



REPUBLIC OF THE PHILIPPINES

NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

# **Draft IRR of RA 11203: *An Act Liberalizing the Importation, Exportation and Trading of Rice, Lifting for the Purpose the Quantitative Import Restriction on Rice***

**National Economic and Development Authority**

Stakeholder Consultation

26 February 2019

1. The President certified the bill as urgent on October 2018 and signed into law, last February 14, 2019, after due consultation with government agencies and rice stakeholders.
2. The Act Liberalizing the Importation, Exportation and Trading of Rice, Lifting for the Purpose the Quantitative Import Restriction on Rice is now Republic Act 11203 (RA No. 11203)
3. Republic Act No. 11203 (RA No. 11203) provides the drafting of its Implementing Rules and Regulations (IRR) within 45 days from the effectivity of the Act, in consultation with stakeholders.

# Purpose of this Consultation



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- To present the objectives of the Law.
- To present the Implementing Rules and Regulations of RA 11203, focusing on some salient rules.
- To solicit relevant comments to ensure the effective and implementation of the Law

This draft IRR is the consolidated outputs of various Technical Working Groups, reviewed and discussed in a two day workshop held 14-15 Feb 2019 and presented/commented by the NFA Council Members last 18 Feb 2019.

# Objectives of RA No. 11203



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1. **Fulfill our international commitment when we joined the WTO in 1995.** Replace the Quantitative Restriction (**QR**) on rice with another form of protection that is more transparent and generate revenues to support the sector - or a **tariff**.
2. **Ensure the availability of rice in the domestic market for the accessibility of greater majority of the population by allowing more private traders (big or small) to participate in importing rice.**
3. **Lower domestic rice prices to levels that would be affordable to greater majority of the population.**
4. **Make domestic market function effectively and efficiently with much reduced/no government intervention.**

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- 5. Provide farmers equivalent protection with the imposition of 35% or higher tariff rates on rice imports and preferential assistance to rice farmers, adversely affected by tariffication.**
- 6. To provide opportunity for farmers to earn more in the world market.** The law also lifted the restriction on rice exports to encourage farmers to produce much better quality heirloom/ traditional rice geared to exports.

7. Provide support/safety nets to farmers, especially those that will be adversely affected by the removal of the QR.
  - a. Establish a **Rice Competitiveness Enhancement Fund (RCEF)** to fund key interventions such as mechanization, seeds, financing, and other strategic interventions that will improve productivity and competitiveness, enhance the value chain and increase farm incomes.
  - b. The **excess tariff revenue collection** will still be given to farmers to provide preferential support to farmers who will be greatly affected (e.g. direct financial assistance).

The RCEF is a fund that will be **over and above** the regular budget of DA. An efficient monitoring system will be established to ensure that the fund benefits the farmers.

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SEC. 13. A new Section 13 is hereby inserted after the renumbered Section 12 of R. A. No. 8178, as amended to read as follows:

“SEC. 13. Rice Competitiveness Enhancement Fund. – There is hereby created a Rice Competitiveness Enhancement Fund, herein referred to as the ‘Rice Fund. The Rice Fund shall consist of an annual appropriation of Ten billion pesos (P10,000,000,000.00) for the next six (6) years following the approval of this Act and shall be automatically credited to a Special Account in the General Fund of the National Treasury which shall be in place within ninety (90) days upon the effectivity of this Act.

**Rule 13.1. The DBM shall include in the annual National Expenditure Program (NEP) the amount of Ten Billion Pesos (P10,000,000,000.00) for the RCEF for the next six (6) years. The corresponding Special Provisions, if necessary, for the release of funds under Special Account in the General Fund – Rice Competitiveness Enhancement Fund (SAGF-RCEF) shall also be provided annually in the budget of the DA-OSEC for similar application of the implementing agencies (IAs) (includes national government agencies and government corporations concerned), with the indicated percentage and amount of shares.**

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**Rule 13.2. The DBM shall create a Fund Code under the Unified Accounts Code Structure (UACS) a SAGF-RCEF. The same UACS Fund Code shall be used in all financial transactions related to SAGF-RCEF by all the IAs identified in the Act. The IAs shall open their respective Modified Disbursement System (MDS) sub-account with their servicing banks copy furnished the DBM.**

**Rule 13.3. The DBM shall transfer the appropriations from the annual programmed appropriations under the General Fund to the SAGF-RCEF through a Special Allotment Release Order (SARO) copy furnished the Bureau of the Treasury (BTr) and the Commission on Audit (COA).**

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**Rule 13.4. The BTr, upon receipt of SARO, shall issue a Journal Entry Voucher (JEV) recognizing the appropriated amounts as SAGF-RCEF of the IAs, and furnish the IAs, DBM and the COA a copy thereof. The IAs shall, within thirty (30) days after the end of each quarter, submit to the BTr the quarterly utilization reports and statement of accounts using the forms prescribed by the BTr, and conduct periodic reconciliation with the BTr. The IAs shall furnish the COA Auditors concerned and the DA copies of the quarterly utilization reports and statement of accounts duly reconciled with the BTr.**

