Republic of the Philippines
OFFICE OF THE SECRETARY
Elliptical Road, Diliman
1100 Quezon City

ADMINISTRATIVE CIRCULAR
No. 08
Series of 2022

SUBJECT: **REQUIRING THE CONDUCT OF REGULATORY IMPACT ASSESSMENT (RIA) IN THE MODIFICATION, REPEAL, OR FORMULATION OF EXISTING OR NEW REGULATIONS IN THE DEPARTMENT OF AGRICULTURE**

WHEREAS, Section 16 of the Food Safety Act of 2013, and its Implementing Rules and Regulations (IRR), designated the Food Safety Regulatory Agencies (FSRAs) of the Department of Agriculture (DA) to amend, develop, adopt, and/or enforce food safety standards and regulations for foods in the primary production and postharvest stages of the food supply chain.

WHEREAS, there are agencies in the DA, including several FSRAs, which formulate and enforce standards and regulations to protect the health of the local plant, fish, and animal populations, as mandated by their respective Charters.

WHEREAS, in addition to FSRAs, the DA has regulatory agencies supported by respective legislations such as Bureau of Soils and Water Management (BSWM) created via Republic Act 622 of 1951 as Bureau of Soil Conservation and renamed through Executive Order 366 in 1987 mandated to formulate measures and guidelines for the effective utilization of soil and water resources; Bureau of Agriculture and Fisheries Standards (BAFS) with regulatory functions on Organic Agriculture via Organic Act of 2010 or Republic Act 10068 of 2010 and Republic Act 11511 of 2020; Philippine Fiber Industry Development Authority (PhilFIDA) mandated to implement fiber-related standards and trade regulation rationalized through Executive Order 366 of 2004 combining the Fiber Industry Development Authority and Cotton Development Authority; National Irrigation Authority (NIA) responsible for irrigation development and management created through Republic Act 3601 of 1963; and National Tobacco Administration (NTA) tasked to oversee and regulate the growth and development of the tobacco industry created through Executive Order 245 of 1987.

WHEREAS, Section 5 of RA No. 11032, otherwise known as the 'Ease of Doing Business Act of 2018', and its IRR directed all government agencies under Section 3 of the same Act to conduct regulatory impact assessments to determine if the modified or proposed regulations they respectively plan to impose are in the best interest of and do not add undue regulatory burden and cost to the public.

WHEREAS, the RAPLAN or the rationalization plan of the DA in 2013 based on Executive Order 292 in 1987 attached the Office of Regulations to the Office of the Undersecretary for Policy, Planning, R&D, and Regulations.

WHEREAS, the same RAPLAN assigned the Undersecretary for Policy, Planning, R&D, and Regulations to supervise the Assistant Secretary for Regulation, who is in charge of the development and enforcement of product standards and food safety rules consistent with internationally accepted standards as provided by Executive Order 388 in 2001.

WHEREAS, Section 17 of the Food Safety Act of 2013 assigned the oversight to the Office of the Undersecretary for Policy, Planning, R&D, and Regulations. NOW, THEREFORE, and in view of the mandate of the DA and its bureaus and attached agencies under existing laws, this Circular is issued to observe and ensure that all DA bureaus and/or attached agencies with regulatory powers, including but not limited to DA FSRAs conduct Preliminary Impact Assessment and/or Regulatory Impact Assessment in the modification, repeal, and/or formulation of existing or new regulations.

ARTICLE I
Acronyms

ANRES-NEDA	– Agriculture, Natural Resources, and Environment Staff – National Economic and Development Authority
ARTA	– Anti-Red Tape Authority
ATI	– Agriculture Training Institute
BAFS	– Bureau of Agriculture and Fisheries Standards
BAI	– Bureau of Animal Industry
BAFE	– Bureau of Agricultural and Fisheries Engineering
BFAR	– Bureau of Fisheries and Aquatic Resources
BPI	– Bureau of Plant Industry
BSWM	– Bureau of Soils and Water Management
CBA	– Cost-Benefit Analysis
CRAO	– Climate Resilient Agriculture Office
DA	– Department of Agriculture
DENR	– Department of Environment and Natural Resources
DLLO	– Department of Legislative Liaison Office
DTI	– Department of Trade and Industry
FAFPD-PRS	– Food, Agriculture, and Fisheries Policy Division - Policy Research Service
PhilFIDA	– Philippine Fiber Industry Development Authority
FPA	– Fertilizer and Pesticide Authority
FSRA	– Food Safety Regulatory Agencies
ICTS	– Information and Communications Technology Service
JMC	– Joint Memorandum Circular
MCDA	– Multi-Criteria Decision Analysis
MEPD-PRS	– Macro-Economic Policy Division – Policy Research Service
M&E	– Monitoring and Evaluation
NDA	– National Dairy Authority
NFA	– National Food Authority
NIA	– National Irrigation Authority
NTA	– National Tobacco Authority
NMIS	– National Meat Inspection Service
OASR	– Office of the Assistant Secretary for Regulation
OUPPRD	– Office of the Undersecretary for Policy, Planning, Regulations, and DLLO
PCA	– Philippine Coconut Authority
PHCC	– Philippine Competition Commission
PIA	– Preliminary Impact Assessment
PIS	– Preliminary Impact Statement
PRS	– Policy Research Service
RA	– Republic Act
RIA	– Regulation Impact Assessment
RNF	– Regulation Notification Form
RIS	– Regulation Impact Statement
SCM	– Standard Cost Model
SO	– Special Order
SPS	– Sanitary and Phytosanitary
SRA	– Sugar Regulatory Administration
WTO	– World Trade Organization

ARTICLE II
General Provisions

Section 1. Objective. This circular intends to institutionalize the conduct of regulatory impact assessment (RIA) in the modification, repeal, and/or formulation of regulations by the bureaus and attached agencies under the Department of Agriculture. It sets the rules and procedures for conducting PIAs and/or RIAs to reduce the regulatory burden and economic cost of proposed regulations and ensure their greatest benefit to the public.

Section 2. Scope and coverage. This circular shall cover all proposed regulations of all DA regulatory agencies. DA regulatory agencies include but are not limited to the following DA agencies or units:

Bureau of Agricultural and Fisheries Engineering (BAFE);
Bureau of Animal Industry (BAI);
Bureau of Plant Industry (BPI);
Bureau of Fisheries and Aquatic Resources (BFAR);
Bureau of Soils and Water Management (BSWM);
Fertilizer and Pesticides Authority (FPA);
National Dairy Authority (NDA);
National Irrigation Authority (NIA);
National Meat Inspection Service (NMIS);
National Tobacco Authority (NTA);
Philippine Coconut Authority (PCA);
Philippine Fiber Industry Development Authority (PhilFIDA); and
Sugar Regulatory Administration (SRA).

