



Republic of the Philippines
Department of Environment and Natural Resources
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MEMORANDUM

FOR : **The Directors**
Environmental Management Bureau
Biodiversity Management Bureau
Forest Management Bureau
Mines and Geosciences Bureau

FROM : **The OIC Director**
Policy and Planning Service

SUBJECT : **ASEAN SME POLICY INDEX 2024**

DATE : **22 MAR 2023**

This has reference to the letter from the Philippines Institute for Development Studies (PIDS) requesting the Department's inputs on the ASEAN SME Policy Index 2024 (ASPI2024).

The Economic Research Institute for ASEAN and East Asia (ERIA), the Department of Trade and Industry's Bureau of Small and Medium Enterprise Development (DTI-BSMED), and the PIDS team, led by Dr. Francis Mark Quimba, is currently carrying out a research project titled, "ASEAN SME Policy Index (ASPI) 2024", which aims to examine recent developments and new trends impacting the small and medium enterprise (SME) policy landscape in ASEAN Member States and thus, guide policymakers in creating new policies/reforms that would help improve the overall policy environment governing the SMEs.

ASPI 2024 is the third edition of the ASPI, it is expected to integrate the feedback from the last 2018 publication and respond to the effects of the COVID-19 pandemic. It is also expected that the outcomes of the ASPI 2024 would be referred to as inputs for the development of the ASEAN Economic Community (AEC) Blueprint post-2025. For reference, ASPI 2018 may be downloaded through this link: <https://tinyurl.com/ASPI2018>.

In this regard, we would like to request your inputs on the enclosed ASPI 2024 questionnaire, particularly on **Sub-dimension 2.1: Environmental Policies Targeting SMEs** and **Sub-dimension 4.4: Quality Standards**.

We would appreciate receiving an advance copy of your responses **on or before 23 March 2023**, sent to psddivision@gmail.com and/or policy@denr.gov.ph, to facilitate immediate consolidation and subsequent submission to the PIDS.

For your information and appropriate action, please.


CHERYL LOISE T. LEAL



9 February 2023

MS. MARIA ANTONIA YULO-LOYZAGA

Secretary
 Department of Environment and Natural Resources

Dear **Secretary Yulo-Loyzaga**,

Greetings!

The Philippine Institute for Development Studies (PIDS), an attached agency to the National Economic and Development Authority (NEDA), is a government-owned think tank engaged in policy-oriented research. Together with the Economic Research Institute for ASEAN and East Asia (ERIA) and the Department of Trade and Industry's Bureau of Small and Medium Enterprise Development (DTI-BSMED), the PIDS team, led by Dr. Francis Mark Quimba, is currently carrying out a research project titled, "*ASEAN SME Policy Index (ASPI) 2024*", which aims to examine recent developments and new trends impacting the small and medium enterprise (SME) policy landscape in ASEAN Member States and thus, guide policymakers in creating new policies/reforms that would help improve the overall policy environment governing the SMEs.

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Recognizing the important role of the Department of Environment and Natural Resources in promoting and supporting the development of SMEs in the country, we would like to request your assistance in accomplishing the attached questionnaire, particularly **subdimensions 1.2 and 4.4**. The project utilizes a survey questionnaire that covers eight (8) dimensions:


1. Productivity, technology and innovation	5. Institutional framework
2. Environmental policies and SMEs	6. Legislation, regulation and tax
3. Access to finance	7. Entrepreneurial education and skills
4. Access to market and internationalization	8. Social enterprises and inclusive SMEs

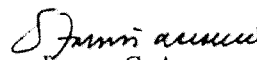
We hope to receive your response on or before **February 28, 2023**. You may also review and respond to the other dimensions that you find applicable to your institution. PIDS may also conduct key informant interviews (KII) with your office as may be necessary.

Your participation will be a vital part of the government's efforts to gauge the quality of policies affecting the SMEs in the country. For any concerns, please get in touch with us through Ms. Abigail Andrada at 8877-4069 loc 4069 or email aandrada@pids.gov.ph. We look forward to your positive response.

Thank you very much for your kind cooperation.

Sincerely,


 Ancieto C. Orbeta, Jr.
 President
 PIDS


 Emma C. Asusano
 OIC-Director
 DTI-BSMED

2. Environmental Policies and SMEs

2. Environmental Policies and SMEs

2.1 Environmental Policies Targeting SMEs

- Inclusion in SME strategies
- Responsible government body
- Private sector consultation
- Budget mobilisation
- Sector-specific policies targeting SMEs
- Operationalisation of government body
- Effective co-ordination with stakeholders

*P&I

*Imp

*M&E – Monitoring and Evaluation

2.2 Incentives and Instruments for greening SMEs' operations

- Regulatory incentives
- Financial incentives
- Private sector consultation
- Evidence of SME benefits from incentives
- Sectoral approaches in environmental permitting and compliance
- Environmental management systems
- Guidance on SME environmental compliance
- Green Financial instruments and capacity building support
- Awareness raising among MSMEs

*Imp – Implementation

*M&E – Monitoring and Evaluation

Sub-dimension 2.1: ENVIRONMENTAL POLICIES TARGETING SMEs¹⁰

THEMATIC BLOCK 1: PLANNING & DESIGN		Answers	Evidence / Links	Country Comments
2.1.t1q1	Are environmental policies for SMEs included in any of the government strategies (e.g. SME strategy or environmental strategy)?			
	Are the strategy elements regarding environmental policies for SMEs associated with:			
2.1.t1q1.1	an action plan			
2.1.t1q1.2	measurable targets			
2.1.t1q1.3	Timeframe			
2.1.t1q1.4	expected impact			
	Does the strategy promote the following:			
2.1.t1q1.5	Eco-efficient products and eco-innovation			
2.1.t1q1.6	More efficient/less material intensive production processes			

¹⁰ *Environmental policies for SMEs* could for instance be the promotion of eco-efficient processes and products, and also activities geared towards promoting eco-innovation.