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**Rule 13.5. The IAs shall submit to the DBM and COA the required budget and financial accountability reports on SAGF-RCEF pursuant to DBM-COA Joint Circular No. 2014-1 dated July 2, 2014, and other applicable COA and DBM issuances.**

**Rule 13.6. The DA shall submit consolidated annual financial statements and other financial reports on SAGF-RCEF to the Government Accountancy Sector, COA on or before March 31 of each year.**

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“At the end of the sixth (6th) year, a mandatory review shall be conducted by the Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFM) to determine whether the Rice Fund and its use as provided for under this Act shall be continued, amended, or terminated. The COCAFM shall utilize the increase or decrease in farmers’ incomes as a primary benchmark in determining the effectiveness of the interventions under the program and its possible extension.

**Rule 13.7. The Rice-Based Farm Household Survey (RBFHS) 2016-2017 conducted by Philippine Rice Research Institute (PhilRice) may be used as a source of baseline information for the evaluation. A similar survey may be conducted for provinces not covered in the RBFHS. Increase in income shall be measured in terms of income of rice farming household.**

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“The Secretary of Agriculture shall be accountable and responsible for the Rice Fund in coordination with other government agencies concerned.

**Rule 13.8. A Program Steering Committee (PSC) shall be established to oversee and provide policy directions on the integrated implementation of the programs funded by the Rice Fund, in accordance with the Philippine Rice Industry Roadmap. The PSC shall be chaired by the Secretary of Agriculture, and co-chaired by the Secretary of Socioeconomic Planning with heads of implementing agencies and representatives from the Philippine Council for Agriculture and Fisheries (PCAF) Committees on Food Staples and Agricultural and Fisheries Mechanization as members. The PSC shall be supported by the DA – Field Operations Service (DA-FOS) as its Secretariat. The Secretary of Agriculture through the Undersecretary for Operations shall coordinate joint planning and integrated implementation of the programs under the Act and the Rice Industry Roadmap including the mobilization of DA Regional Field Offices (DA-RFOs), National Irrigation Administration (NIA), NFA, concerned LGUs and other entities.**

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**Rule 13.9. The Secretary of the DA shall prepare an over-all plan for the integrated utilization of the Rice Fund and the fund in excess of PhP 10 billion tariff revenue as provided for in the Act as well as the regular budget of the DA's National Rice Program to show their impact on the implementation of the Philippine Rice Industry Roadmap and how they shall improve and sustain farm productivity and farmers' incomes despite climate change and the periodic occurrence of natural disasters. It shall include putting in place a system to ensure transparency and accountability of transactions especially the procurement system, monitoring and ensuring that COA audits are used to guide proper procurement and disbursement of the Fund. It shall include a system of phasing the award to help awardees achieve economies of scale. It shall provide TWGs for each component comprising of experts external to the DA.**

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**Rule 13.10. To facilitate monitoring, the DA shall create a website to inform the public on the Plan, the progress of each components, information and means to participate. To provide a solid empirical basis in determining the impact of the Rice Fund, DA in coordination with the Philippine Statistical Authority shall set up a “Rice Fund Impact Monitoring System” within one (1) year after the issuance of this IRR. The statistical data generated by the Rice Fund Impact Monitoring System shall be made public as part of the regular publication by the PSA. The Rice Fund Impact Monitoring System shall include impact on income taking into consideration from RBHFS and other relevant surveys. The Rice Fund Impact Monitoring System shall also consider broad range of variables central to understanding the impact of the Rice Fund on farmers’ welfare.**

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“The amount allocated shall be released directly to the implementing agencies as provided for in this Act based on the objectives and plans of the rice industry roadmap: Provided, That the unutilized portion of the Rice Fund allocated to the implementing agencies shall not revert to the General Fund but shall continue to be used for the purpose for which it was set aside. Fund releases charged against the Rice Fund shall not be subject to any ceiling by the Department of Budget and Management (DBM).