Provided, that as stipulated in RA No. 11032, the following are not subject to the RIA process, as provided for in Section 6 of this circular:

a) Programs, projects, and activities of the government, including any grant, loan, technical assistance, or partnership with international multilateral or bilateral development partners;

b) Taxation measures that are intended purely for revenue-raising purposes;

c) Budget-related issuances, organization, staffing, position classification, and compensation-related policies and guidelines; and streamlining of functions of the government (i.e., re-organization); and

d) Exceptional circumstances such as national emergencies (such as natural disasters, pests, diseases, and epidemics) and unexpected environment, health, and security crises.

ARTICLE III
Definition of Terms

Section 3. Definition of terms. As used in the circular, the following terms and phrases shall mean as follows:

3.1. **Action –** refers to the written approval or disapproval made by a government office, agency, or committee on the application or request submitted by an applicant or requesting party for processing.

3.2. **Competition impact –** refers to the impact on the rivalry and behavior of firms, and entry and exit barriers to and from the industry.

3.3. **Department –** the Department of Agriculture.

3.4. **Economic impact -** includes effects on processes, wages, profits, employment, skills levels, production costs, prices, and productivity.

3.5. **Environmental impact -** the effect of socio-economic activities on various aspects of the environment, including but not limited to effects on pollution levels, biodiversity, soil erosion, habitat or species loss, natural resource depletion, and climate change.

3.6. **Food safety –** refers to the assurance that food will not cause harm to the consumer when it is prepared or eaten according to its intended use.

3.7. **Food Safety Regulatory Agencies (FSRAs)** – as provided by RA No. 10611, this includes the following agencies under the DA namely: (1) BAI, (2) NMIS, (3) BFAR, (4) BPI, (5) FPA, (6) PCA, (7) SRA, and (8) NDA.

3.8. **Preliminary Impact Assessment (PIA)** - acts as a tool to filter out lower-impact proposals. It is a process that the agencies need to first undertake whenever a new regulation or a change to an existing regulation is being considered. The PIA helps the Oversight Committee, as provided for under Section 6 of this Circular, and Anti Red Tape Authority (ARTA) to determine whether a Regulatory Impact Statement (RIS) will be required.

3.9. **Preliminary Impact Statement (PIS) –** a document that provides evidence of the key PIA steps taken during the development of the proposal. It summarizes the PIA results, including the benefits and costs, of the proposed regulation.

3.10. **Proponent -** respective heads of the DA regulatory agencies with a proposed regulation.

3.11. **Proportionality analysis** - the threshold used to determine if the proposed regulation has to be subjected to the RIA process. Proportionality analysis may be qualitative or quantitative.

3.12. **Regulations** - a diverse set of instruments by which governments set requirements on enterprises and citizens. Regulations include all laws, formal and informal orders, subordinate rules, administrative formalities, and rules issued by non-governmental or self-regulatory bodies to whom governments have delegated regulatory powers.

3.13. **Regulatory Impact Assessment (RIA)** – a systematic policy tool used to examine and measure the likely benefits, costs, and effects of new or existing regulations to assist governments to make their policies sounder and more efficient.

3.14. **Regulatory Impact Statement (RIS)** - a document that provides evidence of the key RIA steps taken during the development of the proposal, and includes an assessment of the costs and benefits of each option considered. It summarizes the RIA results of the proposed regulation.

3.15. **Secretary** – the Secretary of the Department of Agriculture.

3.16. **Social impact** - effects on public health and safety, access to social services, quality of life, and child protection.

ARTICLE IV
Conduct of Regulation Impact Assessment

Section 4. All regulatory agencies under the Department of Agriculture must conduct a regulatory impact assessment to support the formulation of proposed or modification of existing regulations following the procedures and guidelines set in this Circular before they issue said modified or repealed existing regulations, or new regulations.

ARTICLE V
Creation of the RIA Oversight Committee in the DA

Section 5. Secretariat and oversight. An Oversight Committee, henceforth referred to as 'Committee' in this Circular, shall be established and composed of the following members:

a) Undersecretary of the Policy, Planning, Regulations, and DLLO (OUPPRD) as Chairperson;
b) Assistant Secretary for Regulations (OASR) as the Vice-chairperson;
c) Assistant Secretary for the Policy Research Service (PRS);
d) Food, Agriculture, and Fisheries Policy Division - PRS (FAFPD-PRS);
e) Macro-Economic Policy Division-PRS (MEPD-PRS); and
f) BAFS.

The Office of the Assistant Secretary for Regulations shall provide secretariat services to the RIA Committee.

Moreover, the Committee may invite representatives from ARTA or other agencies to their meetings.

The Committee shall have the following general functions:

a) To raise the quality of proposed regulations issued by the Department;

b) To oversee the enforcement of this Circular by the various regulatory agencies of the Department, helping ensure that new or modified regulations meet the standards set on the content and form of the PIAs and/or RIAs;

c) To encourage the participation of stakeholders in the process of formulating or modifying regulations under the DA;

d) To coordinate with DA regulatory agencies on the monitoring and evaluation of the approved regulation for possible policy revision and refinement;

e) To act as the focal body in the Department for the conduct of PIA and/or RIA;

f) To assist the regulatory agencies to decide on possible queries on the exemption from RIA [see step 3, **Annex** A] or on the conduct of proportionality test [see step 7, **Annex A];**

g) To review and endorse for the consideration and approval of the Secretary the PIS or RIS, submitted by the head/s of proponent/s, and the final draft of the regulation [see steps 13 and 18 of **Annex A];** and

h) To conduct regular reviews of the circular for its possible improvement.

ARTICLE VI
Procedures in Conducting PIA and/or RIA

Section 6. General procedure for conducting PIA and/or RIA. All DA regulatory agencies shall follow the procedures below in conducting PIA and/or RIA before issuing or adopting any regulation/s. The process flow in conducting a PIA and/or a RIA is as follows (see **Annex A**):

6.1. **Step 1: Submission of Regulatory Notification Form (RNF).** The proponent/s shall submit the RNF to ARTA of every formulation, modification, or repeal of regulations with its corresponding rationale, objectives, expected impacts, and milestones utilizing the templates in **Annexes B and C.**

6.2. **Step 2: Prepare the draft of the proposed regulation/s and scan for RIA exemptions.** The proponent/s shall write the proposed regulation/s and scan the proposed regulation/s for RIA exemptions utilizing the RIA exemption form/template in **Annex D.**

6.3. **Step 3: Submit the draft regulation and RIA exemption form to the Committee.** The proponent/s shall submit the draft regulation/s and the RIA exemption form approved by the head/s of the proponent/s to the Committee. **Annex E** shall be utilized as the template for the RIA exemption memorandum to the Committee.

