, Office of the President

Aside from delegates from the JICA Philippine Office, there were also attendees from other foreign donor agencies including the Canadian International Development Agency (CIDA), the United States Agency for International Development (USAID), and the European Union (EU).

(2) Opening Session

The participants were welcomed by Mr. Osamu Nakagaki, of the JICA Philippine Office, Dr. Thomas Aquino, Undersecretary for International Trade of the Department of Trade and Industry, and Mr. Hidekazu Tanaka, JICA WTO C/B Consultant Team Leader.

Mr. Osamu Nakagaki, on behalf of JICA, welcomed and expressed appreciation for the presence of all delegates to the Wrap-up seminar. He made a summary of how the program was made possible, the five subject areas of the program, and the discussions being done for future action plans for capacity building activities that will be consolidated into a report from the Study Team. He also mentioned the primary objective of the Program, which is to help the Philippines build necessary capacity to maximize the benefits from the WTO system and minimize obstacles to trade. This, he said, will also help promote the talks on the Free Trade Agreement between the Philippines and Japan.

Mr. Nakagaki reiterated that the success of the Program will only be achieved if there is a harmonious working relationship between all agencies and organizations concerned, as well as among the public and private sector stakeholders to foster greater cooperation and unity. He expressed a desire that the Inter-Agency information sharing system would be efficiently in place to ensure the benefits of trade and industry that the WTO agreements offer to the global community.

The next speaker, Dr. Thomas Aquino, thanked the JICA and the Government of Japan for sponsoring this Technical Assistance Program for the Philippines. He also acknowledged the presence of representatives from other donor agencies that had been invited, and he added there may also be other requests in the future for Technical Assistance from them. However, he reassured that there would be no duplication or repetition of Capacity Building efforts.

Dr. Aquino addressed the year-long activities of the Program. He recalled that his understanding is that as a goal, understanding the agreements is within everybody's reach. However, applying this understanding to specific situations is where capacity building would be needed. He encouraged the active participation of the participants to steer further interest in the areas covered with the hope of obtaining possible assistance if deemed appropriate.

An overall review of the program was presented by Mr. Hidekazu Tanaka. Mr. Tanaka discussed in detail the background, the purpose, and the outline of the Technical Assistance. He expressed how the program enhanced the understanding of the WTO Agreements. Also, being a bilateral assistance, the Team tried to emphasize and introduce Japanese experiences in dealing with the WTO Agreements.

He discussed the inter-relation between the Philippine scenario and the benefits gained from the capacity building activities; the stages, schedules and activities covered by the technical assistance. The key elements identified for a successful capacity building include several elements: human resources, institutional strengthening, and information and experience sharing.

(3) Component Review

(a) Information Sharing System Component / Overall CP

– Mr. Angelo Salvador M. Benedictos, Assistant Director, BITR -DTI

Mr. Benedictos described BITR's role in the Capacity Building Program. The BITR was responsible for overseeing the completion of the different project components. He shared how the Technical Assistance Program evolved, with the strong initiative of Undersecretary Thomas Aquino, for BITR to work out a package or a proposal for submission to JICA through the National Economic Development Board in

2001. Concerning the component program, the WTO-Related Information Sharing System or RISS was created in order to enhance organizational capabilities within the agencies to improve the existing system and facilitate the implementation of WTO agreements. This involved the BTR as focal point, and the BPS and the BIS as co-recipients. Computer hardware and software were obtained, including the system designed to enable access to WTO information at the DTI. The challenge now lies in the hands of the bureaus in how to maximize the use of the facilities and publicly share available WTO information not only with concerned agencies, but also with the interested public.

Mr. Benedictos recalled that at the initial stage the BTR requested facilities and equipment from JICA as he felt BTR had sufficient knowledge of WTO. However, the BTR had been informed that the Japanese Government made a promise in the APEC forum that they would provide Technical Assistance and Capacity Building. The assistance for simply providing facilities and equipments would not fall into the original program scheme. Thus, the BTR submitted a request together with technical assistance for rather comprehensive information sharing capacity building program, which become the information sharing system. Additionally, he acknowledged the concern and effort from JICA in providing a system to run the equipment. Further assistance may be packaged from Japan and other donors as well.

(b) TBT Component

– Ms. Victoria S. Campomanes, Chief, WTO TBT Enquiry Point, BPS

Ms. Campomanes opted to first present brief background information on the operations of the WTO Enquiry Point and the areas where difficulties have been encountered that led to this Technical Assistance Program, before presenting the action plan for the TBT component. She explained the role of BPS as enquiry point responsible in dissemination of standards, technical regulations, and conformity assessment procedures issued by WTO members to various stakeholders in the Philippines. She explained that inputs from industry associations and regulatory agencies are necessary to determine if the proposed standards and technical regulations may pose as TBT. As experienced, the response from these sectors was quite low due to either insufficient understanding of the TBT Agreement or a lack of technical expertise in the private sector in order to determine the technical contents of these regulations. To facilitate the implementation of the agreement and have closer coordination with the stakeholders,

BPS has come up with an action plan based on the evaluation and recommendation of JICA for the effective implementation of the TBT Agreement.

This Action Plan is concentrated on three areas:

- (1) Strengthening of the National Coordinating Committee on WTO/TBT;
- (2) Implementing knowledge transfer activities with the government;
- (3) Involving BPS leadership in encouraging private sector participation in standardization activities.

(c) GATS Component

- Ms. Brenda R. Mendoza, Director , Trade Industries and Utilities Staff, NEDA

The GATS component activities of this TA Program were done in three phases from June 2003 to January 2004. These involved the conduct of workshops and seminars to strengthen the capacity of concerned government agencies, particularly the members of the Inter-Agency Committee on Trade in Services (IAC-TS), and also of key stakeholders in the tourism, transport, energy and environment services, as well as the professional services sectors. Studies on the competitiveness of the tourism and transport services sectors were conducted and subjected to a panel discussion. The highlight of all these activities particularly for the inter-agency committee was the simulation on the “Request-Offer” approach to services trade negotiations. Ms. Mendoza mentioned that where the GATS is concerned, advocacy is crucial.

Director Mendoza’s recommendations were as follows:

- Continue upgrading the capacity of the IAC-TS member agencies on the GATS and the committee as a whole by identifying areas for further enhancement of capacity, equipping the agencies with the needed analytical tools and techniques, establishing a data-base system, and extending DTI’s WRISS to the IAC-TS. The IAC-TS member agencies should also be provided with efficient and effect methods of holding consultations with their constituents, and in establishing strong relationships with government agencies, private sectors, NGO’s and academe.
- Establishment of a Services Network, possibly patterned after that of Japan.
- Conduct of Trainings for trainers into sustained capacity building activities,

which are intended not only to train other people but also to study WTO-related issues, to advise the country's negotiators on possible positions to take on these issues and to address the problems on the changes in assignments of personnel who have undergone trainings on the GATS.

- Extension of the GATS capacity building seminars to other service sectors such as education, health, agriculture, communication services and those considered new and emerging sectors outside Metro-Manila.
- Conduct of useful studies to the work of the IAC-TS should continuously be supported to make the service sectors internationally competitive, while assessing the benefits and costs of liberalizing a particular sector and recommending policy reforms on the liberalization of service sectors.

(d) SPS Component

- Mr. Jerome D. Bunyi, Senior Economist, Economic and Policy Analysis Division, DA

According to Mr. Bunyi, the objectives of the seminar were achieved as supported by the survey conducted, but, in some part, expectations were not sufficiently met on the discussions on WTO and SPS, as well as the importation rules and guidelines in Japan. This may have been due to a lack of time and perhaps to communication difficulties. The involvement of quarantine officers from the region was appreciated by JICA through the program.

The recommendations for future work on agriculture include: (1) addressing the institutional bottlenecks; (2) upgrading skills and human resource development; (3) strengthening data-base management and information dissemination, particularly for the agricultural field workers and the farmers; and (4) provision of support mechanisms to ease agricultural trade barriers.

For future funding, the DA suggests a follow-up training on risk assessment; an in-depth applied approach on risk assessment to include risk communication, formation dissemination, management and control; team building and workshop between DA, BOC, DOH to effectively implement customs and quarantine laws and WTO Agreements; and, an upgrade of the SPS web portal to include not only SPS but also WTO-related documents.

(e) AD/SG Component

- Mr. Emmanuel A. Cruz, Director and Concurrent Head Executive Assistant, Tariff Commission

Mr. Cruz extended the Commission's appreciation for the seminar, and his desire that the lessons learned would be share with other parties also involved with the WTO-related work. The recommendations were several: (1) creation of a technical working group for an inter-agency cooperation among the three implementing agencies of the trade remedy laws; (2) promotion of public- private cooperation through setting up of fair trade center; and (3) improvement of access to accurate and recent data.

- Mr. Luis Catibayan, Director, BIS, DTI

Director Catibayan recalled what had been discussed in the seminar seven months previous, which had addressed the concepts and special aspects of the AD/SG remedy measures, the case studies of dispute settlements, moot court exercises, and discussion for capacity improvement in technical, institutional and organizational aspects. His overall assessment of the program was that it has been useful, informative and very understandable, and that it has broadened the participants' knowledge of the technical and procedural aspects of SG and AD laws to avoid possible future disputes.

Director Catibayan recommended having more capability building programs, possibly from other donor agencies present, with BIS to act as secretariat. He elaborated in detail on the three recommendations mentioned by Director Cruz.

(4) Major Questions and Answers

- Dr. Aquino made his comments on the reviews of the different components rendered by the different agencies of the government. He was impressed by the conduct of the deliveries and he commended all work as well done. He requested clarification from BPS as to which agencies comprise the NCC.

- Response: Some of the agencies are already represented in the technical committee matters at DTI. But private organizations and industry associations aside from the regulatory agencies are already included in these committees, so the government can discuss with them directly trade problems brought about by standards and technical regulations.

- Who chooses which private sector representatives would get involved?
- Response: Survey questionnaires were sent to these private sectors through which the members of committees were drawn.

- With IAC-TS or the GATS sector report of NEDA, is it the same? Are there other agencies outside the technical committee on WTO matters?
- Response: NEDA is gradually expanding because of certain other sectors covered by the GATS.

- Dr. Aquino stressed that the agencies involved found the seminar needed by the government, and also that the agencies had manifested that indeed this was useful. For other agencies, it's not necessarily the case that it was the only opportunity but this was at a point in time, when a specific need for such a seminar existed. While all of us have to be ready, we are not all called in at the same time, but we need to be prepared.