**Rule 13.11. The PhilRice and the Philippine Center for Postharvest Development and Mechanization (PHilMech) shall prepare the organizational modification, if necessary, to effectively implement their expanded functions under the Act to be submitted to the DBM for review and evaluation within fifteen (15) days upon the effectivity of the IRR. In the case of PHilMech, the DBM shall issue the corresponding NOSCA to PhilMech for the creation of new positions within fifteen (15) days upon the receipt of the submission. For PhilRice, the DBM shall issue the approved plantilla positions based on the submitted proposal on the organizational modification within 15 days upon the receipt of the submission.**

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**Rule 13.11. ...The fund necessary for the initial operations of the mentioned agencies shall be charged from the available funds of the DA-OSEC subject to the usual budgeting, accounting and auditing rules and regulations. The budgetary requirements for the ensuing year shall be provided in the succeeding annual budget of the DA-OSEC.**

**Rule 13.12. The DBM shall release directly to the respective IAs the corresponding SARO and NCA under the SAGF-RCEF. The release of SARO shall be in accordance with the allocation provided in the Act.**

**Rule 13.13. The usual budgeting and accounting procedures in the incurrence and payment of obligations shall be followed.**

**Rule 13.14. The COA shall prescribe the appropriate accounting entries and the financial reporting requirements for the purpose.**

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“Any program undertaken in accordance with this Act shall only be deemed complementary and supplementary to and shall not be a replacement of any existing programs for rice and rice farmers already implemented by the DA and other agencies concerned.

**Rule 13.15. The DBM shall ensure that the RCEF shall be complementary and supplementary to and shall not be a replacement fund for any existing programs for rice and rice farmers already implemented by the DA and other agencies concerned.**

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“Subject to the usual accounting and auditing rules and regulations, the Rice Fund shall be allocated and disbursed to rice producing areas, as follows:

“(a) Rice Farm Machineries and Equipment – fifty percent (50%) of the Rice Fund shall be released to and implemented by the Philippine Center for Postharvest Development and Mechanization (PHilMech) as grant in kind to eligible farmers associations, registered rice cooperatives and local government units (LGUs),

**Rule 13.16. The 50% of the RCEF shall be released to the PHilMech for the implementation of the component on Rice Farm Machineries and Equipment.**

**Rule 13.16.1. The PHilMech, in coordination with DA-RFOs, LGUs, private sector and farmers’ groups, shall, within sixty (60) days, formulate the implementing guidelines on Rice Farm Machineries and Equipment consistent with the Rice Industry Roadmap which shall include, but not be limited to, the following:**

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...in the form of rice farm equipment, such as tillers, tractors, seeders, threshers, rice planters, harvesters, irrigation pumps, small solar irrigation, reapers, driers, millers, and the like, for purposes of improving farm mechanization: Provided, That the PHilMech shall, whenever feasible, procure from accredited local manufacturers to assist in the promotion of locally manufactured farm machineries and equipment;

**(a) eligibility criteria for prospective recipients;**  
**(b) modality of selection; and**  
**(c) mode of implementation and the accountability system as to how the grant in kind rice farm equipment will be procured and distributed.**

**The Implementing Guidelines shall be reviewed by the PSC and shall be approved by the Secretary of the DA.**

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**Rule 13.16.2.** The recipients of the program shall include eligible farmer associations, registered rice cooperatives and LGUs. The PHilMech together with the DA-RFOs and other relevant DA agencies shall conduct the necessary needs assessment and screening of the proposed recipients in partnership with the concerned LGUs and shall identify the eligible recipients based on the established criteria.

**Rule 13.16.3.** The PHilMech shall conduct or cause the procurement of the rice farm machineries and equipment for the identified recipients in accordance with the Government Procurement Act (RA 9184). Only rice farm machineries and equipment passing the Philippine Agricultural Engineering Standards shall be procured.

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**Rule 13.16.4. The procurement of locally manufactured farm machineries and equipment shall be given priority, whenever feasible, in consultation with the DTI] [and provided that these machineries and equipment pass the Philippine Agricultural Engineering Standards.**

**Rule 13.16.5. The PHilMech shall establish an RCEF Program Management Office (PMO), if necessary, for the effective implementation of its responsibilities in the Rice Mechanization Program. Appropriate monitoring, transparency, and accountability systems shall be put in place.**

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“(b) Rice Seed Development, Propagation and Promotion – Thirty percent (30%) of the Rice Fund shall be released to and implemented by the Philippine Rice Research Institute (PhilRice) and shall be used for the development, propagation and promotion of inbred rice seeds to rice farmers and the organization of rice farmers into seed growers associations and/or cooperatives engaged in seed production and trade;

**Rule 13.17. PhilRice, in consultation with relevant agencies, LGUs, DA-RFOs, private sector and farmers’ groups, shall, within sixty (60) days, develop the implementing guidelines for rice seed development, propagation, and promotion consistent with the Rice Industry Roadmap, including, but not limited to the following:**

- (a) eligibility criteria for prospective recipients;**
- (b) modality of selection; and**
- (c) mode of implementation**

**The Implementing Guidelines shall be reviewed by the PSC and shall be approved by the Secretary of the DA.**

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**Rule 13.17.1. PhilRice shall establish an RCEF PMO, if necessary, that will spearhead the seed component program management, planning, implementation, and monitoring. Appropriate transparency and accountability systems shall be set up in the RCEF PMO. The PMO shall be PhilRice's coordinating arm with other implementing agencies to ensure complementation of various program interventions.**