6.4. **Step 4: Committee reviews the RIA exemption form and proposed regulation.** The Committee shall assess the proposed regulation and the RIA exemption form. It shall decide whether the proposed regulation falls under any of the RIA exemptions. Subsequently, the Committee shall inform the proponent of the following results of the RIA exemption assessment of the proposed regulation using **Annex F**:

a) If approved: (i) Committee endorses the proposed regulation to DA's Legal Service for legal review. (ii) Subsequently, once the DA's Legal Service clears the revised regulation, the Committee submits the approved final draft of the regulation to the Secretary of DA for signature (see **Annex G** for the template of the memorandum to the Secretary); (iii) once signed by the Secretary, proponent/s proceed/s with the issuance of the regulation [steps 17 and 18 in **Annex A**]; or

b) If not approved, subject the proposed regulation to PIA [proceed to step 5].

6.5. **Step 5: Conduct PIA and revise the draft of the proposed regulation/s.** The proponent/s shall conduct PIA following these procedures:

a) *Define the problem.* The proponent/s shall identify and define policy problems to address a new policy target or object. The problem shall be identified in brief and the following shall be determined: (i) significance and drivers, (ii) stakeholders affected, and (iii) risks or outcomes likely to result if no action is taken.

b) *Define the policy objectives.* The proponent/s shall define the objectives for the government's action on a policy problem. The policy objectives shall be briefed. The proponent/s shall ensure that the policy objective is specific, measurable, achievable, realistic, and timely (SMART).

c) *Identify policy options and rationale.* The proponent/s shall identify and define all possible regulatory and non-regulatory options to attain the policy objectives. In addition, the proponent/s shall consider the current level of regulation including non-regulation in the options.

d) *Assessment of the proposed policy options.* The proponent/s shall identify and analyze the costs and benefits of each policy option using appropriate qualitative or quantitative analyses such as cost-benefit analysis, Multi-Criteria Decision Analysis (MCDA), or a combination thereof, and regulatory cost burden analysis as provided in the ARTA RIA manual.

e) *Identify the recommended option.* The proponent/s shall identify the recommended option and clearly state the recommendation's reason. Moreover, the proponent/s shall demonstrate **qualitatively** that the benefits of the recommended option outweigh the costs and that this option provides the maximum benefit to the identified stakeholders. Furthermore, the proponent/s shall identify if the recommended option has potential competition, economic, social, or environmental impacts.

f) *Revise the draft of the regulation.* The proponent/s shall revise the draft proposed regulations based on the identified recommended option in (e).

g) Conduct stakeholder consultation. The proponent/s shall conduct consultations with relevant stakeholders to solicit comments and reactions to the PIA and the draft regulation. In conducting stakeholder consultations, efforts shall be exerted by the proponent to invite other relevant government agencies on assessing the competition, economic and social, gender, and environmental impacts of the proposed regulation.

h) *Improve PIA and revise the draft regulation.* The proponent/s shall incorporate the inputs and recommendations gathered from the stakeholder consultations in the PIA process and the draft regulation.

i) *Describe implementation and enforcement strategies.* The proponent/s shall briefly describe who will enforce the regulation and how will the regulation be enforced.

j) *Describe monitoring and evaluation.* The proponent/s shall identify the following: (i) what are the main indicators that will measure the achievement of the goals of the regulation; (ii) who will conduct the monitoring and evaluation; and (iii) who will be accountable for the success of delivery and implementation.

6.6. **Step 6: Submit approved Preliminary Impact Statement (PIS), draft regulation/s, and signed Committee-approved RIA exemption form**. The proponent/s shall submit the PIS and draft regulation/s approved by the head/s of the proponent/s and the signed Committee-approved RIA exemption form to the Committee. The table found in **Annex H** shall be utilized in drafting the PIS and **Annex I** shall be used as the template for the memorandum to the Committee. Moreover, the proponent/s shall provide the necessary data and information needed by the Committee to properly conduct the proportionality analysis, as provided by step 7.

6.7. **Step 7: Conduct proportionality analysis.** The Committee shall consider the following criteria in the conduct of proportionality analysis:

a) The importance or the urgency of the problem;
b) The extent of the impact of the proposed regulation;
c) The level of uncertainty around the likely impact; and
d) The time available for policy development.

The Committee shall refer to **Annex J** for the template, criteria, and rating scale for the proportionality analysis. Given **Annex J and Annex K**, the Committee shall base its course of action on the following results of the proportionality analysis:

a) High – conduct of RIA (proceed to step 8);
b) Moderate – proponent/s justify not conducting RIA:
c) Committee approves justification of proponent/s (proceed to step 12); or
d) Committee denies justification of proponent/s (proceed to step 8); and
e) Low – there is no need to conduct RIA (proceed to step 12).

6.8. **Step 8: Conduct of RIA and revised draft of the proposed regulation/s.** The proponent/s shall conduct RIA following these procedures (**Annex L** provides a comparison of PIA and RIA):

a) *Define the problem.* The proponent/s shall identify and define policy problems to address a new policy target or object. The problem shall be identified in detail and the following shall be determined: (i) significance and drivers, (ii) stakeholders affected, and (iii) risks or outcomes likely to result if no action is taken.

b) *Define the policy objectives.* The proponent/s shall clearly define the objectives of the government's action on a policy problem. The policy objectives shall be detailed and expressed in intended output and/or outcomes, which will be used in the monitoring and evaluation. The proponent/s shall ensure that the policy objective is specific, measurable, achievable, realistic, and timely (SMART).

c) *Identify policy options and rationale.* The proponent/s shall identify and define all possible regulatory and non-regulatory options to attain the policy objectives. In addition, the proponent/s shall consider the current level of regulation including non-regulation in the options. A list of policy options shall be prepared by the proponent, justifying the list, for purposes of assessment.

d) *Assessment of the proposed policy options.* The proponent/s shall identify, analyze, and quantify, to the extent possible, the costs and benefits of each policy option in the list. The competition, economic, social, and environmental impacts including the distribution effects of each policy option have to be determined. A detailed cost-benefit analysis (CBA), as provided in the ARTA RIA manual, is recommended to quantify in monetary terms the net present value (NPV), using a ten percent discount rate or the social discount rate as provided by the Committee, of the total benefits and costs (see **Annex M** for examples of common regulatory costs and benefits, and see **Annex N** for a sample template of the CBA). However, if other decision criteria are considered, the proponent/s undertakes the Multi-Criteria Decision Analysis (MCDA) and the Standard Cost Model (SCM) analysis as provided in the ARTA RIA manual, is conducted to measure the regulatory burden of each policy option.

e) *Identify the recommended option.* The proponent/s shall identify the recommended option and clearly state the recommendation's reason. Moreover, the proponent/s shall show in ***quantitative*** detail, up to the extent possible, that the benefits of the recommended option outweigh its costs.