(5) Major Interests for further Capacity Building Activities

The following comments on future requests were collected through the post-seminar questionnaire:

- Including financial services liberalization in future JICA programs.
- Implementing hands-on training on science based product standards development for fully comply w/ SPS requirements to facilitate our trade.
- Training trainers so we can disseminate information to officials, and examiners in outputs.
- Following through with activities recommended by agencies.
- Following up to sustain the gains from the TA and the forum.
- Understanding the follow on project study, just as was suggested when the TA Consultant visited DOTC.
- Conducting more training seminars for the implementers of the WTO agreement and the users/followers in the Philippines.
- Following up with training seminars for in-depth information dissemination.
- Following up with trainings seminars to have an in-depth dissemination of information, more capacity building seminar in the future.
- The providing by JICA of further technical assistance to different Government agencies as well as the conducting of additional workshops related to international

trade.

- The linking of WTO-RISS at BTR with other government agencies, Training on negotiating skills and how to prepare negotiating proposals, For GATS, Harmonizing of the PSIC/PSOC w/ WTO CPC.
- Including private sector participation in future capacity building activities.
- Conducting training seminars for private sector-clients for familiarization on WTO procedures, sharing developed country experiences.
- Implementing longer time frame for the seminar, preferably with a residential seminar to maximize time for case studies.
- Conducting more AD/SG technical training on technical aspects of these agreements.
- Considering other government agencies needs/concerns.
- Expanding beneficiaries in the regions (training seminars) to be conducted in Cebu, Mindanao & other Regions.
- Training of trainers could be conducted in different regions to promote advocacy on the GATS and other trade issues.
- Instituting a feedback mechanism through w/c the different program components to evaluate the success rate of the learning process.
- Including the intellectual property office as direct component / counterpart.
- Providing specific training on provisions of WTO Agreement (for my Agency) another area may be on security.
- Including the transport service especially on shipping in the national coordinating committee on WTO/TBT under the BPS.
- Conducting an in-depth seminar/workshop on AD/SG particularly on methodology of Antidumping and Safeguard Measure Investigation.
- Including further Capacity Building on investigation techniques and information access in line with the Tariff Commissions work or involvement in trade remedy cases would be very helpful.
- Providing further training seminar programs where participants are exposed to "on-the-job" or hands-on investigation on AD/SG will be very helpful. This suggestion was made by multiple participants.
- Conducting more seminars and capacity building activities.
- Including more detailed seminars on investigation-procedures.

Box -2-6-2 Wrap-up SEMINAR on JICA WTO Capacity Building Program

Thursday, 19 February 2004 at Makati Shangri-la Hotel

Program of Seminar	
08:00 –09:00	<i>Registration</i>
09:00 –09:30	Opening Remarks <ul style="list-style-type: none">• Mr. Osamu Nakagaki, Resident Representative, JICA Philippine Office• Dr. Thomas Aquino, Undersecretary for International Trade, DTI
09:30 –10:00	Overall review of Program <ul style="list-style-type: none">• Mr. Hidekazu Tanaka, Leader, JICA WTO C/B TA Consultant Team
10:00 – 10:15	Coffee Break
Session	
10:15 – 12:00	Component review by each counterpart
10:15 – 10:25	<Information Sharing System Component / Overall CP>: <i>Mr. Angelo Salvador M. Benedictos,</i> <i>Assistant Director, BITR, DTI</i>
10:25 – 10:35	<TBT Component>: <i>Ms. Ma. Victoria S. Campomanes,</i> <i>Chief, WTO TBT Enquiry Point, BPS, DTI</i>
10:35 – 10:55	<AD/SG Component>: <i>Mr. Luis M. Catibayan,</i> <i>Director, BIS, DTI</i> <i>Mr. Emmanuel A. Cruz,</i> <i>Director III & Concurrent, Head Executive Assistant, TC</i>
10:55 – 11:05	<GATS Component>: <i>Ms. Brenda R. Mendoza,</i> <i>Director, Trade, Industries and Utilities Staff, NEDA</i>
11:05 – 11:15	<SPS/AGR Component>: <i>Mr. Jerome D. Bunyi,</i> <i>Senior Economist,</i> <i>Economic and Policy Analysis Division, DA</i>
11:15 – 12:00	Q & A
12:00 – 12:20	Closing Remarks <ul style="list-style-type: none">• Mr. Tanaka, JICA TA Team• Mr. Benedictos, BITR, DTI
12:30	End of Session

. Recommendations

Recommendations

1. Evaluation and Recommendation for Each Component

1.1 Enhancement of Inter-Agency Information Sharing <Component 1>

1.1.1 Evaluation

As previously mentioned under Chapter , WTO-related information sharing was not sufficiently done. within the agencies tasked with the implementation of WTO agreements, namely BITR, BIS, and BPS.

WTO-related Information Sharing Pilot System (WRISS) was successfully installed at DTI on 24 February 2004, for the sharing and dissemination of WTO-related information. With the provision of this technical assistance, DTI is now able to enhance its capacity for implementation of WTO agreements. The following results were achieved in the course of the technical assistance activities until the official turnover of the Pilot System:

- Positive cooperation from the DTI counterpart was obtained for technical assistance with this component, which reasonably resolves the problems before providing technical assistance in the bureaus for WTO and reflects the needs of DTI for the design, establishment, and adoption of the information sharing system.
- In the design and development of the system, discussion and operation with the DTI counterpart was possible, which enabled technical assistance for system design, practical methods for development, and management for development.
- Through the cooperation of the DTI counterparts, TA Team was able to organize, digitize, and register into the system a number of their existing documents (some 2500 documents) before the system became operational. Through these various processes, we were able to provide the individual WTO related officers within DTI an awareness on the sharing of information, while at the same time organizing their information into a unified and cross-referenced system. By doing this, an environment was created where the individual officers became aware of the advantages of using the information sharing system.

- The User, System Administrator and System Operator Manuals were prepared for full utilization of the system. The developed manuals are easy-to-use and easy-to-understand, since the developments process was fully involved with DTI counterparts.
- By using the Manuals developed the foundations were laid for the implementation of training for Pilot System Users, Administrators and Operators.
- By appointment of the System Administrators, and System Operators, we created an organization in order to ensure timely response and countermeasures in the event of troubles and problems related to operation of the Pilot System.

As discussed above, the TA objectives were successfully achieved the assistance centering on implementation of the Pilot System to strengthen the capacity within DTI regarding WTO-related information sharing.

However, it should be noted that the implementation of the Pilot System do enhance the information sharing aspect, which is an infrastructure for capacity building for implementation of WTO agreements. In order to fully utilize the system of WTO-related information, each individual officer is required to utilize the Pilot System. This begins with the individual officers registering their information, resulting in greater operational efficiency for all.

With the installation of the Pilot System, the actual use of the system has just begun. A key concept for each officer is to have the awareness to share their information. On this basis, the recommendations were made for DTI to enhance their structure for sharing information through computer systems.

1.1.2 Recommendations

(1) Pilot System Maintenance and Management

(a) Continuous review on utilization and provision of periodical brief training/brush-up opportunities among users

- It is recommended that discussions are to be held on a continuous basis, with all

the constituents informed on the system utilization conditions (number of users, number of registered documents, incident reports, etc.) through the regular monthly System Operations Meeting. They will likewise create measures for promoting the use of the system among greater number of users, measures for dealing with problems, and other measures for the continued use of the Pilot System. The main officers responsible for Pilot System Operations, System Administrator, and System Operators are to participate in these Operations Meetings.

- The systems developer, ADTX Systems will provide support for the regular monthly meetings until March 2005. Initially, the DTI personnel will be informed about system utilization conditions. It is necessary for DTI to likewise gain the technology and know-how from ADTX Systems for understanding system utilization conditions and analysis during the support period.
 - Aside from understanding utilization conditions, it is also important to conduct periodic system user training. In order for the system to be used continuously, each officer must improve his or her mastery of and proficiency in using the system. This must be done to prevent the non-use of the system. For this purpose, periodic training needs to be conducted for newly-assigned personnel and for those officers who are not too sure about using the system. By so doing, we are able to improve the officers' overall proficiency level will be improved in using the system.
- (b) Set up a supervising team for system utilization/operation with proper rules/mechanisms on management of uploading new documents
- It is strongly recommended that the document properties (category, key words, summary, etc.) are properly created each time a new document is registered in the Pilot System. This is because the system will display the appropriate document based on these properties when the document is searched for by users. Otherwise, if the properties are not properly defined, the document will not be identified when searched.
 - If the above kind of incident occurs with great frequency, the users will lose their confidence in the Pilot System, and result in non-use of the system.
 - At all times, there should be a Management Team for the Pilot System, composed of the officers responsible for system operations, system

administrator and system operators from BITR, BIS, BPS and MIS. This Management Team will conduct a periodic check of the documents registered in the Pilot System, and confirm if appropriate document properties are being created and registered into the system. If there are irregularities in the document properties, the Management Team is to issue the appropriate directive for the person responsible to correct the defect, and conduct user training to teach the proper registration methods.

(c) Prepare the systematic structure to provide resolving/improving measures to the difficulties raised from actual operation and experiences

- It is recommended that various problems will be encountered in utilizing this Pilot System. These problems will be generally classified into two: 1) software related (bugs and other requests for program improvement from users), and 2) hardware related.
- Whatever the case, if nothing is done to resolve the problem, the users will lose the confidence of the users, making the system a useless one. In order to avoid this, whenever these problems occur, the system Management Team must discuss and implement countermeasures in a timely manner. Also, whenever a problem arises, the cause and countermeasures must be summarized in a report, with the information shared to other team members as a means to avoid the occurrence of the same problem.

(d) Promote system use from top to bottom

- It is also recommended to have a top to bottom guide for utilization of the Pilot System for all DTI officers. As mentioned previously, the first important matter is that the system is used. For example, instructions can be given to compile reports on WTO-related information using this Pilot System—and effective means for giving the officers the opportunity to use the system.

(2) Pilot System expansion

Initially, the Pilot System is designed to be accessed only within the DTI LAN, for security purposes. However, the design also allows for the possibility of access from outside the LAN in the future. From the standpoint of capacity building for

implementation of WTO agreements, one of the concerns is the creation of information sharing with other relevant government offices outside of DTI.

(a) Create common platform of discussion among DTI for system expansion

With the System Management Team playing a crucial role, a committee tasked to study the future expansion of this Pilot System is recommended to be created to define the vision and methods for future expansion. Among the items to be discussed are the following:

- Define the extent of other agencies which will be granted access to the WRISS Pilot System
- Define the access contents (Viewing only, Document Registration, Editing and Deletion, etc).
- Define the technical concerns (Program Revision, Additional Hardware, Infrastructure, others)
- Define the operational concerns (Revision of operational flow, Expansion of System Management Team, etc.)

(b) Create common platform for discussion among DTI and other related governmental agencies

- When the vision and means for expansion are defined within DTI, preparatory committees must be set up with related government agencies. It is important that such discussions are to be held so that the expanded future system structure will be convenient and secured, not only for DTI, but for the other related government agencies.

1.2 Capacity Building for Agriculture and SPS <Component 2>

1.2.1 Evaluation on the Seminar

The evaluation of the seminar, which aims at the capacity building for the implementation of the Agriculture/SPS Agreements, will be based on 1) the outcome of the questionnaire survey to the participants, 2) the evaluation by the counterpart officials through the comments, and 3) the comments from the speakers.