**Rule 13.17.2. PhilRice shall allocate the Rice Fund-seed component to the following: (i) Research and development; (ii) Propagation of nucleus, breeder, foundation, registered, and certified seeds; (iii) Promotion and distribution of seeds and associated crop management technology; and other similar activities necessary to implement the program.**

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“(c) Expanded Rice Credit Assistance – Ten percent (10%) of the Rice Fund shall be made available in the form of credit facility with minimal interest rates and with minimum collateral requirements to rice farmers and cooperatives, to be managed equally by the Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP); and

**Rule 13.18. Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP), in consultation with the Bangko Sentral ng Pilipinas (BSP) and concerned agencies shall, within sixty (60) days, formulate implementing guidelines consistent with the Rice Industry Roadmap, subject for approval of the PSC. The new guidelines shall enable beneficiaries to access the fund subject to minimum requirements.**

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**Rule 13.19.** Upon effectivity of the Act, the LBP, DBP and BTr shall enter into a Memorandum of Agreement (MOA) on the utilization and operations of the expanded rice credit assistance of the RCEF. This MOA shall contain, among others, the fees to be charged by the LBP and DBP and all cost related issues.

**Rule 13.20.** All repayment of loan/interest under this facility shall accrue to the General Fund of the National Government.

**Rule 13.21.** Credit assistance shall be over and above the regular credit programs of LBP and DBP for rice farming.

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“(d) Rice Extension Services – Ten percent (10%) of the Rice Fund shall be made available for the extension services provided by PHilMech, PhilRice, Agricultural Training Institute (ATI) and Technical Education and Skills Development Authority (TESDA) for teaching skills on rice crop production, modern rice farming techniques, seed production, farm mechanization, and knowledge/technology transfer through farm schools nationwide as follows: seventy percent (70%) to TESDA, ten percent (10%) each to ATI, PhilRice and PHilMech.

**Rule 13.22. A Technical Working Group (TWG) to be led by the ATI shall be established for the formulation of a relevant Rice Extension Services Program and the corresponding implementing guidelines, within sixty (60) days consistent with the Rice Industry Roadmap. The TWG shall consist of the PHilMech, PhilRice, BPI, ATI and TESDA. The Implementing Guidelines shall be reviewed and approved by the PSC that will be created by the DA. The TWG shall prepare the Guidelines in close coordination with the DA RFOs.**

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**Rule 13.23.** Each agency shall formulate their respective plans for their component extension services based on the approved Rice Extension Services Program.

**Rule 13.24.** ATI, Philrice, PHilMech and TESDA shall closely coordinate with the relevant DA agencies and LGUs in the implementation of their respective component extension services.

**Rule 13.25.** TESDA shall also recognize/accredit the training modules developed under the program for its trainees to be eligible for TESDA scholarship grant.

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“Provided, That the percentage allocation be reviewed on the third year of the effectivity of this Act for possible revisions should intervention priorities change.

**Rule 13.26. On the third year, the PSC shall engage a third party to conduct an evaluation of the efficiency and effectiveness of the percentage allocation of the PhP 10 billion RCEF fund in terms of its contribution in achieving the objectives and plans of Rice Industry Roadmap, and to inform the Secretary of the DA on the challenges and possible solution to improve its implementation. Funding for the study shall be charged against the regular budget of the DA.**

**Rule 13.27 The results of the review shall be submitted to the COCAFm for possible revision or amendment of the percentage allocation.**

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“Provided, further, That preferential attention should be given to rice farmers, cooperatives and associations adversely affected by the tariffication of the quantitative import restriction on rice in accordance with the thrust and priorities of R. A. No. 8435, as amended, otherwise known as the “Agriculture and Fisheries Modernization Act” and the Philippine Development Plan (PDP). The increase or decrease of farmers’ incomes shall be the primary benchmark in granting these interventions.

**Rule 13.28. DA, together with other relevant government agencies, shall formulate guidelines and criteria in identifying the adversely affected farmers, cooperatives and associations. The criteria identified in the guidelines shall be used as inputs in updating and expanding the Registry System for Basic Sectors in Agriculture (RSBSA), and in the provision of specific interventions to target beneficiaries.**

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“Provided, furthermore, That if the annual tariff revenues from rice importation exceeds Ten billion pesos (P10,000,000,000.00) in any given year within the six (6) year period following the effectivity of this Act, the excess tariff revenues shall be earmarked by Congress and included in the General Appropriations Act (GAA) of the following year:

**Rule 13.29. The BOC shall issue a certification, not later than April 15 of every fiscal year, on the total annual tariff revenue from rice importation of the preceding year to the DBM, copy furnished the DA, DOF and BTr, commencing upon the effectivity of the Act. This certification shall likewise include the amount in excess of Ten Billion Pesos (P10,000,000,000.00), if any, from the tariff revenue from rice importation of the preceding year.**