f) *Revised the draft of the proposed regulation.* The proponent/s shall revise the draft proposed regulations based on the identified recommended option in (e).

g) *Conduct stakeholder consultation.* The proponent/s shall conduct detailed and wide consultations of relevant domestic and international stakeholders to solicit comments and reactions to the RIA and the revised draft regulation. The World Trade Organization (WTO) Secretariat shall be notified of proposed changes in all Sanitary and Phytosanitary (SPS) Measures with an opportunity for WTO members to comment in certain circumstances consistent with all points of Annex B of *The WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement*). Provide opportunities and an appropriate time to traders and

other interested parties to comment on the proposed introduction or amendment of laws and regulations of general application related to the movement, release, and clearance of goods, including goods in transit consistent with *The WTO Agreement on Trade Facilitation (TFA),* Article 2 [copies of Annex B and Article 2 are available on request]. In conducting domestic stakeholder consultations, efforts shall be exerted by the proponent to invite other relevant government agencies on assessing the competition, economic and social, gender, and environmental impacts of the proposed regulation. Effort shall be exerted to invite the following government agencies to the extent they can contribute to the stakeholder consultation:

i. Philippine Competition Commission (PHCC) – if the regulation has competition impacts;
ii. Agriculture, Natural Resources, and Environment Staff of the National Economic and Development Authority (ANRES-NEDA) – if the regulation has economic and social impacts; and
iii. Department of Environment and Natural Resources (DENR) and the Climate Resilient Agriculture Office (CRAO) of the DA – if the regulation has environmental impacts.

h) *Improve RIA and revise the draft regulation.* The proponent/s shall incorporate the inputs and recommendations gathered from the stakeholder consultations in the RIA process and the draft regulation.

i) *Describe implementation and enforcement strategies.* The proponent/s shall describe in detail the implementation, enforcement, and compliance strategies.

j) *Describe monitoring and evaluation.* The proponent/s shall identify in detail the monitoring mechanisms to evaluate the success of the policy proposal and enable the feeding of important information into the development of future regulatory responses.

6.9. **Step 9: Submit approved Regulatory Impact Statement (RIS) and draft regulation/s.** The proponent/s shall submit the RIS and draft regulation/s approved by the head/s of the proponent/s to the Committee. The table found in **Annex N** shall be utilized in drafting the RIS and **Annex I** for the memorandum to the Committee.

6.10. **Step 10: Review the RIS and draft regulation/s.** The committee shall review the submitted RIS and the draft regulation/s by the proponent/s. Subsequently, the Committee shall either:

a) endorse the RIS and draft regulation/s (proceed to step 12); or
b) return the RIS and draft regulation/s for further improvement or revisions (proceed to step 11).

6.11. **Step 11: Return RIS and draft regulation/s for revision.** The Committee shall return the RIS and draft regulation/s to the proponent/s for further improvements or revisions (proceed to step 8).

Annex O provides the general grounds upon which the Committee can return the RIS and draft regulation/s for revision.

6.12. **Step 12: Legal review of draft regulation/s.** The Committee shall endorse the proposed draft regulation/s to the DA's Legal Service for legal review. Subsequently, the DA's Legal Service upon completion of the review shall return the revised draft of the regulation/s to the Committee.

6.13. **Step 13: Endorsement of the approved PIS or RIS, and final draft of the regulation to the Secretary.** The Committee shall endorse the approved PIS or RIS, and the final draft of the regulation/s for the Secretary's review and approval (see **Annex P** for the template of the memorandum to the Secretary).

6.14. **Step 14: Review of DA Secretary.** The Secretary shall review the memorandum (see **Annex P**), PIS or RIS, the final draft of the regulation/s, and the signed Committee-approved RIA exemption form. The Secretary shall either:

a) return the PIS and final draft of the regulation/s for revisions (proceed to step 5);
b) return the RIS and final draft of the regulation/s for revisions (proceed to step 8); or
c) endorse the approved PIS or RIS, and the final version of the regulation/s by the Secretary for ARTA's review (proceed to step 15).

6.15. **Step 15: Submission of the approved PIS or RIS, and final version of the regulation/s to ARTA for review** as provided for in Section 5 of RA No. 11032. The proponent/s shall submit the approved PIS or RIS, and the final version of the regulation/s by the Secretary to ARTA for review (see **Annex Q** for letter template).

6.16. **Step 16: ARTA reviews PIS or RIS, and the final version of the regulation/s.** The ARTA shall review the PIS or RIS, and the final version of the regulation/s. Based on the ARTA's RIA manual, the ARTA shall:

a) Endorse the PIS or RIS and consequently, proponent/s can proceed with the issuance of regulation;
b) Return PIS to proponent/s to conduct full-blown RIA (proceed to step 8); or
c) Return RIS to proponent/s for revisions (proceed to step 8).

6.17. **Step 17: Legal review of draft regulation/s.** The Committee shall endorse the proposed draft regulation/s to the DA's Legal Service for legal review. Subsequently, the DA's Legal Service shall return the revised draft of the regulation/s to the Committee.

6.18. **Submit the signed Committee-approved RIA exemption form and endorsement of the approved final draft of the regulation to the Secretary for signature.** The Committee shall submit the signed Committee-approved RIA exemption form and endorse the final draft of the regulation/s for the Secretary's review and signature (see Annex G for the template of the memorandum to the Secretary).

ARTICLE VII
Partnership with ARTA in the conduct of RIA

Section 7. Review of Joint Memorandum Circular. The Committee shall create a Technical Working Group with ARTA to review the possibility of crafting a Joint Memorandum Circular (JMC) to strengthen the conduct of PIA and RIA in the Department within sixty (60) days after the effectivity of the transition period provided by Section 8 of this Circular. The objectives of the TWG shall include but are not limited to:

a) Explore the possibility of a representative from ARTA being part of the Committee;
b) Improve coordination of the Department and ARTA with the conduct of PIA and RIA;
c) Streamline the RIA processes of the Circular and ARTA; and
d) Discuss the conduction of RIA training and the possible accreditation of RIA trainers in the Department, as provided in Sections 8 and 9 of this Circular.

ARTICLE VIII
Transition period and the conduct of training and capacity building

Section 8. Transition period. The implementation of this issuance shall have a transition period of one (1) year to develop the necessary processes and competencies of various DA bureaus and/or units. This will help ensure the gradual and efficient implementation of the conduct of RIA in the Department of Agriculture.
During the transition period, the following shall be observed:

a) Conduct RIA training for the members of the Oversight Committee;
b) Conduct RIA training for all DA regulatory agencies;
c) Conduct RIA training for Agriculture Training Institute (ATI);
d) Conduct other relevant RIA learning and development interventions for Oversight Committee and DA regulatory agencies; and
e) Identification and securing of necessary resources for RIA implementation such as financial support, manpower supplementation, and development of supporting documents such as manuals and procedures.