Many officials voiced a problem of limited number of personnel those who have in-depth understanding of the Agreements on Agriculture and SPS, as it requires substantial training to grasp the legal text. As the Philippines currently face relevant problems, participants particularly valued the specific issues such as rice tariffication, safeguard, dispute settlement, BSE, new food safety administration / risk analysis covered at the Seminar. In order to tackle the issues in detail, participants preferred to have group discussion or additional field work. Both participants and speakers agree that the follow-up activities needs to be planned in order to learn further from Japan and disseminate what participants had learned. The seminar program contributed to make regulatory agencies more knowledgeable of the SPS measures and negotiating position of Agriculture in Japan and to learn lessons of complying with Agreements.

(1) Outcome of the Evaluation Sheets from the participants

A Questionnaire survey was conducted primarily to assess the quality of the contents covered, handout materials, and also grasp how the knowledge acquired from the seminar would be disseminated and utilized. The major findings in the questionnaire survey were as follows.

Most of respondents answered that the Seminar met their expectation in each session and most responded that the session contents were useful. Sessions focused more on specific Japanese experiences were most appreciated as indicated by more than 80% of respondents answering that they were satisfied with Session 2 (Distribution System of Agricultural Products in Japan) and Session 6 (Food Safety and Risk Analysis). Regarding distributed materials, approximately 90 % of respondents answered very useful to all six sessions.

However, about 70% respondents expressed difficulties in disseminating the knowledge systematically due to a lack of budget and resources to organize training programs back in their offices / regions. They reported that as a result, they will share the knowledge at personal level.

For further improving DA's capacity building, respondents expressed the importance of a continuous training program, the laboratory or apparatus for animal and plant quarantine and for food safety, and opportunity to know Japanese experience in the relevant areas. It was also requested that Japan and the Philippines should come up with an exchange program for technical staff. The details of the outcome of evaluation exercise were attached in Appendix B.

(2) Evaluation by Counterpart Officials

Participated regulatory agencies specially showed gratitude for the contents and materials which elaborate the experience of Japan. This is because there were not many materials available in English about the Japanese legal framework or regulatory agencies. Some remarked that the comprehensive explanation of Japanese quarantine and distribution system were excellent references for further integrating in the Philippine setting. In addition, detail on the mechanism of how Japanese competent authorities develop and maintain personnel capability for new and challenging areas raised an awareness of the significance of continuous training in the area.

Regarding the participants' quality, weak basic knowledge on the agreement / food safety was pointed out particularly to those participants from regional quarantine offices. Before the speakers came from Japan, preparatory sessions on WTO agreements under the Philippine setting could have made the seminar more effective. General knowledge about WTO Agreements could be better delivered among Philippine officials. Seminar contributed to regulatory agencies understanding of the SPS measures of Japan. However, more practical issues could be covered in order to learn how to establish that SPS measures in compliance with the SPS Agreement. The issues of the Hazard Analysis and Critical Control Point (HACCP), the food safety approach developed by the US and endorsed by the Codex Alimentarius Commission are addressed by the counterparts as a practical issue to be included.

(3) Comments from speakers

Having recognized the competency of individual participating officials, especially from central offices with fair educational backgrounds, speakers pointed out the weakness of problem solving capacity as a regulatory agency. It is noted that the participants raised questions regarding the manner of receiving assistance from donor countries or how to acquire special treatment for the implementation of provisions of the agreement. One of speakers commented that the Philippine government needs to have an appropriate investment plan for conducting the risk analysis required.

There were several occasions that the participants raised questions to speakers regarding market access to Japan. Harmonizing the quarantine system of Japan is a basic requirement, but speakers emphasized that other elements are equally important such as marketing, producing value added quality products and price competency among exporters. As trade is based on commercial interest, exporters should be the ones to make efforts to penetrate the market of importers. The speakers were not in a position to elaborate market access issues.

Nevertheless, the speakers found that the overall contents were effectively contributed to improve the basic understanding of the participants. Through the active QA sessions, lecturers learned of the huge knowledge gap between those who asked basic questions and the key counterpart officials who were able to add explanation regarding the Philippine context. Therefore, speakers concluded that follow-up capacity building activities within the Philippines should be made. The distribution materials prepared with best efforts for the Seminar should be utilized as a reference for the training program to be planned by DA or private sectors.

1.2.2 Recommendations

Many developing countries including the Philippines have been calling for flexibility to allow them to take account of development needs including poverty reduction, viability of rural areas and food security. Thus, the Philippines supports special and differential treatment for developing countries including work on the “Special Products” not subject to tariff reduction, nor to any new tariff requirements on quotas and a special safeguard mechanism. The claims were strongly addressed together with other developing countries in the 5th Ministerial Meeting at Cancun.

While these claims at the negotiation were duly important, an effort to move from the imbalance in agricultural trade has to be made without halt. Increasing competitiveness of domestic agricultural sector as well as strengthening the control at the border has to be tackled. While agricultural sector reforms requires various issues such as marketing, land reform, irrigation, this program would like to highlight the capacity building at the border. Thus, recommendation on quarantine service as well as food safety which urgently requires harmonization of the SPS agreement will be addressed on three issues : (1) Appropriate institutional building and enhance of the competitiveness of agricultural products; (2) Upgrading the technical skill through enhancing the human resource development; and (3) Strengthening the information sharing system

(1) Appropriate institutional building

As the duration of the Seminar was limited, some participants requested further information regarding Japanese inter-regional coordination function, how central and regional governments coordinate to tackle the issue of food safety, animal and plant health, to improve quarantine system at the border. After quarantine officers were devolved to the regional governments, they follow instructions of the regional directors as well as of the central technical agencies, i.e. BAI and BPI. Thus, they face difficulties in that regional directors often don't give priority to quarantine operations.

In order to make SPS / quarantine activities efficient and responsive to the needs of stakeholders, overlapping functions of regulatory agencies need to be streamlined with necessary legislative action.

Enhancing the control over smuggling has been addressed due to the fact that increased smuggled agricultural products not only damage the domestic prices of the food market, but also endanger the safety of the food supply as they are not quarantined. The linkage between Bureau of Customs and Quarantine Services needs to be strengthened in order to implement customs and quarantine operation based on laws including relevant WTO Agreements.

Laboratories in strategic locations need to be built across the country to support local stakeholders on product standardization and food safety. Necessary investments for upgrading equipments are also important issue to be tackled. Although

DA pointed out repeatedly the lack of financial resources, this has to be prioritized with best effort in order to minimize risk for export commodities as well as products for the domestic market.

(2) Upgrading technical skill through enhancing human resource development

By using the materials distributed and the basic knowledge delivered through the program, participants are recommended to conduct subsequent training sessions on return to their offices. Materials provided in the Seminar can be utilized for further undertakings. Participation in a donor sponsored SPS training courses could be one opportunity

The other opportunities will be to send experts to foreign competent regulatory agencies or research institutes for training. This will directly upgrade the technical skills and access the measures that specific countries currently use to tackle newly emerged issues such as GMO and organic food.

Many participants are keen to have an opportunity to learn Risk Analysis in depth. More detailed lessons can be shared through advanced seminars for experts. There were also specific requests to further study Pest Risk Analysis data management. In order to comply with international standards such as Codex, IPPC and OIE, the Philippine government requires further continuous discussion among the regulatory agencies as well as external experts.

The training needs in the case of plant quarantine service will be as follows.

- 1) How to protect agricultural products from the pest and disease
- 2) How to forecast the pest and disease
- 3) The role of provincial government, required data to be submitted and integrated in the central government
- 4) Issues to be covered for training regional agricultural officers
- 5) How to meet international requirements

For the Pest Risk Analysis data management, DA recognized the following the studies to be materialized.

- 1) pest mapping and inventory as database and guidelines

- 2) pest detection and control of specific products such as mango, papaya and so on
- 3) appropriate method of eradication of pests and its support mechanism to maintain the system

(3) Strengthening the information sharing system

(a) Improving the present information system infrastructure

One essential factor for implementing the agreements smoothly is to have appropriate tools to share knowledge among relevant agencies. Under the status quo, so many officials face difficulty in accessing digital information. Thus, knowledgeable central government officers cannot extend relevant information to the region where quarantine officers as well as producers needs information to comply with international standards. Knowledge management for related bureaus and regional offices is a key to improving the status of compliance. Regular newsletters to provide updated information on WTO agreements and related international standards need to be disseminated through newsletters and through e-newsletters in the near future. The recently developed SPS Information System web portal requires further investment in due course as it still has limited capacity in order to increase transparency and to effectively disseminate information.

(b) Unification of network system for quarantine service and customs

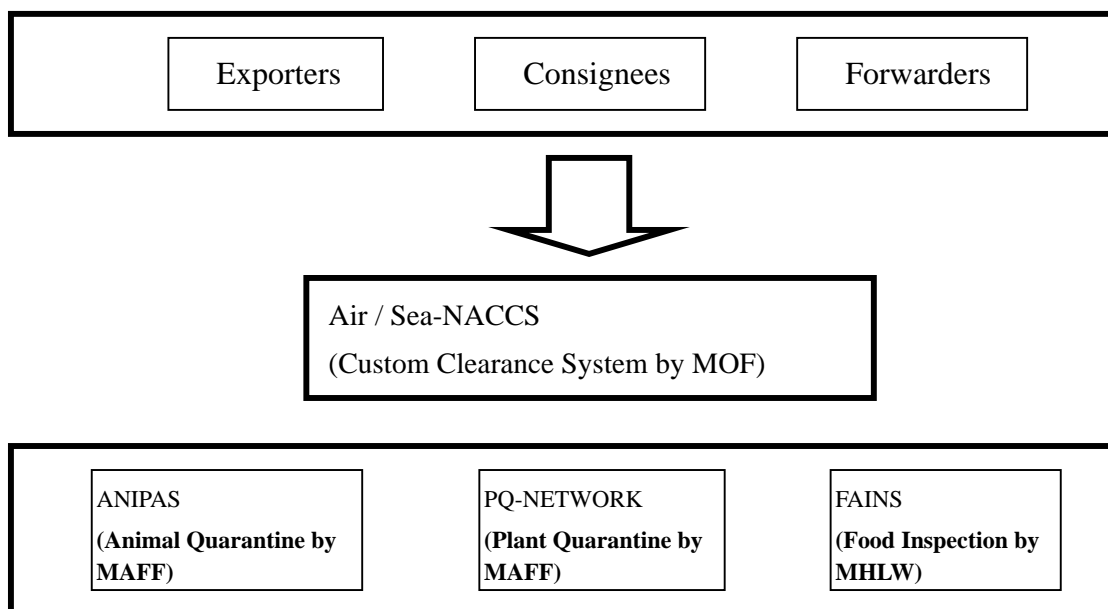
One of the major problems under current border measures in the Philippines is the increase in smuggling, particularly of agricultural products. The problem is hard to control without comprehensive network between Bureau of Customs and relevant quarantine services. Establishing a network within the Department of Agriculture and other related regulatory agencies such as the Department of Health, and the Bureau of Customs should be materialized. Building the network system would indeed be costly. For example, Japan's Plant Quarantine Network (PQ-Network) spent nearly 10 years to develop an overall system for whole branches and is now still on the way to accommodating some digital functions. Not only developed countries such as Japan, but also many neighboring countries have started to introduce such modern network system in order to smoothly implement regulations at the border. It is recommended to take a step to establish a comprehensive network for quarantine service and customs at

borders.