**For clarity, revenue arising from the issuance of tax expenditure subsidy, that maybe required by government agencies, GOCCs, or government instrumentalities for the importation of rice in special circumstances, shall not be included in the determination of the tariff revenue from rice importation.**

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“(a) Rice Farmer Financial Assistance – A portion of the excess rice tariff revenues shall be released to the DA and shall be used for providing direct financial assistance to rice farmers who are farming two (2) hectares and below regardless of whether they continue farming rice or not as compensation for the projected reduction or loss of farm income arising from the tariffication of the quantitative import restrictions on rice;

**Rule 13.30. The DA, DENR, DAR, LRA, and PCIC shall prepare and submit their respective proposal for the purpose of allocating the fund equivalent to the amount of excess tariff collection for consideration and approval of the PSC. The PSC shall submit the proposals to DBM for review and subsequent recommendation for inclusion in the NEP.**

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“(b) Titling of Agricultural Rice Lands –  
A portion of the excess rice tariff revenues shall be released to the Department of Agrarian Reform (DAR), Department of Environment and Natural Resources (DENR) and Land Registration Authority (LRA), and shall be used for the subdivision and titling of agricultural rice lands or parts thereof awarded to farmer-beneficiaries under the Comprehensive Agrarian Reform Program (CARP) and other similar programs of the government;

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“(c) Expanded Crop Insurance Program on Rice – A portion of the excess tariff revenues shall be released to the Philippine Crop Insurance Corporation (PCIC) and shall be used for the provision of crop insurance to qualified rice farmer-beneficiaries under its existing agricultural insurance programs; and

“(d) Crop Diversification Program – A portion of the excess tariff revenues shall be released to the DA and shall be used for productivity-enhancement programs for rice farmers seeking to diversify production towards other crops.

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“The Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFAM) shall conduct a periodic review of the use of the Rice Fund.”

**Rule 13.31. The PSC shall submit to the COCAFAM a yearly report on the usage of the Rice Fund and the excess tariff collection including their impact.**

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### ARTICLE II

### DEFINITION OF TERMS

SEC. 2. Section 3 of R. A. No. 8178, as amended is hereby further amended to read as follows:

“SEC. 3. Definition of Terms. – The following definitions apply to the terms used in this Act:

XXX

**Rule 2.1. Other terms used in this IRR are defined as follows:**

**Rule 2.1 (a). “Optimal Level” is the level of rice inventory that shall be strategically positioned and maintained by the National Food Authority (NFA) at any given time which includes the following:**

- i. Level of stocks to be used for emergency situations; and**
- ii. Level of stocks needed to sustain disaster relief operations of the government.**

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## ARTICLE II

### DEFINITION OF TERMS

**Rule 2.1 (b). “Emergency Situations” refer to situations which are unforeseen or sudden occurrence, especially danger, demanding immediate action.**

**Rule 2.1 (c). “Disaster Relief Programs” refer to programs of the government that help the community or persons at risk from pre or post disasters such as but not limited to earthquakes, tornadoes, massive fire, severe drought, civil disaster, war or armed conflict, tsunami, storm surge, and the like. Disaster relief programs also include:**

- i. Disaster Preparedness;**
- ii. Disaster Prevention; and**
- iii. Disaster Response as provided in Republic Act No. 10121 or the Philippine Disaster Risk Reduction and Management Act of 2010.**

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## ARTICLE II DEFINITION OF TERMS

**Rule 2.1 (d) “Natural calamities” refer to major adverse events or incident resulting from the natural processes of the environment including, but not limited to typhoons, flooding, fire, catastrophic weather events and other fortuitous events which cannot be prevented and cause damage to life and property.**

**Rule 2.1 (e) “Man-made calamities” refer to critical and disaster situations which are caused by human decisions and activities which may include, but not be limited to, economic sabotage, war, rebellion, or any similar situation.**

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### ARTICLE III

### REMOVAL/TRANSFER OF NFA's REGULATORY POWERS

SEC. 3. Section 4 of R. A. No. 8178, as amended is hereby further amended to read as follows:

“Sec. 4. Repeal. – The following laws and all other laws or provisions of law prescribing quantitative import restrictions or granting government agencies the power to impose such restrictions on agricultural products or hindering the liberalization of the importation, exportation and trading of rice are hereby repealed:

“(8) Subparagraphs i, v, vi, vii, xi, xii, xiii, xiv, xv, xvi, xvii, xviii, xix, xxii, xxiii, and xxv of Section 6(a) of Presidential Decree (P.D.) No. 4, as amended.”