Section 9. Regular conduct of training. For the purpose of the foregoing sections, the Oversight Committee, DA regulatory agencies, and ATI shall be re-trained every three years, starting after the transition period as provided by Section 8, on the RIA process by accredited RIA trainers in the country. This is to ensure the quality of the PIA, RIA, and proposed regulations.

Section 10. Registry of RIA trainers in the DA. The Oversight Committee, together with ATI and DA-Information and Communications Technology Service (DA-ICTS), shall maintain a list of certified RIA trainers in the DA that can be accessed through the DA and ATI official websites. Provided, that the registry shall be available after the transition period as provided by Section 8 of this Circular. Provided further, that the list of RIA trainers in the DA shall be verified and updated by the ATI every six (6) months after the transition period provided by Section 8 of this Circular.

ARTICLE IX
Monitoring, evaluation, and review

Section 11. Review and update. The Committee shall initiate reviews of this Circular based on the implementation experience three (3) years following the date of effectivity of this Circular. The reviews shall be completed within sixty (60) working days and the updating of the Circular shall be finalized sixty (60) working days after the release of the reviews.

Section 12. Monitoring and evaluation. The Committee, with OASR as the lead, shall coordinate with the proponents' agency on the monitoring and evaluation of the approved regulation for possible policy revision and refinement.

Section 13. Policy oversight. The conduct of monitoring, evaluation, and review of this Circular shall be under the oversight of the Office of the Undersecretary for Policy, Planning, Regulations, and DLLO.

ARTICLE X
Final provisions

Section 14. Annex. All annexes, or any part thereof, referred to in this Circular are deemed an integral part of this document.

Section 15. Separability clause. If any part or provision of this Circular is held invalid, other provisions not affected thereby shall remain in force and effect.

Section 16. Repealing clause. All other Circulars, Orders, issuances, rules, and regulations inconsistent with this Circular's provisions are hereby repealed, amended, modified, or superseded accordingly.

Section 17. Effectivity. The transition period provided by Section 8 of this Circular shall take effect immediately and upon registration with the Office of the National Administrative Register (ONAR). Provided, that after the transition period (one [1] year), all of the provisions of this Circular shall be applied in entirety and remain in force until revoked or amended.

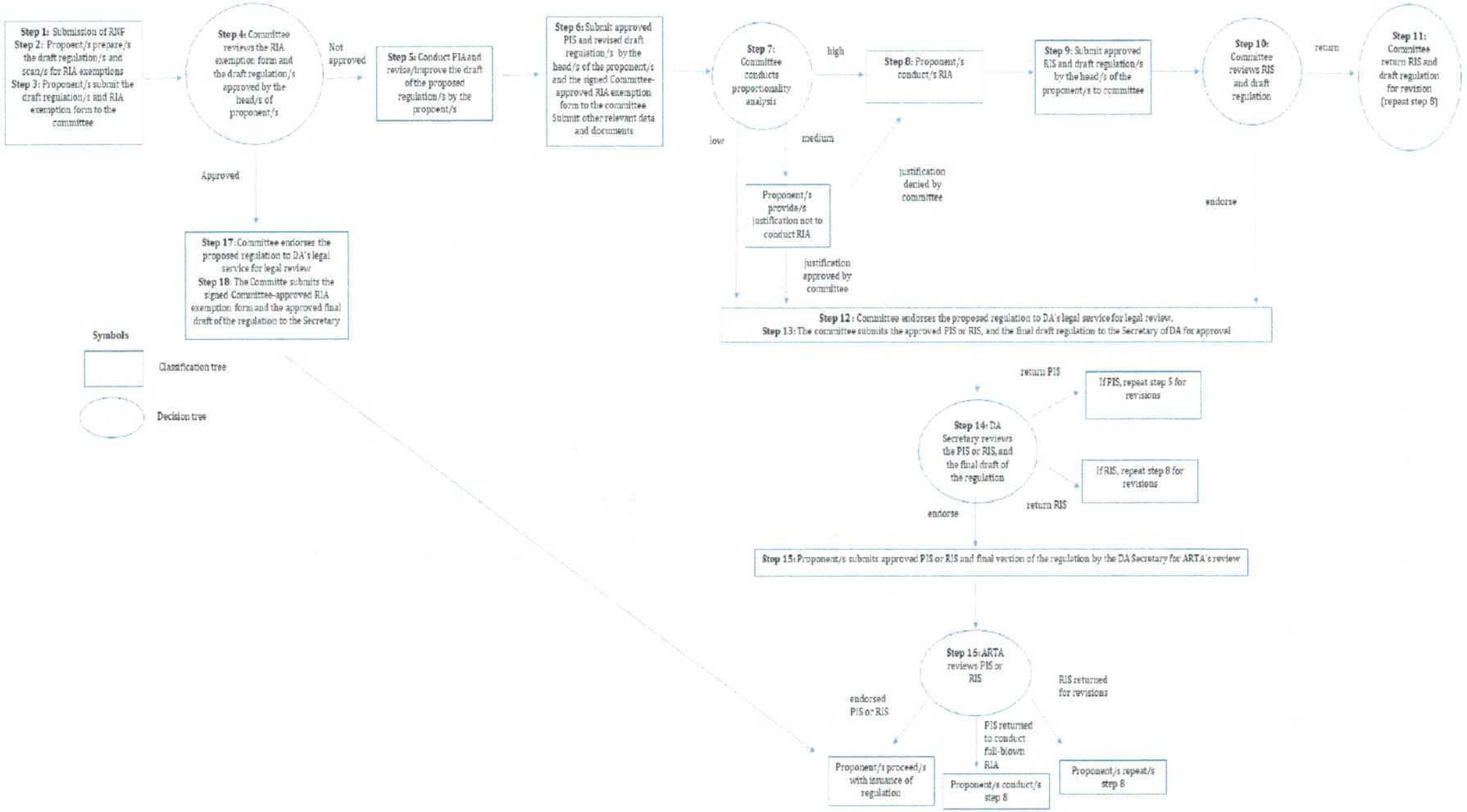
Approved on the 30th of June 2022

WILLIAM D. DAR, Ph.D.
Secretary

DA-CO-OSEC-AC20220701-00003

8

ANNEX A
Process flow in the modification, repeal, or formulation of existing or new regulations in DA



ANNEX B
Regulatory Notice Form (RNF) Letter Template to ARTA

<Date>

RECIPIENT'S NAME
Designation
Agency or organization
Address line 1
Address line 2

ATTENTION: **RECIPIENT'S NAME (when applicable)**
Designation
Agency or organization

SUBJECT:

Dear **Recipient**:

This is to provide your office with a copy of the Regulation Notification Form.

<Provide a summary of the RNF>

Thank you.