Recent Japanese experiences for establishing unified computer systems, called a “ Single Window System” for import procedure will be worth examining. The following figure describes the “ Single Window System” of Japan.

Building the network for the quarantine and custom systems will contribute to improve the WTO-conformed SPS measures in the Philippines. At the same time appropriate training for those who operate the system is equally important.

Figure -1-2-1 Outline of Single Window System in Japan



MOF: Ministry of Finance, MAFF: Ministry of Agriculture, Forestry and Fisheries, MHLW: Ministry of Health, Labor and Welfare

1.3 Capacity Building for GATS <Component 3>

1.3.1 Overview of the Evaluation of GATS Component Activities

GATS component activities were evaluated through: 1) the distribution of survey questionnaires to participants; b) discussions with the NEDA, DOT and DOTC as workshop co-organizers; c) comments from resource speakers; and d) the TA Team's observations. Results derived there from indicated the following:

- a. There is strong commitment of the Philippine Government to promote public awareness, knowledge and understanding of the GATS, and to facilitate implementation of the agreement to achieve increased and meaningful participation in multilateral services trade negotiations. The NEDA, as Chair of the IAC-TS and Philippine enquiry point on GATS matters, together with the DOT, DOTC, PRC DOE and DENR have been cooperative partners in all the stages of preparation for and implementation of the three phases of the program.
- b. On the program in general, observations were as follows:
 - Prior to the program, the number of officials and technical staff with knowledge on the GATS was limited. Concerned agencies had little or no background on negotiating and were not fully aware of the costs and benefits of services trade liberalization.
 - Through the program, more government agencies and private sector organizations have become acquainted with the provisions of the agreement, and informed of the benefits and costs of acceding thereto. With the greater knowledge acquired, concerned government agencies may be expected to be more confident in voicing out their respective positions in IAC-TS discussions.
 - The agendas for the three phases of the program were appropriate. Through consultations with the concerned government agencies, workshop topics were carefully identified, and the workshop approaches designed to suit the needs of the participants.
- c. Use of the sector-specific approach in explaining the GATS is very effective. As such, there has been an expression of desire from the participants to mount similar workshops for their respective sectors (e.g., health, education, agriculture-related

services, communications services) and to expand or modify the coverage of workshop topics as appropriate for the sectors. For this purpose, consultations would be critical. For those sectors that are considered new or “emerging” and/or highly controversial, however, one-day sessions were not able to cover all topics of interest, rather the sessions provided the opportunity to launch future actions for more comprehensive capacity building (e.g., energy, the environment, professional services).

- d. Similarly, simulation of the request-offer approach to services trade negotiations proves worthy of further pursuit. This has effectively provided insights on the art of negotiating, including weaknesses that will have to be addressed through capacity building to make the most out of the rounds of services trade negotiations.
- e. Advocacy on the GATS is crucial in forging strategic partnerships between the government, private sector and civil society aimed at strengthening and reaping the most benefit from Philippine participation in international trading agreements.

1.3.2 Evaluation of the Workshops in Phase I

(1) Outcome of the Workshops in Phase I – Discussion with Counterparts

Consultant Team’s finding from post-workshop discussions with NEDA, DOT and DOTC is that the workshops on the GATS for all services sectors in general, and tourism and transport services in particular, have provided a venue for the sharing and exchange of views, and for promoting increased awareness and better understanding of the agreement especially among government agencies and some service industry players.

(2) Outcome of the Workshops in Phase I – Questionnaires to Participants

Seventy-three (73) of the 118 participants in the 3 workshops submitted responses to the questionnaires. In general, they expressed satisfaction with the coverage of the topics discussed, and found this useful to their work, especially as members of the IAC-TS. However, a number of them have wished that their respective sectors could also be the subject of future sector-specific workshops as in the case of tourism and transport.

Suggestions put forward for improved coverage were inclusion of the following:

- All Service Sectors: presentation of case studies illustrative of negotiating strategies, formulation and assessment of requests and offers, assessment of the impact of GATS and benefits from acceding to the agreement;
- Tourism Services: scheduling of commitments, explanation of the nationality requirements, human resource development for tourism personnel, impact of liberalizing tourism-related services sector, among others; and
- Transport Services: further discussion on traffic rights and privatization of airports.

(3) Outcome of the Workshops in Phase I – elevation by speaker

Mr. David Hartridge submitted his own evaluation of the three workshops to the TA Team pointing out that:

- The agenda for each workshop had been thoroughly discussed with the Philippine Government and developed to meet the needs specifically of government agencies who are involved in the various services sectors covered by the GATS.
- The interest and enthusiasm showed by the participants indicate their appreciation of the subject matter. This is evident particularly when the GATS is discussed in the context of a specific sector. Presentations by the Philippine side stimulated discussions.
- Organization of the activities by the Philippine Government was efficient and the facilities were very good.
- Cooperation with the TA Team and between the TA Team and its Philippine counterparts was excellent in the stages of planning and preparation, and during the course of the workshops in Manila. Participation by the TA Team in the speakers and discussions helped clarify certain points.
- The Philippines will need to build the capacities of other services sectors on the GATS, and consider such concerns as negotiations on movement of natural persons, which is its major area of interest, the liberalization of business services (accountancy and other professional services), the question of emergency safeguard measures and other horizontal issues in the light of further developments in the Doha Round of negotiations. What would be most helpful to the Philippine Government would be assistance in the drafting or improving the Philippine services offer.

1.3.3 Evaluation of Phase II

(1) Outcome of the Workshops in Phase II – Discussion with Counterparts

The NEDA mentioned that while the workshops on energy and environment-related services and professional services gave an opportunity to representatives from these service sectors to voice out and seek clarifications on their concerns, the one-day session for each of these workshops was insufficient to fully meet the workshop's objective. Energy and environment-related services as well as professional services are service sectors that would still need further capacity building with respect to the basics of the GATS. This is partly due to the fact that liberalization in these sectors is expected to raise major opposition from non-governmental organizations, the labor sector and professionals. With regard to energy and environment, questions have surfaced relating to the coverage of these sub-sectors, confusion on the role of the state or the government vis-à-vis the private sector in providing these services, and how the GATS would apply to the sectors. With respect to professional services, much remains to be done to enlighten the various professions on the benefits of liberalization.

1.3.4 Evaluation of Phase III

(1) Outcome of the Workshops/Seminar in Phase II – Consultation with Counterparts

(a) Simulation Workshop on the Request-Offer Approach

The NEDA considers this as the highlight of the capacity building program. The participants expressed their enthusiasm and receptiveness through active participation in all the stages of the services negotiation exercise.

The workshops in Phases I and II helped equip the participants with the knowledge and skills necessary to undergo the simulation exercise in Phase III. The third phase gave them an idea of what the pre-requisites of the negotiation process are and how negotiations are undertaken. These, in turn, enabled them to identify the factors that contribute to successful services negotiations and those that cause failure, and recognize the importance of possessing good negotiating skills for handling, managing, and maximizing benefits in the process of negotiating. But there is more to what they have observed and experienced, as the actual negotiation process is

characterized by the presence of complexities which require an understanding of the rules governing international trade in services as the only acceptable solution. Thus, continuous strengthening of capacity for implementing the GATS should at all times be considered a priority. It is only through full understanding of the complexity and flexibility of the GATS' provisions that the government will be able to participate effectively in and benefit from the negotiations.

The use initially of only two sectors (i.e., finance and tourism) for the exercise is commendable for it helped lessen expected difficulties that may be encountered by the participants. This helped simplify the process and made the activity very interesting to and appreciated by everyone.

More meaningful workshop results could have been produced, however, had the participants been given sufficient time to study the fact sheets and existing schedules of commitments provided; as well as discuss the type of negotiating strategies that may be employed, particularly in the light of developments taking place (e.g., the enactment of new and amendment of existing laws, issuance of industry positions, changes in economic conditions, among others) during the course of the negotiation exercise.

There is merit in further adopting the simulation of the request-offer approach as a tool to promote proper understanding and appreciation of the GATS. Almost all the participants appreciated the value of this in changing their negative perceptions about the agreement.

(b) Seminar on Liberalization of Trade in Services

The presentations by Mr. David Hartridge and Mr. Dale Honeck effectively generated keen interest among the participants to learn about the GATS. Participants showed interest in several ways:

- raising intelligent and practical questions and reacted to certain points made by the resource speakers; approaching the resource speakers and the IAC-TS secretariat even during the break-time to further seek answers to or clarifications on their concerns; and
- approaching the IAC-TS secretariat to request for the conduct of similar orientations/briefings for their respective groups/associations/organizations.

Notwithstanding the wide representation during the seminar, the importance of forging strategic partnerships among the government, private sector and civil society to strengthen Philippine participation, minimize costs, and maximize benefits from the GATS need to be emphasized. The means of how to achieve this should also be addressed by the speakers to encourage cooperation and unity in the stance on services trade liberalization.

(2) Outcome of the Workshops in Phase III– Questionnaires to Participants

(a) Simulation Workshop on the GATS Request-Offer Approach

- Twenty-five (25) of the 40 participants returned the questionnaires.
- The participants expressed high value on the use of the request-offer simulation exercise for getting a flavor of how it is to be directly involved in services negotiations.
- Some responses indicated requests for the conduct of the same type of workshop in their own sectors to promote understanding of the negotiation process.

(b) Seminar on Liberalization of Trade in Services

- Most of the participants replied that WTO/GATS-related issues/matters were new to them and as such, and requested the regular distribution of information about them.

1.3.5 Recommendations

Based on the observations and evaluation's findings, the following recommendations are submitted for consideration:

(1) Inter Agency Committee on Trade in Services (IAC-TS)

Further strengthen the capacity of the IAC-TS being the primary body for coordinating and formulating Philippine negotiating positions on the liberalization of international trade in services.