**Rule 3.1. Effective March 05, 2019, the following functions and powers of the NFA in Section 6(a) of PD No. 4 of 1972 are repealed:**

**i, v, vi, vii, xi, xii, xiii, xiv, xv, xvi, xvii, xviii, xix, xxii, xxiii, and xxv**

**[The list of functions that were repealed can be found in the printed copy of the draft IRR]**

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## ARTICLE III

### REMOVAL/TRANSFER OF NFA's REGULATORY POWERS

**Rule 3.2** All permits, licences, registrations shall cease to be given by NFA to importers, traders, warehouse operators, wholesalers, retailers, etc. starting March 5, 2019 pursuant to Rule 3.1 of this IRR. All other government agencies, such as BOC, DA, BPI, etc. shall cease to include the NFA permit, license, or registration as part of the requirement for trade and importation of rice.

**Rule 3.3.** A transition period of at most sixty (60) days shall be provided to allow the NFA to restructure in order to perform its function under the Act.

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## ARTICLE III

### REMOVAL/TRANSFER OF NFA's REGULATORY POWERS

**Rule. 3.3.1. The NFA shall, within thirty (30) days from effectivity of this IRR, submit to the Governance Commission for GOCCs (GCG) the NFA's Restructuring or Reorganization Plan, for its review and approval within thirty (30) days. During this period, NFA shall conduct due consultation with the GCG, Department of Budget and Management (DBM), and other relevant agencies on the NFA's Restructuring or Reorganization Plan. The NFA's Restructuring or Reorganization Plan shall include the applicable retirement and separation benefits in accordance with existing laws, rules, and regulations.**

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## ARTICLE III

### REMOVAL/TRANSFER OF NFA's REGULATORY POWERS

**Rule 3.3.1.1** The NFA shall propose to the GCG a new corporate structure of the NFA, including all positions in its plantilla, staffing patterns for its officers and employees in a way that is responsive to the requirements of the NFA to execute its key function of managing the buffer stocks and ensuring its financial stability.

**Rule 3.3.1.2** The NFA's Reorganizational plan shall include the following: (i) a recommendation as to the compensation package for those employees who shall be considered redundant, (ii) a workforce plan for those positions that will be created or retained by virtue of the reorganization, (iii) a job matching exercise which will entail a retooling of the personnel, (iv) a re-learning and capacity building program, and (v) other institutional systems developed/designed to suit the transformed role of NFA on managing the buffer stocking and an open market player in the rice industry.

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### ARTICLE III

### REMOVAL/TRANSFER OF NFA's REGULATORY POWERS

**Rule 3.3.2.** The Department of Agriculture (DA) and NFA shall formulate the guidelines and organizational modification plan on the transfer of the Food Development Center (FDC) from NFA to the DA within fifteen (15) days upon the effectivity of the IRR for submission to the DBM. The FDC is the department of NFA in charge of providing scientific support on food safety particularly on testing, research, and training. The DBM shall, within fifteen (15) days upon the submission of DA of the organizational modification plan, issue the corresponding Notice of Organization Staffing and Compensation Action (NOSCA) for the creation of the positions under the DA-Office of the Secretary (DA-OSEC). Should the NOSCA take longer than the prescribed 15-day period, the relevant NFA Staff shall be seconded to the DA to ensure the FDC to remain functional and operational. The fund necessary for the initial operations of the FDC shall be charged from the available funds of the DA-OSEC subject to the usual budgeting, accounting, and auditing rules and regulations. The budgetary requirements for the ensuing year shall be provided in the succeeding annual budget of the DA-OSEC.

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## ARTICLE III

### REMOVAL/TRANSFER OF NFA's REGULATORY POWERS

**Rule 3.3.3** The Commercial Stocks Survey activities of the NFA shall be transferred to the Philippine Statistics Authority (PSA) by March 5, 2019. All documents pertaining to information recorded by the NFA in connection with commercial rice stocks survey shall be turned over to PSA within fifteen (15) days from the effectivity of this IRR. During the period of transition of not more than 30 days, the relevant NFA staff will closely coordinate with PSA on the collection of commercial stocks. The fund necessary for the initial operations of the PSA shall be charged from the available funds of the PSA subject to the usual budgeting, accounting, and auditing rules and regulations. The budgetary requirements for the ensuing year shall be provided in the succeeding annual budget of the PSA

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## Draft IRR

### ARTICLE IV

### ISSUANCE OF SANITARY AND PHYTOSANITARY IMPORT CLEARANCE FOR RICE

SEC. 4. A new Section 5 is hereby inserted after Section 4 of R. A. No. 8178, as amended, to read as follows:

“SEC. 5. Issuance of Sanitary and Phytosanitary Import Clearance for Rice for the Sole Purpose of Ensuring Food Safety. – All importers of rice are required to secure a Sanitary and Phytosanitary Import Clearance (SPSIC) from the Bureau of Plant Industry (BPI) prior to importation in accordance with existing laws, rules and regulations: Provided, That the clearance shall not provide for import volume and timing restrictions:...