Very truly yours,

<Insert signature of the proponent's head>
<Insert name of proponent's head>
<Position of the proponent's head>

CC: **Secretary of the DA**
Undersecretary of Policy, Planning, Regulation, and DLLO
Assistant Secretary of Regulations
Assistant Secretary of PRS
Director of BAFS
Head of proponent/s, designation and agency

Attachments: (1) Regulation Notification Form
(2) Other relevant documents

ANNEX C
RNF template

Title of the Regulation	
Designated Authority	
Proponent Agency	
Contact Officer	Name : Phone: Email:
Type of Regulatory Instrument	(e.g. Executive Order, Department Order, Implementing Rules and Regulations, Memorandum Circular, etc.)
Purpose of the Regulation	☐ Formulation ☐ Modification ☐ Repeal
The Rationale of the Regulation	
Objective/s of the Regulation	
Expected Impacts	
Milestones (target dates)	

ANNEX D
RIA Exemption Form/Template

Part I: Details of the Proposed Regulation

Title of the Proposal	
Designated Authority	
Proponent Agency	
Contact Officer	Name: Phone: Email:
Type of Regulatory Instrument	(e.g. Executive Order, Department Order, Implementing Rules and Regulations, Memorandum Circular, etc.)

Part II. Assessment of Proposed Regulation for Exemption

Instruction. Check the box if the proposed regulation is classified under the following purpose.

☐ Programs, projects, and activities of the government, including any grant, loan, technical assistance, or partnership with international development partners

☐ Taxation measures that are intended purely for revenue-raising purposes

☐ Budget-related issuances, organization, staffing, position classification, and compensation-related policies and guidelines; and streamlining of functions within the government

☐ Exceptional circumstances such as national emergencies, and unexpected environmental, health, and security crises

Part III. Result of Assessment

Assessment	Recommendation
☐ Exempted ☐ Not Exempted	

Assessed by:

<Signature/s>
Name/s of the head of the proponent/s

DATE

Annex E
RIA exemption memorandum template to the Committee

MEMORANDUM

FOR: **<Insert the name of the Undersecretary of Planning, Policy, Regulations>**
Chairperson of the Oversight Committee

THRU: **<Insert signature of proponent head 1>**
<Insert name of proponent head 1>
<Designation>

<Insert signature of proponent head 2>
<Insert name of proponent head 2>
<Designation>

<Insert signature of proponent head 3>
<Insert name of proponent head 3>
<Designation>

FROM: **<Name of sender>**
<Designation>

SUBJECT: **<Insert subject>**

DATE: **<Insert date>**

Action Requested. (include deadline)
<RIA exemption form for review>

Background.
<Provide brief background>

Comments, Findings, and Recommendations.
<Provide the summary of findings, recommended actions, and comments of the proponent/s>

Thank you.
<Insert signature of the sender>
<Insert name of the sender>
<Designation>
<Contact information>

CC: **Assistant Secretary of Regulations**
Assistant Secretary of PRS
Director of BAFS

Attachments: (1) Draft of the regulation (approved by the head of the proponent/s)
(2) Approved RIA exemption form by the head/s of the propoent/s
(3) Other relevant documents

ANNEX F
Committee-approved RIA exemption form

Title of the Proposed Regulation	
Proponent Agency	
Type of Regulatory Instrument	(e.g. Executive Order, Department Order, Implementing Rules and Regulations, Memorandum Circular, etc.)

Committee Assessment	**Comments**
☐ EXEMPTED ☐ NOT EXEMPTED	

Assessed by:

<Signature>
Undersecretary of OUPPRD

<Signature>
Assistant secretary of OASR

<Signature>
Assistant secretary of PRS

<Signatures>
Other members of the Committee

DATE

ANNEX G
Memorandum template of the approved final draft of the regulation (RIA exempted) for review and signature by the Secretary

MEMORANDUM

FOR: **<Insert name of DA Secretary>**
Secretary

THRU: **<Insert signature of Undersecretary>**
<Insert name of Undersecretary for policy, planning, and regulations>
Undersecretary, Policy, Planning, Regulations, and DLLO

<Insert signature of Assistant Secretary>
<Insert name of Assistant Secretary for regulations>
Assistant Secretary, Regulations

FROM: **<Insert name/s of the head/s of the proponent/s>**
<Positions of the head/s of the proponent/s>

SUBJECT: **<Insert subject>**

DATE: **<Insert date>**

Action Requested. (include deadline)
<State the action requested>

Background.
<Provide brief background>

Comments, Findings, and Recommendations.
<Provide the summary of findings, recommended actions, and other comments of the Committee>

Thank you.

<Insert signature/s of the head of the proponent/s>
<Insert name/s of the head of the proponent/s>
<Designation/s>
<Contact information>

Attachments: (1) Revised final draft of the regulation (approved by the Committee and DA's Legal Service)
(2) Signed Committee-approved RIA exemption form
(3) Other relevant documents

ANNEX H

Preliminary impact statement (PIS) template

Selected Regulation	***(Entries on this column are sample entries.)***
	Recognition of Participatory Guarantee System (PGS) as an alternative guarantee system for organic agriculture
Status of Regulation	*Proposed*
Type of Regulatory Instrument	*Department Circular*
Legal Bases of Regulation	*Provide legal basis/bases*
Executive Summary of the PIS and Regulation	*Summary of PIS and regulation not exceeding two pages*

Elements	**Preliminary Impact Assessment**
Policy problem	*A brief statement of the policy issue or problem*
Policy objectives	*A brief statement of the government's policy objectives in addressing the problem*
Policy options and rationale	*The following are the policy options being considered:* *Option 1: Maintain the status quo* *[Provide a brief explanation and the effect]* *Option 2: Regulation option 1* *[Provide a brief explanation and the effect]* *Option 3: Regulation Option 2* *[Provide a brief explanation and the effect]* *Option 4: Non-regulatory options* *[Provide a brief explanation and the effect]*
Impact assessment	*Qualitative analysis of the costs and benefits of the policy options (utilize MCDA).* *Provide all the assumptions, data sources, and limitations.* ***Does the regulation have the following impact/s*** *(tick*

	the boxes that appy): ☐ **Competition impact:** <provide brief description of the potential impact> ☐ **Economic impact**: <provide brief description of the potential impact> ☐ **Social impact:** <provide brief description of the potential impact> ☐ **Environmental impact:** <provide brief description of the potential impact>
Consultation	*Discuss here the methodology used for the conduct of brief or narrow consultation regarding the listed options. Discuss the comments and recommendations of the stakeholders.* *The following may be considered as a type of consultation: telephone interview, virtual interview, KIIs, online surveys, dialogue with regulatory agencies, business entities, or the affected stakeholders.*
Implementation and enforcement	*Describe the implementation and enforcement plan by answering the following questions:* 1. *Who will enforce the option?* 2. *How will the option be enforced?*
Monitoring and evaluation	*Describe the monitoring and evaluation plan by answering the following questions:* 1. *What are the main indicators that will measure the achievement of the goals of the regulation/s?* 2. *Who will conduct the monitoring and evaluation?* 3. *Who will be accountable for the success of delivery/implementation?*