- (i) The capability to assess the implications of liberalizing a particular service sector; to gauge whether one would be in a winning situation or disadvantaged position during the course of negotiating; and to evaluate the benefits and costs or impact of services trade liberalization are definitely new areas where capacity enhancement needs to be introduced. (medium/long-term)
- (ii) Technical staff need to be equipped with analytical tools and techniques that are appropriate for serving the aforementioned purposes. In addition, tools or methodologies for analyzing, interpreting and assessing requests and offers, as well as limitations on market access and national treatment imposed by trading partners would further improve abilities to effectively negotiate. (medium/long-term)
- (iii) Enhancing the capacity particularly of the NEDA Secretariat to perform economic/technical analysis, and undertaking studies on the services sectors where the country has made commitments should be complemented by the development and installation of an efficient database on all Philippine service sectors, whether committed to or not under the GATS. The database should be able to service the data needs of the IAC-TS member agencies as well as the other stakeholders, and that of the NEDA Secretariat as IAC-TS Chair, the lead negotiator for services trade, and as enquiry point on matters pertaining to the GATS. Critical information on conditions prevailing in the domestic and global economy that have a bearing on the international trade in services should likewise be captured by the database. (medium/long-term)
- (iv) Access to WTO-related information and information on domestic laws is critical for allowing the IAC-TS to perform its tasks. In this regard, extension of the DTI's information sharing system developed under Component I to the NEDA Secretariat and other IAC-TS member agencies is suggested. (medium/long-term)
- (v) Capacity should be built among IAC-TS member-agencies on efficient and effective ways of holding consultations with their constituents on the liberalization of their respective sectors, and on establishing strong relationships with other government agencies, the private sector, academics and non-government organizations. (medium-term)

(2) Establishing a services network

Explore the possibility of establishing a services network patterned after that

existing in Japan, European countries, or the US for purposes of: (i) promoting discussions/dialogues/ exchange of views on services liberalization; (ii) monitoring and gaining access to the most recent information on services negotiations; (iii) strengthening coordination and networking between and among government agencies and the private/business sector; and (iv) providing inputs to the government with regard to barriers faced by service suppliers in foreign service markets, among other topics. (medium/long-term)

(3) Training for trainers

The conduct of training for trainers to sustain capacity building activities is recommended. It would be necessary to train a pool of experts on the GATS who will not only train other people but will also be able to study WTO-related issues and advise the country's negotiators on possible positions to take on these issues. The availability of such a pool of experts could also address the problem of changes in the assignment of personnel who have undergone trainings on the GATS. (medium-term)

(4) Extension of service sectors and geographical extension

The extension of GATS-related capacity building activities to other services sectors including those considered as "new" and "emerging" (e.g., education, health, communication, professional services) since the program was initially limited only to a few sectors. The trainings should also be opened to relevant government agencies and private stakeholders located in areas outside Metro Manila.(medium/long-term)

(5) Studies

Continue to support the conduct of studies that would be useful to the work of the IAC-TS. Those aimed at evolving strategies to further develop and make the services sectors internationally competitive, at assessing the benefits and costs of liberalizing a particular sector, and at recommending policy reforms on the liberalization of service sectors, among other topics, would be of assistance to the committee. (short to long-term)

1.4 Capacity Building for SG/AD <Component 4>

1.4.1 Evaluation of the Program

(1) Evaluation by the participants

The TA Team distributed a questionnaire survey to the participants of the workshop to evaluate its outcome. 31 participants out of 45 participants responded to the questionnaire. The results can be summarized as follows. (see Appendix B for details)

- 1) Most respondents (96.5%) answered that the workshop has fully met the expectations. They (92.5% of the respondents) also felt that they have very much acquired new knowledge from the workshop, and 96.1% found the workshop very useful for the Philippines. While there were many participants who had attended similar seminars/workshops conducted by other donors, governments and the WTO, this workshop was felt very useful for them (94.4%).
- 2) The most beneficial topic in the workshop were: moot court exercises, as well as matters such as the speakers on Elements of the Anti-Dumping and Safeguards Agreements, Dispute Settlements and Overseas investigations..
- 3) The participants' answers with regard to the diffusion of knowledge acquired from the workshop were quite positive, suggesting that it should be conducted through personal dissemination (76.7%), giving speakers (36.7%) and planning for training courses/workshops (23.3%). Answers to the question for better capacity building revealed that seminars (55.6%), workshops (70.4%), joint study/research (48.1%) and dissemination of information (37.0%) were equally considered necessary.

The outcome of the questionnaire survey indicates that the workshop was useful and informative to the most participants, while there is a need for further capacity building with somewhat permanent framework or mechanism.

(2) Evaluation by the speakers

The speakers highly appreciated the participants' contribution to the workshop, though noting that participants were of varying levels of knowledge. The management and communication ability of the counterpart agency was also evaluated.

As recommendations for future capacity building, one speaker pointed out that this workshop was good for 'enlightenment', and it is the task to make a more practical and useful program beyond 'enlightenment'. Another comment was that the Philippine administration needs help in putting together a basic 'library' or documentation service on WTO law, and this would allow them to keep up with new development in WTO work by studying materials on their own.

(3) Evaluation by the counterpart organization

BIS-DTI evaluates the outcome of the program as follows:

- 1) The outcome of the workshop indicated that indeed it was very informative to the participants, and enhanced understanding of the principles of the WTO.
- 2) Through the seminar the staff gained more knowledge on the technical and procedural aspects of safeguards and anti-dumping laws to avoid possible disputes.
- 3) Different government agencies were able to meet their counterparts which in turn helped in building coordination and cooperation among them.
- 4) It would be very helpful to have a follow-up training on related capacity building program on safeguards and anti-dumping measure to further improve capacity for the implementation of safeguards and anti-dumping measures.

Judging from the above evaluations by participants, speakers and counterpart organization, the workshop has achieved the expected goal of providing government officials with practical knowledge and correct understanding of SG/AD measures, and incentives to maintain and improve them.

It should also be noted that one highlight of the workshop was the discussion among the participants on capacity building in technical, institutional and organizational aspects. This was the first opportunity for SG/AD related government agencies in the Philippines to get together and share their awareness of the issues from different viewpoints. While BIS-DTI has had the idea of setting up a technical working group consists of the related government agencies to undertake the revision of AD/SG legal and procedural framework, the workshop and the concurrent consultation activities by the TA team during the program period would have given certain impetus to realize this idea.

1.4.2 Recommendation

Considering the results of the ‘analytical survey’ of Philippine SG/AD experiences, comments given by the workshop participants, and the outcome of the workshop, issues to be considered to further improve capacity for implementation of SG/AD Agreements are summarized as follows:

- 1) Human resource and budget constraint in related government agencies
- 2) Need for greater inter-agency and public-private sector cooperation
- 3) Need for more training among concerned government agencies
- 4) Lack of access to accurate data (both official and industrial)
- 5) Inadequacy in the Philippine SG/AD legal and procedural system
- 6) Exertion of political pressure

Although it is difficult to make recommendations on all the above issues from the context of the Capacity Building Program, following are addressed as recommendations.

- (1) Further implementation of seminars and training courses

Further implementation of seminars and training courses on SG/AD (and DS) for government officials, in particular, judges, judicial and technical staffs in concerned agencies such as OSC, Court of Tax Appeals, and Bureau of Customs, which have not been much involved so far, is recommended. At the same time, further seminar and training course on more advanced technical subjects for the core agencies’ officials are needed. These subjects include legal standing of petitioners, determination of material

injury, causal linkages between dumping and injury, dispute settlements and overseas investigation. BIS-DTI and Tariff Commission, who have the most accumulated experiences of dealing with AD and SG cases in the Philippine Government, can facilitate and conduct these seminars and training courses. The texts delivered at the workshop could be utilized and further elaborated for this purpose, as well as the disseminating materials for the general public. At the same time, opportunities to attend seminars and workshops organized by donors and international organizations should be taken by all the officials dealing with trade remedies.

Actions to be taken for this recommendation are as follows:

- 1) Identifying and listing the members who need seminars/training courses on SG/AD among all the related government agencies (short-term)
- 2) Development of the seminar/training course schedule for the year (short/mid-term). This schedule could appropriately involve seminars/workshops provided donors and international organizations.
- 3) Maintenance and revision of the texts for internal seminars/training courses (mid/long-term)

(2) Establishment and operation of the technical working group

A technical working group consisting of all related government agencies to enhance inter-agency cooperation and information sharing is recommended to be established as the formal organization assigned by Department Order or Memorandum of Agreement. The working group is expected to undertake the revision of AD/SG legal and procedural framework¹³, and moreover, to function as a focal point to coordinate various interests and opinions among government agencies. This working group is desired to hold periodical meetings, exchange information, set agendas to discuss, and monitor/evaluate the progress of institutional/procedural revision. To operate the technical working group successfully, BIS-DTI is recommended to play the role of secretariat. It is also highly recommended to utilize the information sharing system,

¹³ The possible topics for the discussions are as follows; introduction of public interest review system against the negative finding of the Tariff Commission by the President, extension of the duration for AD/SG examinations and so forth.

¹⁴

which is to be developed under the Capacity Building Program.

Actions to be taken for this recommendation are as follows:

- 1) Strengthening the framework and clarifying of the mission of the technical working group (short-term). The secretariat (BIS-DTI) needs to announce to hold periodical meetings (eg., once a month), set agendas (regular agendas and current topics), and objectives for the moment.
- 2) Considering how to utilize the information sharing system at the pilot system stage (short-term), and how to enhance the system from the viewpoint of SG/AD related administration (mid-term).
- 3) Monitoring and evaluation of proposed institutional/procedural revision (mid/long-term)

(3) Promotion of the public-private cooperation through the permanent framework

The establishment of a permanent framework for the public-private cooperation is recommended. As one model of this permanent framework in Japan, there is the Fair Trade Center, which was established as a non-profit and non-governmental organization. The Center functions as an arena for information and opinion exchange between government and industry, collects and accumulates information, conduct seminars and workshops, and gives consultation to member companies (see Box -1-4-1 for details). This could be said as an effort by the private sector to improve its own capacity and complement government capacity. To achieve these functions as the focal point for public-private cooperation, this center is required to have an extensive network of various human resources, not only from the government and industry, but also from the academic and legal circles. The center may be practically developed by strengthening the function of the existing industry associations in the Philippines. It is also possible to build this center as a virtual network utilizing the existing extensive network of industry associations to make it, and thus reduce initial cost. With the positive initiative by the government, perhaps the above-mentioned technical working group, such strengthening of the existing organization's function could be expected to be achieved in a relatively short period.

Actions to be taken for this recommendation are as follows:

- 1) Examination of the function and the structure of the Fair Trade Center in

Japan to consider the possibility to establish its counterpart in the Philippines (short-term).

- 2) Collecting opinions on the above idea from various private sectors, academic and legal circles (short/mid-term)
- 3) Setting-up a joint study team with private sector (industry associations) to consider possible structure of the Fair Trade Center in the Philippines (mid-term).
- 4) Accumulating knowledge and information by networking with the Fair Trade Center in Japan (mid/long-term)
- 5) Establishment and operation of the Fair Trade Center in the Philippines (as a virtual network or real organization) (mid/long-term)

Box -1-4-1 Functions and activities of the Fair Trade Center in Japan

The Fair Trade Center in Japan professes its six functions as described below, and based on these, conducting research/study programs, educational/information services, and consultations/suggestions.