**Rule 4.1. Importation of rice shall comply with the provisions of all existing laws, and rules and regulations on Sanitary and Phytosanitary (SPS) measures and food safety, as well as relevant provisions of international agreements to which the Philippines is a signatory.**

**Rule 4.2. All importations of rice for purposes of donation during calamities and other emergency situations shall comply with SPS and food safety requirements. In the case of private entities, the same shall be treated as first and last importation. The recipient agency/office/organization or the private entities if they are based in the country, shall apply and secure the needed SPSIC.**

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### ARTICLE IV

### ISSUANCE OF SANITARY AND PHYTOSANITARY IMPORT CLEARANCE FOR RICE

...Provided, further, That failure on the part of the BPI to release the SPSIC without informing the rice importer of any error, deficiency, omission, or additional documentary requirement shall mean automatic approval of the SPSIC applied for within seven (7) days after submission of the complete requirements.

“The imported rice should arrive before the expiration of the SPSIC from the BPI.

“The food safety regulatory function of the NFA under Item (i), Section 16 of R.A. No. 10611, otherwise known as the “Food Safety Act of 2013”, is hereby transferred to the BPI.”

**Rule 4.3. The DA shall, by March 5, 2019, review and revise appropriate guidelines, rules and regulations on the issuance of Sanitary and Phytosanitary Import Clearance (SPSIC) for imported rice taking into account the relevant provisions of this IRR, including, but not limited to, the following:**

**Rule 4.3.1. All importers of rice shall register with the BPI and be part of the DA Trade System for purposes of application and issuance of SPSIC. The application form for importer registration (BPI “Q” Form No. 1c) shall also be reviewed by March 5, 2019 to streamline the documentary requirements to ensure all eligible traders are able to participate.**

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## ARTICLE IV

### ISSUANCE OF SANITARY AND PHYTOSANITARY IMPORT CLEARANCE FOR RICE

**Rule 4.3.2.** The application for the issuance of the SPSIC shall be online following Section 10 of DA Department Circular No.04 of 2016 and shall be acted upon within seven (7) calendar days from submission of the complete requirements under applicable rules and regulations. Incomplete application or non-compliance to SPSIC requirements shall be communicated by the BPI online through the account of the applicant in the Data Trade System (DTS) before the end of the seven-day period; failure to do so shall mean automatic approval of the application for SPSIC which shall also be made available/communicated online through the same account of the applicant in the DTS. Provided, that the clearance shall not provide for import volume and timing restrictions. Provided further, that the imported rice should arrive before the expiration of the SPSIC from the BPI.

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### ISSUANCE OF SANITARY AND PHYTOSANITARY IMPORT CLEARANCE FOR RICE

**Rule 4.3.3. The BPI shall regularly publish and update in its website the list of accredited importers issued with SPSIC, including the volume of imports.**

**Rule 4.4. The food safety regulatory agency for imported and domestic rice, corn, and other grains for purposes of the implementation of RA 10611 or the Food Safety Act of 2013 shall be the BPI. The BPI shall prepare the organizational modification to be submitted to the DBM for review and evaluation within fifteen (15) days] [upon the effectivity of the IRR. The DBM shall within fifteen (15) days upon the submission of the BPI, issue the corresponding NOSCA for the creation of the positions under the DA-OSEC-BPI. The fund necessary for the initial operations of the BPI shall be charged from the available funds of the DA-OSEC-BPI subject to the usual budgeting, accounting and auditing rules and regulations. The budgetary requirements for the ensuing year shall be provided in the succeeding annual budget of the DA-OSEC-BPI.**

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## ARTICLE IV

### ISSUANCE OF SANITARY AND PHYTOSANITARY IMPORT CLEARANCE FOR RICE

**Rule 4.5. For purposes of ensuring the efficient and immediate transfer and implementation of the food safety function of the NFA to BPI pursuant to Section 4 of RA No. 11203 the NFA and BPI are directed to coordinate to second relevant NFA personnel to DA-BPI to advise and assist in the implementation of food safety regulations pending the issuance of the NOSCA for the creation of positions under the DA-OSEC-BPI.**

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## Draft IRR

### ARTICLE V TARIFFICATION

SEC. 5. Section 6 of R. A. No. 8178, as amended, is hereby further amended to read as follows:

“SEC. 6. Tariffication. – In lieu of quantitative import restrictions, the maximum bound rates committed under the Uruguay Round Final Act shall be imposed on the agricultural products whose quantitative import restrictions are repealed by this Act. XXX.