ANNEX I
Memorandum template to the Committee

MEMORANDUM

FOR: **<Insert the name of the Undersecretary of Planning, Policy, Regulations>**
Chairperson of the Oversight Committee

THRU: **<Insert signature of proponent head 1>**
<Insert name of proponent head 1>
<Designation>

<Insert signature of proponent head 2>
<Insert name of proponent head 2>
<Designation>

<Insert signature of proponent head 3>
<Insert name of proponent head 3>
<Designation>

FROM: **<Name of sender>**
<Designation>

SUBJECT: **<Insert subject>**

DATE: **<Insert date>**

Action Requested. (include deadline) .
<State the action requested>

Background.
<Provide brief background>

Comments, Findings, and Recommendations.
<Provide the summary of findings, recommended actions, and comments of the proponent/s>

Thank you.

<Insert signature of the sender>
<Insert name of the sender>
<Designation>
<Contact information>

CC: **Assistant Secretary of Regulations**
Assistant Secretary of PRS
Director of BAFS

Attachments:

(1) Approved PIS or RIS by the head/s of the proponent/s
(2) Draft of the regulation (approved by the head of the proponent/s)
(3) Signed Committee-approved RIA exemption form
(4) Other relevant documents (such as data, facts, etc)

ANNEX J
Proportionality analysis

Part I: Details of the Proposed Regulation

Name of the Proposal	
Designated Authority	
Proponent Agency	
Contact Officer	Nam e: Phon e: Email :
Type of Regulatory Instrument	(e.g. Executive Order, Department Order, Implementing Rules and Regulations, Memorandum Circular, etc.)

Part II. Proportionality Analysis

Criteria	**Rem arks**
Importance/Urgency of the Problem	
Impact of the Proposed Regulation	
Level of Uncertainty around the likely impact	
Time Available for Policy Development	

Part III. Summary of Proportionality Analysis (see Annex G for the computation of scale and rating)

Proportionality Analysis	Scale	Rating
1. Importance/Urgency of the Problem		
2. Impact of the Proposed Regulation		
3. Level of Uncertainty around the likely impact		
4. Time Available for Policy Development		
		xx

Part IV. Decision (see Annex G for criteria for action)

Classification	Decision/Action to be taken
☐ High ☐ Moderate ☐ Low	

Assessed by:

<Signature>
Undersecretary of OUPPRD

<Signature>
Assistant secretary of OASR

<Signature>
Assistant secretary of PRS

<Signatures>
Other members of the Committee

DATE

ANNEX K
Computation of scale and rating, and criteria for action for the proportionality analysis in Annex J

1. **Importance/Urgency of the Problem**

Scale	Rating	Value	Urgency
Very Low	1	Insignificant	Not Urgent
Low	2	Min or	Not Urgent
Medium	3	Significant	Urgent
High	4	Significant	Urgent
Very High	5	Very Significant	Very Urgent

2. **Impact of the proposed regulation in addressing the problem**

		Regulatory Impact	
Scale	Rating	The Magnitude of Regulatory Impact	Potential Contribution to Addressing the Problem
Very Low	1	Insignificant	(0- 20%]
Low	2	Minor	(>20- 40%]
Medium	3	Major	(>40- 60%]
High	4	Significant	(>60%- 80%]
Very High	5	Very Significant	(>80%- 100%]

3. **Level of uncertainty around likely impact**

Scale	Rating	Description
Very Low	1	Not Certain
Low	2	Low Certainty
Medium	3	Moderately Certain
High	4	Highly Certain
Very High	5	Certain

4. **Time available for policy development**

Scale	Rating	Description
Very Low	1	Very Limited Time
Low	2	Limited Time
Medium	3	Adequate Time
High	4	More than Adequate Time
Very High	5	Ample

5. **Criteria for action**

Classification	Total Rating	Decision
High	15 to 20	Conduct RIA
Medium	8 to 14	Provide justification not to conduct RIA
Low	1 to 7	No need to conduct RIA

ANNEX L
Comparison of PIA vis-à-vis RIA

Elements	PIA	RIA
Policy problem	Brief analysis	Detailed analysis
Policy objectives	Brief analysis	Detailed analysis
Policy option and rationale	Brief analysis	Detailed analysis
Consultation	Brief, narrow consultation	Detailed, wide consultation
Impact assessment	Brief assessment of the impact on relevant stakeholders	Detailed assessment on an economy-wide level
Recommended option	Brief description	Detailed explanation and rationale
Implementation and enforcement	Brief explanation	Detailed action plan
Monitoring and evaluation (M&E)	Brief description	Detailed M&E

ANNEX M
List of regulatory costs and benefits

Affected Group	Regulatory Costs
Business	• The cost of familiarizing with regulations and planning how to comply; may include the purchase of external advice • Higher input costs due to regulatory impacts on costs of materials • Higher production costs due to changes to production, transport, or marketing processes required by regulation • Cost of lost sales due to restricted access to markets o License fees or other charges imposed by the regulation • Cost of meeting, reporting, or record-keeping requirements imposed by the regulation. • Cost of internal inspections, audit fees, etc. to ensure compliance with regulation • Reduced market opportunities for innovation and expansion • Increased risk of investment through unpredictable or anti-market government actions, thereby increasing the cost of capital • Increased prices for products/services • Reduced range of products available • Delays in the introduction of new products (e.g., due to the need for producers to meet regulated product testing requirements)
Consumers	• Cost of administering the regulations, including
	providing information to business, recruiting and training staff, processing license or product approval applications • Cost of verifying compliance, including conducting inspections and audits, monitoring outputs (e.g., air quality)

Affected Group	Regulatory Costs
Government	• Cost of enforcement, including investigating possible non-compliance, conducting prosecutions, etc. • Cost of reduced competition, e.g., by favoring existing producers and making entry to a market more difficult (leads to both efficiency losses and transfers from consumers to producers due to higher prices) • Distribution costs- e.g., poor or some vulnerable groups are disproportionately burdened by the regulation
Others	• Restriction on innovations and the ability to develop and market new products and services.