- 1) An antenna for trade issues (gathering up-to-date and accurate information on important trade issues by utilizing unique overseas information sources)
- 2) An information network and data bank (with regard to antidumping cases against Japanese products, country-of-origin regulations and other issues. The results are compiled and published annually in report form.)
- 3) A communication channel between government and industry (providing opportunities for communication among the interested parties so that the standpoint of Japanese industries can be reflected in the positions of the government, in establishing international rules such as the WTO AD Code)
- 4) An advisor to companies charged with dumping (offering advice on how to respond to investigations properly and introducing lawyers)
- 5) A consultant in preparation for petition filing (providing advice and support on filing antidumping petitions in Japan)
- 6) A supporter in WTO-related actions (investigations on the necessity and manner of initiating actions in international dispute settlement proceedings)

(4) Improvement of access to accurate and recent data

It is needed to improve access to accurate and recent data necessary to make determinations in AD and SG cases and also to facilitate applications by the private

sector. These would include import studies, WTO rulings by panels and the Appellate Body, industry profiles, and a monitoring of the practices done in other countries. To this aim, close cooperation and information exchange with the Bureau of Customs, commercial attachés in diplomatic establishments abroad, as well as representatives in Geneva is indispensable. While data and information would be concentrated and accumulated in government agencies such as BTR-DTI or others, they should be made available to the private sector, and utilized for research and analysis conducted by such a 'Fair Trade Center' in the Philippines.

Actions to be taken for this recommendation are as follows:

- 1) Review of the current data/information collecting and sharing system regarding SG/AD measures and identification of the bottleneck (short/mid-term)
- 2) Improvement of the above bottleneck (mid/long-term).
- 3) Promotion of data/information sharing with private sector (long-term)

1.5 Capacity Building for TBT < Component5 >

1.5.1 Evaluation of the Program

Through the series of workshops, a general understanding of the TBT Agreement and importance of international standards by governmental officials has improved. It should also be mentioned that participants, including those from the private sector and other governmental agencies other than BPS, have gained knowledge on the rights and obligations of the TBT Agreement, especially through active participation in the group discussion. In addition, as majority of the participants attended both the first and second workshops, they are now expected to be able to become trainers in their organizations and to play an important role in transferring their knowledge to other officials who were not able to could not participate in the workshops.

On the other hand, TA Consultant Team recognized that the coordination mechanism among stakeholders left room for further improvement. In maximizing national interests of the Philippines, it is especially indispensable for the private sector to be actively involved in standardization activities and related public policies, as standards themselves are utilized primarily by the private sector.

As an evaluation of this Program by the participants and our counterpart (BPS), the following points have been pointed out through the questionnaire survey and wrap-up meeting conducted/held after the workshops:

- For a majority of the participants, it was the first time to attend a workshop on the TBT Agreement (65%), and their motivation to participate in this workshop was to gain general knowledge of the Agreement (100%) and to exchange views with speakers and other participants (62%). It also became clear that majority of the participants were satisfied with the contents of this workshop (96%).
- This Program was reported to be seen as a trigger to disseminate the importance of the Agreement and to vitalize coordination among the relevant agencies in the Philippines, as participants from different organizations and different sectors could come together and establish a human network.
- This Program was useful for the participants to realize that there were not only obligations but also many rights for member countries under the TBT Agreement. Especially, they became aware that developing countries could assert their rights

against developed countries. They learned this through the introduction of TBT related dispute settlement cases.

- By participating in interactive Q&A sessions and group discussions, the participants had opportunities to recognize TBT related issues as their own issues, not somebody else's business.
- After the first workshop, the national coordinating committee on TBT Agreement, which had been rather inactive for sometime, was reopened at BPS's own initiative. After the second workshop, BPS showed their will to further revitalize the committee in near future

Speakers of workshops made comments as follows;

- Workshop attendants are expected to become trainers to transfer their knowledge gained from this Program to other officials in respective organizations who could not attend this workshop.
- Ultimately, participants of the workshops should reflect their knowledge in the national standard and conformance policy. In addition, it is important to revitalize the national coordinating committee on TBT Agreement and to create sound environment to promote private sector participation in this policy field.

Judging from comments described above, TA Consultant Team evaluates this component as following;

- Key government officials who currently/potentially have interests in the TBT Agreement have acquired a certain level of knowledge on the Agreement through this Program. The next important step is to utilize their knowledge for policy implementation in this field. Through strengthening the institutional capacity of BPS, it is time for the government to push forward with their standard and conformance policies securing consistency with WTO Agreements.
- Especially, in enjoying/complying with the rights/obligations of the TBT Agreement, it is crucial for stakeholders to coordinate activities, including private sector, and to set common/standard operational procedures within the government necessary for efficiently implementing the Agreement.
- Finally, it is also important for BPS to continue its effort to share necessary information and knowledge with relevant government agencies as well as with private sector, and to enlighten the stakeholders as to the importance of the TBT Agreement and international

standardization activities to these stakeholders.

1.5.2 Recommendation

In efficiently implementing the TBT Agreement and maximizing the Philippine's national interests, it is important that more stakeholders understand the rights and obligations under the TBT Agreement as well as the importance of international standardization activities. It is also crucial to revitalize the national coordinating committee on the TBT Agreement in which stakeholders from different organizations and sectors can come together regularly. In addition, for the sound development of domestic industries, it is inevitable for the Philippines to participate in international standardizing activities as actively as possible by utilizing resources in private sector, and to reflect outcomes or ongoing discussion to Philippine's standards and conformance policy, considering the current technological/social situation in the country.

The TA Consultant Team recommends the following three points, based on the observation and outcomes during this Program:

- 1) Strengthening of national coordinating committee on TBT Agreement
- 2) Implementation of knowledge transfer activities within the government
- 3) BPS's leadership in encouraging private sector's participation in standardization activities

(1) Strengthening of National Coordinating Committee on TBT Agreement

To efficiently and effectively implement the TBT Agreement, it is indispensable to establish a sound coordination mechanism between BPS and other stakeholders including private sector and other regulatory agencies in charge of mandatory/voluntary standards and conformity assessment procedures. BPS, as a national enquiry point and a notification authority of the TBT Agreement, should obtain/disseminate necessary information from/to relevant agencies and private sector, and this mechanism cannot work well without a coordination mechanism and shared operational procedures.

BPS is now intending to reorganize the national coordinating committee on

the TBT Agreement. While the TA Consultant Team regards such efforts as one of the outcomes of this Program, we recommend BPS to take initiative for strengthening and hold meetings periodically.

<Possible Functions of the Coordinating Committee>

- Sharing among committee members ongoing/next agenda discussed in the WTO/TBT committee in Geneva, and setting negotiation goal if necessary.
- Disseminating information on and any decision by the WTO/TBT Committee to relevant government agencies, in order to reflect them in national standards and conformance policies,
- Setting goals and positions for other multilateral/regional/bilateral negotiations relating standards and conformance,
- Reviewing and coordinating contents of Philippine's proposed technical regulations to be notified to the WTO, if necessary,
- Assessing the notifications/enquiries by other member countries and setting positions for comment,
- Conducting knowledge transfer program on TBT issues for both private and public sectors.

To organize the national coordinating committee on TBT Agreement, BPS would be the most suitable organization to play following roles as secretariat.

Roles of BPS as secretariat

- Setting agenda for the next meeting and calling the meeting.
- Coordinating opinions as chair.
- Disseminating notifications/enquiries from other WTO member countries.
- Implementing a knowledge transfer program on TBT issues.

In case that the Philippine does not notify information on proposed technical regulations to the WTO in an appropriate manner, due to lack of knowledge or awareness of WTO rules or lack of necessary procedure within the government, this could bring about unnecessary dispute with other member countries and unnecessary administrative/business costs to the country. To avoid such risk, it is necessary to establish a system to efficiently judge the necessity of notification to WTO when introducing a new technical regulation by setting common operational procedures shared among relevant agencies. In this context, BPS is recommended to take initiative

to upgrade the common procedures, if necessary, and inform them to other agencies utilizing the coordinating committee.

On the other hand, it is important for other regulatory agencies, to efficiently handle information directly/indirectly relating to the TBT notification, and to provide it to BPS when necessary. In doing so, these agencies are recommended to assign contact persons for notification/enquiry matters and clarify their responsibilities. In order to make such mechanism work, continuous efforts to maintain level of institutional capacity on the TBT Agreement would be inevitable, considering the possibility of redeployment of a responsible person. While providing training course to individuals would be a way to maintain institutional capacity, disseminating the booklet “TBT Handbook” developed as part of this Program could also contribute to maintaining a certain level of institutional capacity and to avoid problems caused by redeployment.

Actions to be taken for this recommendation are as follows:

- 1) Identifying and listing the issues needed to be discussed in the National Coordinating Committee (short-term)
- 2) Defining mission, strategy, annual goal of the Committee, and setting frequency of Committee’s meeting (short-term)
- 3) Identifying and listing the candidates from both public and private sectors for members of the Committee, and appointing them as members (short-term)
- 4) Appointing a BPS official as person responsible for the Committee’s secretariat work (short-term)
- 5) Holding meetings periodically (middle/long-term)
- 6) Drafting a guideline for handling TBT notifications and enquiries, and providing it to the relevant agencies. (middle-term)

(2) Implementation of Knowledge Transfer Activities within the Government

As mentioned above, it is indispensable for every government officials involved with the TBT Agreement to correctly understand rights and obligations under the Agreement. This is a necessary condition or prerequisite for making the whole system work and enjoying the benefits of WTO rules.

Considering the fact that not all the government officials involved with the

TBT Agreement were able to take part in the workshops of this Program, it is critical to conduct these kinds of activities again in the future, for officials regardless of rank. While the national coordinating committee is able to set a strategy for the knowledge transfer program, BPS officials are expected to play major role as actual trainers utilizing materials and the handbook provided during this Program. In addition, it will be beneficial to create an environment for self-learning by disseminating the *TBT handbook* to officials involved, so that it can be available for reference.

Actions to be taken for this recommendation are as follows:

- 1) Identifying and listing the government officials who are actually and potentially involved with the TBT agreement, and who should participate in the additional knowledge transfer activities (short-term)
 - 2) Disseminating the TBT handbook to agencies/officials involved (short/middle-term)
 - 3) Holding workshops/seminars for the officials identified (middle/long-term)
- (3) BPS's Leadership in Encouraging Private Sector's Participation in Standardization Activities

It is important to promote the private sector's participation in both national and international standardization activities, as they are the ones who primarily enjoy the benefits of standardization. The private sector in the Philippines, however, does not recognize the benefits of participating in standardization activities, largely due to a lack of information and other technical and financial constraints. BPS and relevant agencies are recommended to create a mechanism to promote private sector participation in standardization activities and to try to reflect their views and technological know-how in standardization activities.