	Green quality standards with regards to the global supply chains			
	Circular economy: more broadly, such as, creation of innovative, circular economy-related business models (If so, please specify)			
2.1.t1q2	Is there a government body responsible for providing environmental advice and guidance for SMEs?			
	Yes, it exists			
	No, but there is a plan to create it			
	No, it doesn't exist and there is no plan to create it			
2.1.t1q3	Was the private sector consulted in developing environmental policies for SMEs?			
	An informal consultation process took place			
	A formal consultation process took place			
	Both formal and informal consultations took place			
	The private sector was not consulted			
2.1.t1q4	Is there a network of public and private actors to help the SMEs improve their environmental performance through capacity building workshops?			
	Yes, it exists			

	No, but there is a plan to create it			
	No, it doesn't exist and there is no plan to create it			

THEMATIC BLOCK 2: IMPLEMENTATION		Answers	Evidence / Links	Country Comments
2.1.t2q1	Has a budget been mobilised for the action plan?			
	From government budget only			
	With some donor support			
	Mainly with donor contributions			
	Funds are balanced between government and donor			
	Budget has not been mobilised			
2.1.t2q2	Are there sector-specific environmental policies targeting SMEs in operation?			
2.1.t2q3	Is the government body responsible for providing environmental guidance for SMEs fully operational?			
	Fully operational and well-staffed/funded			
	Staffed and funded but not yet operational			
	Limited staff and funds			

2.1.t2q4	Is the government co-ordinating with business associations and local councils for the delivery of environmental guidance to SMEs?			
	There is informal co-ordination			
	There is formal co-ordination			
	There is both formal and informal co-ordination			
	There is no co-ordination			
2.1.t2q5	Which green/environmental policies/measures/strategic documents that are specifically targeting the greening of SMEs have been implemented in the last 4 years? (Please share the relevant, most recent report or information about the implementation status)			

THEMATIC BLOCK 3: MONITORING AND EVALUATION		Answers	Evidence / Links	Country Comments
2.1.t3q1	Are environmental policies targeted toward SMEs being regularly monitored?			
2.1.t3q2	Have environmental policies targeted toward SMEs been independently reviewed?			
2.1.t3q3	Are there reports on performance?			

Sub-dimension 4.4: QUALITY STANDARDS

THEMATIC BLOCK 1: PLANNING & DESIGN			Answers	Evidence / Links	Country Comments
4.4.t1q1	Are there government programmes to help SMEs meet international quality and technical standards ⁴⁶ ?				
4.4.t1q1.1	If yes,	Has the private sector been consulted in developing the programmes?			

THEMATIC BLOCK 2: IMPLEMENTATION			Answers	Evidence / Links	Country Comments
4.4.t2q1	If there is a government-coordinated quality standard programme targeting SMEs, is it operational?				
4.4.t2q2	Has a budget been mobilised for the quality standard programmes?				
		From government budget only			
		With some donor support			
		Mainly with donor contributions			
		Funds are balanced between government and donor			
		Budget has not been mobilised			
4.4.t2q3	If there is a quality standard agency (or equivalent), is it operational?				

⁴⁶ **Standards** - set of characteristics of a product — such as its size, shape, design, functions and performance, the compliance with which is voluntary.

	Fully operational and well-staffed/funded			
	Staffed and funded but not yet operational			
	Limited staff and funds			
4.4.t2q4	Is service quality certification covered in the country?			

THEMATIC BLOCK 3: MONITORING AND EVALUATION		Answers	Evidence / Links	Country Comments
4.4.t3q1	Is there a monitoring mechanism in place for the quality standard programmes?			
4.4.t3q2	Is there a monitoring mechanism in place for the provision of financial support for quality standard improvement?			
4.4.t3q3	Is there a monitoring mechanism in place for the quality standard agency or equivalent?			

Sub-dimension 4.4: QUALITY STANDARDS (OPEN QUESTIONS)		Answers	Evidence / Links	Country Comments
4.4.oq1	Is the programme to help SMEs meet international quality and technical standards linked to the broader SME strategy document?			
4.4.oq2	Is there a dedicated entity responsible for the implementation of the programme?			
4.4.oq3	Does the government inform SMEs about the programmes and policy initiatives meeting international quality standards?			

4.4.oq4	Is there a system to certify technical and management standard in the country?			
4.4.oq5	What activities does the programme carry out to improve quality standards of SMEs?			
4.4.oq6	Does the government raise awareness of SMEs on the importance of maintaining international quality standards?			
4.4.oq7	How is the promotion of quality standards done for improving 1) product and 2) service quality standards?			
4.4.oq8	What are the types of facilities for quality standards certification?			
4.4.oq9	If the quality standard complies with the international standard, please describe the documents/references/explanation of the compliance with international standards.			
4.4.oq10	Please describe the measures to facilitate SMEs access to certify their products.			
4.4.oq11	<i>How many SMEs benefited from the programme?</i>			
4.4.oq12	<i>How much is the budget for the programme?</i>			
4.4.oq13	<i>How much is the budget for the quality standard agency?</i>			

		Answer
4.4.info	Please provide any additional information which you think is important and might help us evaluate your country better.	

4.4score

Please provide a self-assessed level from 1 to 6 for sub-dimension: 4.4 Quality Standards (1 is none to very little has been done and 6 is an example of a good international practice)