Affected Group	Regulatory Benefits
Business	• Reduction in workplace accidents and injuries; associated productivity gains • Improved availability of market information, hence efficiency gains in production or distribution • Increased productivity/efficiency due to regulatory prohibitions of anti-competitive behaviors • Reduction in plant or property damage o Reduction in lost production time
	• Reduction in compliance costs • Less anti-competitive behavior in the market, greater regulatory transparency, certainty, and predictability.
Consumers	• Reduced prices for products or services (e.g. through regulatory restrictions on anti-competitive behaviors) • Improved safety of goods and services • Provision of better information about goods and services, leading to better choices being made • Increased minimum quality standards for goods or services • Improved public health, resulting in reduced health care costs
Government	• Improved availability of information to the government, allowing for better decision making • Streamlined regulatory processes and requirements; reduced monitoring and enforcement costs; higher levels of compliance • Benefits of improved competition – e.g. by regulating to restrict or prohibit anticompetitive behavior

Affected Group	Regulatory Benefits
Others	• Distributional benefits – if regulation benefits poorer groups or groups in regional/rural areas disproportionately. • Improved environmental outcomes; safer workplaces; greater access to services or opportunities; more economical use of resources and higher economic growth; and an increase in the standard of living and quality of life

ANNEX N
Regulatory Impact Statement (RIS) template

Selected Regulation	***(Entries on this column are sample entries.)***
	Recognition of Participatory Guarantee System (PGS) as an alternative guarantee system for organic agriculture
Status of Regulation	*Proposed*
Type of Regulatory Instrument	*Department Circular*
Legal Bases of Regulation	*Provide legal basis/bases*
Executive Summary of the RIS and Regulation	*Summary of RIS and regulation not exceeding two pages*

Elements	**Regulatory Impact Assessment**
Policy problem	*A detailed statement of the policy issue or problem*
Policy objectives	*A detailed statement of the government's policy objectives in addressing the problem*
Policy options and rationale	*The following are the policy options being considered:* *Option 1: Maintain the status quo* *[Provide a detailed explanation and the effect]* *Option 2: Regulation option 1* *[Provide a detailed explanation and the effect]* *Option 3: Regulation Option 2* *[Provide a detailed explanation and the effect]* *Option 4: Non-regulatory options* *[Provide a detailed explanation and the effect]*
Impact assessment	*Cost-benefit analysis of the identified options using the template found in this link:* ***ttps://bit.ly/CBATemplate.*** *Provide assumptions, data sources, and limitations* *If CBA is not possible, please justify why CBA is not*

	doable. Utilize MCDA and SCM of each policy option. ***Does the regulation have the following impact/s*** *(tick the boxes that apply):* ☐ **Competition impact** ☐ **Economic impact** ☐ **Social impact:** ☐ **Environmental impact:** *Provide a detailed explanation and quantification of the potential competition, economic, social, and/or environmental impacts of the regulation.*
Consultation	*Discuss here the methodology used for the conduct of brief or narrow consultation regarding the listed options. Discuss the comments and recommendations of the stakeholders.* *The following may be considered as a type of consultation: telephone interview, virtual interview, KIIs, online surveys, dialogue with regulatory agencies, business entities, or the affected stakeholders.*
Implementation and enforcement	*Describe the implementation and enforcement plan by answering the following questions:* 1. *Who will enforce the option?* 2. *How will the option be enforced?* 3. *How does the enforcement process impact the stakeholders?* 4. *What is the institutional capacity required to enforce the option?* 5. *How much will it cost to enforce the option?* 6. *Are there any unnecessary burdens that could affect compliance?* 7. *What will be the sanction for not complying?* 8. *How realistic are the sanctions? Are they for deterrent purposes? Are they for enforcing punishment?* 9. *Are there any unintended consequences of the sanctions?* 10. *Will there be a "lead-in time" or "period of grace" before the sanctions will be enforced?*

Monitoring and evaluation	*Describe the monitoring and evaluation plan by answering the following questions:* 1. *What are the main indicators that will measure the achievement of the goals, or progress towards them?* 2. *When will the monitoring and evaluation happen? How frequently?* 3. *Who will conduct the monitoring and evaluation?* 4. *Who will be accountable for the success of delivery/implementation?* 5. *What will happen as a result of the monitoring/evaluation?* 6. *Can a sunset clause be introduced?*

ANNEX O
Grounds upon which the Committee can return the RIS and draft regulation/s for revision

1. The policy problem is not clearly defined;
2. The policy objective/s is/are not conceivably defined;
3. The recommended regulation conflicts with the policy objective/s;
4. There is a lack of effective consultation;
5. The benefits are not properly assessed;
6. The administrative burdens for businesses are not assessed correctly;
7. The administrative burdens for individuals are not properly assessed;
8. The substantive compliance costs to businesses are not assessed correctly;
9. The substantive compliance costs to individuals are not properly assessed;
10. The alternative options are not assessed correctly;
11. The justification for intervention is not adequately described; and
12. The monitoring and evaluation are not adequate.

ANNEX P
Memorandum template of approved PIS or RIS, the final draft of the regulation, and signed Committee-approved RIA exemption form for review and signature by the Secretary

MEMORANDUM

FOR: **<Insert name of DA Secretary>**
Secretary

THRU: **<Insert signature of Undersecretary>**
<Insert name of Undersecretary for policy, planning, and regulations>
Undersecretary, Policy, Planning, Regulations, and DLLO

<Insert signature of Assistant Secretary>
<Insert name of Assistant Secretary for regulations>
Assistant Secretary, Regulations

FROM: **<Insert name/s of the head/s of the proponent/s>**
<Positions of the head/s of the proponent/s>

SUBJECT: **<Insert subject>**

DATE: **<Insert date>**

Action Requested. (include deadline)
<State the action requested>

Background.
<Provide brief background>

Comments, Findings, and Recommendations.
<Provide the summary of findings, recommended actions, and other comments of the Committee>

Thank you.

<Insert signature/s of the head of the proponent/s>
<Insert name/s of the head of the proponent/s>
<Designation/s>
<Contact information>

CC: **Undersecretary of Policy, Planning, Regulation, and DLLO**
Assistant Secretary of Regulations
Assistant Secretary of PRS
Director of BAFS

Attachments:

(1) Approved PIS or RIS by the Committee
(2) Revised final draft of the regulation (approved by the Committee and DA's Legal Service)
(3) Signed Committee-approved RIA exemption form
(4) Other relevant documents

ANNEX Q
Letter template to ARTA

<Date>

RECIPIENT'S NAME
Designation
Agency or organization
Address line 1
Address line 2

ATTENTION: **RECIPIENT'S NAME (when applicable)**
Designation
Agency or organization

SUBJECT:

Dear **Recipient**:

<Background and action requested>

Thank you.

Very truly yours,

<Insert Signature of DA Secretary>
<Insert name of DA Secretary>
Secretary of the Department of Agriculture

CC: **Undersecretary of Policy, Planning, Regulation, and DLLO**
Assistant Secretary of Regulations
Assistant Secretary of PRS
Director of BAFS
Head of proponent/s, designation and agency

Attachments: (1) Approved PIS or RIS by the DA Secretary
(2) Approved final version of the regulation/s by the DA Secretary
(3) Other relevant documents