As a first step, representatives from private sector are recommended to be appointed as members of the national coordinating committee on the TBT Agreement, and BPS is to provide appropriate information on TBT issues to them. This could contribute to help the private sector realize that benefits of participating in standards and conformance policy and standardization activities, as well as the disadvantages of ignoring these policies and activities.

Second, BPS and other relevant agencies are recommended to encourage

industrial associations to establish expert groups to discuss standards and conformity issues and the impact of these businesses, and also to participate actively in national and international standardizing activities. For this purpose, a support mechanism for private sector activities should be considered. In addition, considering the movements to foster MRAs among ASEAN countries, and between other bilateral partners, inviting comments on MRAs from private sectors could also contribute to increasing private sector's awareness of the importance of standards and conformance issues.

Actions to be taken for this recommendation are as follows:

- 1) Identifying and listing the persons (executive/managing class) from private companies and industrial associations who might have an interest in participating/observing the Coordinating Committee (short-term)
- 2) Inviting them to the Committee's meeting regularly, providing appropriate information on TBT issues to them, and asking/exchanging views on this matter (middle/long-term)
- 3) Establishing a support mechanism for private sector to appreciate the benefits of standards and to participate in domestic/international standardization activities (middle/long-term)
- 4) Encouraging industrial associations to establish expert group to discuss about desirable standards and conformity assessment system for their industries (middle/long-term)

1.6 Formulation of Action Plan <Component 6>

1.6.1 Essential Elements for Action Plan

With regard to the over-all Action Plan approached in the activities of the Component 6, as agreed at the inception meeting, it is presented in the nature of suggestions and checkpoints as follows. These checkpoints are to serve and be referred to as the basis (essential elements) for formulation of a detailed Action Plan by the Philippine authorities in the foreseeable future.

The following are the condensed highlights recognized from the monitoring of individual component activities that should be referred as to the key issues to be included in the Checklist of the Action Plan for further Capacity Building activities: i) preservation of consistency in objectives of activities, ii) consideration of appropriateness of scale of activities, iii) due formulation and operation of collaborative scheme among related entities (among governmental agencies, between private and public sectors, between central and regional governments), iv) introduction of PDCA Cycle for sustainable Capacity Building activities. The further effort and consideration has to be taken on each of above points in terms of the aspect related to a) human resource development, b) strengthening institutional orientation, and c) efficiency in information sharing.

It shall be noted that the detailed recommendation is already available in the last section of each component report, having taken into consideration specific characteristics of each area covered. Thus, the focus in this chapter shall concentrate on the fundamental elements that can contribute to the further and self-sustained Capacity Building activities by the Government of the Philippines. The elements have been generalized so as to be applicable to overall situation of the Government, and shall be projected in the narrative form of a checklist, as agreed in the Work Plan.

(1) Preservation of Consistency in Objectives of Activities

It is the very essential element to preserve the consistency in objectives of Capacity Building activities in order to make them as efficient and effective as possible.

Taking the case of the WS program in this Program as an example, the first

phase of human resource development (HRD) is provision of Workshops (WS) to increase the level of understanding of participants. The second phase of HRD is dissemination of information by the participants to their work places. These two phases are usually recognized; however, there must be the third and fourth phases, which are more important to sustain this undertaking. The third phase is the stage of designing and introducing a scheme to maintain this skill sharing process. This phase is not only an HRD stage but also a stage for institutional strengthening. The fourth phase is to assist this institutional orientation in terms of efficiency and continuity for further activity. This fourth stage is the stage for information sharing and sustainable program designing. It is important that this series of phases be taken into account when the whole activity is designed. And the time frame shall be well considered accordingly.

The Four Phases of Capacity Building Activities in Preserving Consistency

Phase 1: provision of WS to increase the understanding of participants (HRD)

Phase 2: dissemination of information by the participants to their work places (HRD)

Phase 3: designing and introduction of scheme to maintain this skill sharing process (HRD, Institutional Strengthening)

Phase 4: assist this institutional orientation in terms of efficiency and continuity for further activities (Information Sharing, Further Sustainable Program Designing)

In order to realize those activities, resource constraint is always a bottleneck in activating the idea. In this respect, support by international organizations and/or bilateral assistance is still a useful resource for the Philippines. Given a clear idea for Capacity Building, it is also vital for the recipient side (the Government of the Philippines) to consider and design how each assisting program relate each other preserving the consistency with over-all principle to achieve one goal, with the conduct of a series of activities in one project. For example, provided that the Capacity Building program for GATS is considered and following series of tasks is identified to be included, each task can be supported by a different donor if consistency is well designed.

Example of Tasks

Task 1: basic understanding of the Agreement

Task 2: detailed understanding of the schedule of commitment

Task 3: strengthening the procedural technique to prepare request/offer for strategic

negotiation

(2) Consideration of Appropriateness of Scale of Activities

It is vital to have clear vision on the objectives to be achieved throughout the Capacity Building activities. It should be done at the initial stage of designing. To balance the ideal objectives and reality, it is also essential to foresee feasible objectives in terms of availability of resources; that is to say, consider the resources of people, goods, capital and information.

Especially in case of ODA related assisting project, this consideration shall be reviewed with special attention. As for ODA related projects, there is a tendency to be a little ambitious compared with the realistic capacity to maintain the benefits of the project after the end of the project with existing resources. This is due to a natural desire to maximize the opportunity. However, in reality, it is only actually during the project that a recipient country can receive extended resources from assisting organizations. Cases like this could end up as offering mere ad-hoc base assistance without involving self-supporting functions and leave less benefit than expected after all. The existing resources, and perhaps realistically expected resources in the near future, shall be considered at the initial stage of activity design. And this should be well compared with the ideal objectives of the project.

Taking the cases of workshops and seminar provided this time as an example, it can be said that they surely provided good opportunities for the participants. If they had been designed as a one-shot opportunity for human resource development, the main objective would have been to invite as many participants as possible. However, provided that the essential objectives of the Capacity Building activities are to pursue the continuous and sustainable strengthening of the fundamental functions, it is vital to consider how the participants of the workshop/seminar can organize follow-up opportunities by themselves, and how they can continuously provide further capacity building activities even without any assistance from outside donors. In this respect, the program design and motivation of participants should be counted more significant than the number of participants on the workshops/seminars. In the case of workshop design, for example for TBT, SG and GATS, by limiting the number of participants we could ensure, through concentrated sessions, that the participants would become core personnel to take the lead for further activities in their departments.

(3) Formulation and Operation of Collaborative Scheme Among Related Entities

(a) Among Governmental Agencies

In the Government of the Philippines, there are certain collaborative schemes among governmental agencies already in operation, such as the inter-ministry level taskforce with regard to WTO negotiation on Trade in Services (Inter-Agency Committee), or on TBT Agreement (National Coordinating Committee). These schemes should be utilized as useful platforms and/or gateways for further effective Capacity Building activities.

For example, it may be one of the imaginary programs that the collaborative scheme shall meet regularly and implement human resource development programs. The scheme members should bring the results back to their own ministry to disseminate common knowledge there. They should take program initiative in each respective department and evaluate activities for reporting and reviewing purposes in the collaborative scheme. In this way, the collaborative scheme will efficiently have not only a coordinating function but also take initiative in Capacity Building activities.

(b) Between Private and Public Sectors

In addition to the scheme above, it is also important to have collaboration between private and public sectors. Each respective ministry or agency has already developed networks with private sectors, mostly with industries falling under the direct authority of each ministry or agency. However, there is growing necessity to ensure networking between the inter-governmental and inter-private-sectoral scheme. In this case, further attention and guidance should be considered as to how the government side can assist in coordinating inter-private-sectoral activities. Certain programs could be considered to develop key organizing entities in respective private sector industries to generate private initiative for coordination among them.

(c) Between Central and Regional Governments

Besides the two collaborative schemes above, certain collaboration and/or efficient communication between central and regional governments is important. Considering the current trends decentralization, apart from the increase of control from

the central government, it is more and more important to share common perception and knowledge between central and regional governments, especially in issues related to international negotiations, such as the WTO.

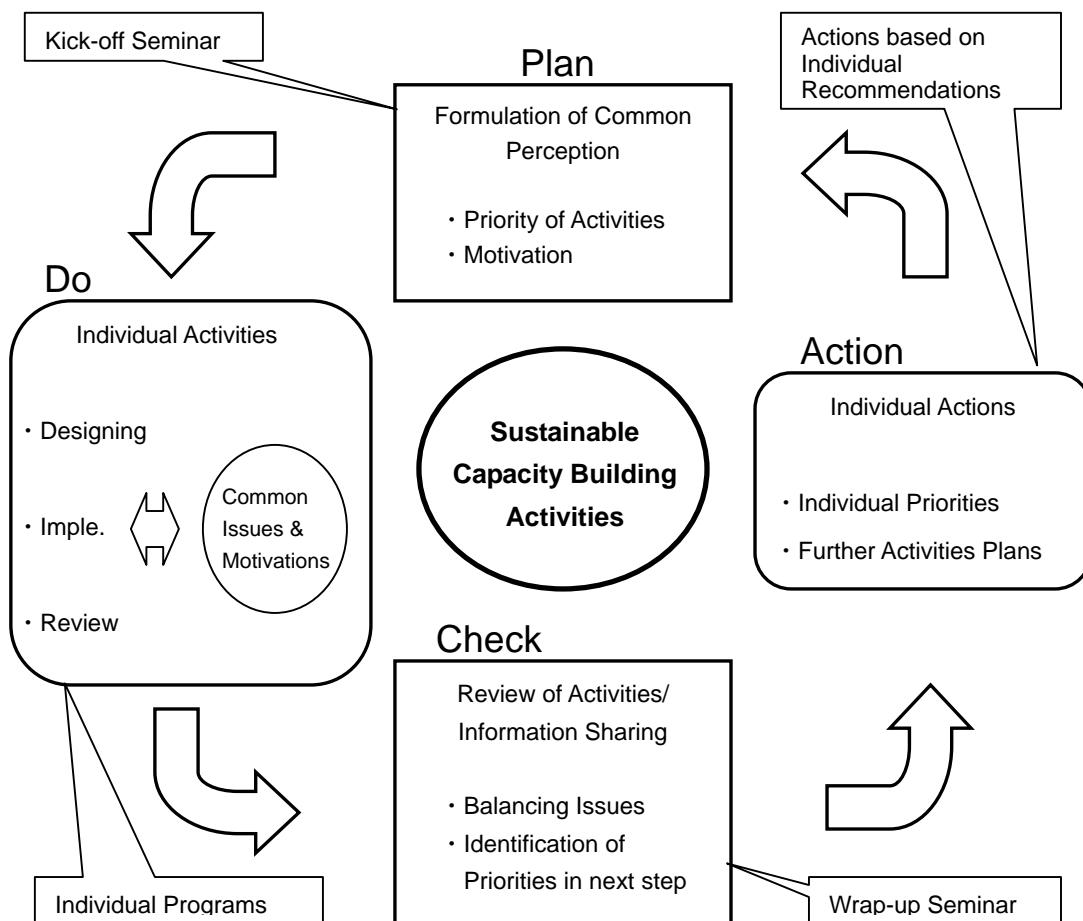
Workshop/seminar type assistance at the central government level is always good for the human resource development to the regional governments. However, as mentioned in the previous section, to avoid this activity could result in an ad-hoc result and affect only a limited part of resources, so further consideration should be taken. For example, possible means of collaboration are as follows: designing continuous program at the central government side on Capacity Building to bridge the central and regional governments, effective use of the Internet to share the common understanding and/or procedural issues, and some exchange programs to substantiate internet communication.

(4) Introduction of PDCA Cycle for Sustainable Capacity Building Activities

It is important for the Capacity Building activities to adopt appropriate process to support continuity and self-sustenance while providing solutions to the issues and advancing itself. The PDCA Cycle Process is known as the process of same kind. It is the upward spiral of a four step cycle: i) planning/initial stage (Plan), ii) activity conducting stage (Do), evaluation/modification stage (Check), and implementation stage (Action). At the last stage, after implementation, identification of issues to be covered in the further action is considered. It is generally recognized that this way of thinking or consideration can be effectively adopted in the ordinary work. However, it is important that the process be adopted as a methodological procedure and/or system.

For example, the PDCA Cycle Process can apply to the over-all assistance Program as follows. 1) the Kick-off Seminar can be recognized as the step of formulation of common perception on issues of priority and motivations that could serve as the starting point of activities planning and designing (Plan) , 2) individual component activities can be the step to implement these plans (Do) , 3) the Wrap-up Seminar can be the step for identification of prior issues to be dealt with for the further actions reflecting on the reviews of balancing the capacity and the level of information sharing as a whole (Check) . The implementation of the “Plan” based on the recommendations in individual components could serve as the last step(Action)and this step would lead to a restart of the cycle.

Figure -1-6-1 Conceptual PDCA Cycle Process Applied to the Over-all Program



The three check points indicated in the previous section are mainly the points to be considered at the planning/initial stage. The checkpoints in further stages should be rather detailed and specific to the issues, thus, reference can be made in the last section of each component reporting as a part of recommendations.

1.6.2 Overview of the Action Plan

Although the recommendations and action plans for each component have been indicated individually in the previous chapters, they can be combined as a whole action plan into one chart as in the following chart. This chart shall be recognized as the Government's C/B Action Step in PDCA cycle shown in the previous section (4). The

coverage of actions at this time is subject to the scope of the Program, thus, it does not form a comprehensive Action Plan of the Government; however, it can provide certain basic idea and/or model for the future over-all Action Plan. It is important to make the cycle round in each individual area (component). However, it is also beneficial to integrate individual actions of cycle into one at large movement in terms of enhancement for synergistic effect of the actions and the governmental motivation as a whole. For the further undertaking in the administrative authority, these should be an attempt to substantiate and promote the Action Plan by including other areas that have not covered in this Program.

2. Action Plan

2.1 Information Sharing System <Component 1>

Figure -2-1-1 Action Plan for Component 1 (Information Sharing System)

Recommendation Item	Action	Implementation Schedule
(1) Pilot System Maintenance and Management	1) Continuous review on utilization and provision of periodical brief training/brush-up opportunities among users	short-term
	2) Set up a supervising team for system utilization/operation (certain rules/mechanisms on management of uploading new documents)	short /mid-term
	3) Prepare the systematic structure to provide resolving/improving measures to the difficulties raised from actual operation and experiences	short /mid-term
	4) Promote system use from top to bottom	as needed
(2) Pilot System expansion	1) Create common platform of discussion among DTI for system expansion	short /mid-term
	2) Create common platform for discussion among DTI and other related governmental agencies	mid/long-term

2.2 Agriculture and SPS <Component 2>

Figure -2-2-1 Action Plan for Component 2 (Agriculture and SPS)

Recommendation Item	Action	Implementation Schedule
(1) Appropriate institutional buildings	1) Consolidate inter-regional setting in order to strengthen the quarantine / food safety administration both central and regional governments	short/mid-term
	2) Streamline the relevant organizations after analyzing the overlapping mandate	short/mid-term
	3) Enhance the control over the smuggling of the agricultural products	short/mid-term
	4) Plan the investment for building laboratories in strategic locations across the country and upgrading equipments in order to minimize risk for products	mid/long-term
(2) Upgrading the technical skill through enhancing the human resource development	1) Conduct various training/seminars for the stakeholders: government officials, private sectors and farmer's organizations especially in the regions by the trained resource persons in the central government. The materials obtained by the donors and international agencies need to be utilized at the maximum.	short-term
	2) Strengthen the knowledge of the Risk Analysis through establishing a training mechanism	short-term
(3) Strengthening the information sharing system	1) Strengthen the knowledge sharing mechanism to comply with international standards. Plan the E-link among the Department of Agriculture, the Bureau of Food and Drugs under the Department of Health and the Bureau of Customs including those in the regions for effective quarantine inspection and food control information system	short-term
	2) Upgrade the current DA SPS Information Web Portal to increase transparency and to effectively disseminate information	mid/long-term

2.3 GATS <Component 3>

Figure -2-3-1 Action Plan for Component 3 (GATS)

Recommendation Item	Action	Implementation Schedule
(1) Further strengthening the capacity of Inter-Agency Committee on Trade in Services (IAC-TS)	1) Strengthening the capacity to assess the implication of liberalizing a particular service sector; to gauge whether one would be in a winning situation or disadvantaged position during the course of negotiating; and to evaluate the benefits and costs or impact of services trade	mid/long-term
	2) Knowledge enhancement of technical staffs to be equipped with analytical tools and techniques to deal with negotiations	mid/long-term
	3) Enhancing the capacity of the NEDA Secretariat to perform economic/technical analysis, and undertake studies on the services sectors and installation of an efficient database on all Philippine service sectors (should also be able to service the data needs of the IAC-TS member agencies as well as the other stakeholders)	mid/long-term
	4) Access to WTO-related information and information on domestic laws is critical for allowing the IAC-TS perform its tasks (e.g. extension of the DTI's information sharing system developed under Component I to the NEDA Secretariat and other IAC-TS member agencies)	mid/long-term
	5) IAC-TS member-agencies should be capacitated on efficient and effective ways of holding consultations with their constituents on the liberalization of their respective sectors, and on establishing strong relationships with other government agencies, the private sector, academe and non-government organizations	mid/long-term
(2) Establishing a service network	Explore the possibility of establishing a services network for purposes of: (i) promoting discussions/dialogues/exchange of views on services liberalization; (ii) monitoring and gaining access to the most recent information on services negotiations; (iii) strengthening coordination and networking between and among government agencies and the private/business sector; and (iv) providing inputs to the government with regard to barriers faced by service suppliers in foreign service markets, among others.	mid/long-term
(3) Trainers' training	The conduct of trainers' trainings for sustain capacity building activities to train a pool of experts on the GATS who will not only train other people but will also be able to study WTO-related issues and advise the country's negotiators on possible positions to take on these issues.	mid-term
(4) Extension of capacity building activities	The extension of GATS-related capacity building activities to other services sectors including those considered as "new" and "emerging" (e.g., education, health, communication, professional services) The trainings should also be opened to relevant government agencies and private stakeholders located in areas outside Metro Manila.	mid/long term
(5) Studies on services	The conduct of studies that would be useful to the work of the IAC-TS, aiming at evolving strategies to further develop and make the services sectors internationally competitive, at assessing the benefits and costs of liberalizing a particular sector, and at recommending policy reforms on the liberalization of service sectors, among others, would be of assistance to the committee	short-long term

2.4 SG/AD <Component 4>

Figure -2-4-1 Action Plan for Component 4 (SG/AD)

Recommendation Item	Action	Implementation Schedule
(1) Further implementation of seminars and training courses	1) Identifying and listing the members who need seminars/training courses	short-term
	2) Development of the seminar/training course schedule	short/mid-term
	3) Maintenance and revision of the texts	mid/long-term
(2) Establishment and operation of the technical working group	1) Strengthening the framework and clarifying of the mission of the technical working group	short-term
	2) Considering how to utilize and enhance the information sharing system	short/mid-term
	3) Monitoring and evaluation of proposed institutional/procedural revision	middle/long-term
(3) Promotion of the public-private cooperation through the permanent framework	1) Examination of the Fair Trade Center in Japan	short-term
	2) Collecting opinions from private sector, etc.	short/mid-term
	3) Setting-up a joint study team with private sector	mid-term
	4) Accumulating knowledge and information by networking	mid/long-term
	5) Establishment and operation of the Fair Trade Center in the Philippines	mid/long-term
(4) Improvement of access to accurate and recent data	1) Review of the current data/information collecting and sharing system and identification of the bottleneck	short/mid-term
	2) Improvement of the bottleneck (mid/long-term).	mid/long-term
	3) Promotion of data/information sharing with private sector	long-term

2.5 TBT <Component 5>

Figure -2-5-1 Action Plan for Component 5 (TBT)

Recommendation Item	Action	Implementation Schedule
(1) Strengthening of National Coordinating Committee on TBT Agreement	1) Identifying and listing the issues needed to be discussed in the National Coordinating Committee	short-term
	2) Defining mission, strategy, annual goal of the Committee, and setting frequency of Committee's meeting	short-term
	3) Identifying and listing the candidates from both public and private sectors for members of the Committee, and appointing them as members	short-term
	4) Appointing a BPS official as a person responsible for Committee's secretariat work	short-term
	5) Holding the meetings periodically	mid/long-term
	6) Drafting a procedural guideline/manual for handling TBT notifications and enquiries, and providing it to the relevant agencies	long-term
(2) Implementation of Knowledge Transfer Activities within the Government	1) Identifying and listing the government officials who are actually and potentially involved with the TBT agreement, and who should participate in the additional knowledge transfer activities	short-term
	2) Disseminating the TBT handbook to agencies/officials involved	short/mid-term
	3) Holding workshops/seminars for the officials identified	mid/long-term
(3) BPS's Leadership in Encouraging Private Sector's Participation in Standardization Activities	1) Identifying and listing the persons (executive/managing class) from private companies and industrial associations who might have interests in participating/observing the Coordinating Committee	short-term
	2) Inviting them to the Committee's meeting regularly, providing appropriate information on TBT issues to them, and asking/exchanging views on this matter	mid/long-term
	3) Establishing a support mechanism for private sector to appreciate the benefits of standards and to participate in domestic/international standardization activities	mid/long-term
	4) Encouraging industrial associations to establish expert group to discuss about desirable standards and conformity assessment system for their industries	mid/long term