“For the tariff equivalent of the quantitative import restrictions on rice, the bound rate shall be as notified by the Philippines to the WTO as follows:

**Rule 5.1. For the tariff equivalent of the quantitative import restrictions on rice, the bound rate shall be as notified by the Philippines to the WTO, as follows:**

**(a) For rice imports originating from ASEAN member states, the import duty rate under the ATIGA shall apply;**

**(b) For rice imports originating from non-ASEAN WTO member states, the bound rate is one hundred eighty percent (180%) or the tariff equivalent calculated in accordance with Paragraph 10 of Annex 5, Section b, of the WTO Agreement on Agriculture upon the expiration of the waiver relating to the special treatment for rice of the Philippines, whichever is higher;**

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### ARTICLE V TARIFFICATION

“(a) For the minimum access volume committed by the Philippines to WTO, the in-quota tariff rate indicated in the applicable provisions of the WTO Agreement on Agriculture shall apply;

“(b) For rice imports originating from ASEAN member states, the import duty rate under the ATIGA shall apply; and

“(c) For rice imports originating from non-ASEAN WTO member states, the out-quota tariff rate is one hundred eighty percent (180%) or the tariff equivalent calculated in accordance with Paragraph 10 of Annex 5, Section b, of the WTO Agreement on Agriculture...

**(c) The calculated tariff equivalent shall be determined by the Tariff Commission and approved by the National Economic and Development Authority (NEDA) Board within forty-five (45) days after the effectivity of the Act.**

**Rule 5.2. For the minimum access volume committed by the Philippines to WTO, the in-quota tariff rate indicated in the applicable provisions of the WTO Agreement on Agriculture shall apply.**

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### ARTICLE V TARIFFICATION

...upon the expiration of the waiver relating to the special treatment for rice of the Philippines, whichever is higher, shall apply.

“The calculated tariff equivalent shall be determined by the Tariff Commission and approved by the National Economic Development Authority (NEDA) Board within forty-five (45) days upon the effectivity of this Act.”

**Rule 5.3. The applied rate on rice shall be as indicated under Section 1611 of the CMTA, unless otherwise amended in accordance with Section 1608 of the CMTA and Section 7 of this Act. In the case of rice for sowing, a review of the modification of its preferential rate under ATIGA shall be undertaken immediately upon the effectivity of this IRR. Availment of preferential rates under the ATIGA shall be subject to the submission of the appropriate Certificate of Origin.**

**Rule 5.4. In case the calculated out-quota tariff rate referred to under Section 6(c) of the Act exceeds one hundred percent (100%), the provision of Paragraph 1, Section 1608(a) of the CMTA shall not apply.**

# Salient Items of the Draft IRR



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<b>ARTICLE VI</b> <b>THE POWERS OF THE PRESIDENT</b>	
<p>SEC. 6. A new Section 7 is hereby inserted after Section 6 of R. A. No. 8178, as amended, to read as follows:</p> <p>“SEC. 7. Powers of the President. – Consistent with the Philippine national interest and the objective of safeguarding Filipino farmers and consumers, the President is hereby empowered to act with full delegated authority subject to the provisions of the CMTA, in the following circumstances:</p>	<p><b>Rule 6.1. The President, upon the recommendation of NEDA, as may be advised by the NFA Council, may increase, reduce, revise, or adjust existing rates of import duty up to the bound rate committed by the Philippines under the WTO Agreement on Agriculture and under the ATIGA, including any necessary change in classification applicable to the importation of rice: Provided, That the power herein delegated to the President shall only be exercised when Congress is not in session: Provided, further, That any order issued by the President adjusting the applied tariff rates shall take effect fifteen (15) days after publication.</b></p>

# Salient Items of the Draft IRR



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### ARTICLE VI

### THE POWERS OF THE PRESIDENT

“(a) The President may increase, reduce, revise, or adjust existing rates of import duty up to the bound rate committed by the Philippines under the WTO Agreement on Agriculture and under the ATIGA, including any necessary change in classification applicable to the importation of rice: Provided, That the power herein delegated to the President shall only be exercised when Congress is not in session: Provided, further, That any order issued by the President adjusting the applied tariff rates shall take effect fifteen (15) days after publication;

**Rule 6.2. In the event of any imminent or forecasted shortage, or such other situation requiring government intervention, upon the recommendation of NEDA as may be advised by the NFA Council, the President is empowered for a limited period and/or a specified volume, to allow the importation at a lower applied tariff rate to address the situation. Such order shall take effect immediately and can only be issued when Congress is not in session. For the purposes of this IRR, the lower applied tariff rate shall apply for a period no more than ninety (90) days or when the shortage ceases to exist, whichever comes first. This period may be extended for a similar period upon advice upon the recommendation of NEDA as may be advised by the NFA Council.**

# Salient Items of the Draft IRR



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<b>ARTICLE VI</b> <b>THE POWERS OF THE PRESIDENT</b>	
<p>“(b) In the event of any imminent or forecasted shortage, or such other situation requiring government intervention, the President is empowered for a limited period and/or a specified volume, to allow the importation at a lower applied tariff rate to address the situation. Such order shall take effect immediately and can only be issued when Congress is not in session; and</p> <p>“(c) In case the calculated out-quota tariff rate referred to under Section 6(c) of this Act exceeds one hundred percent (100%), the provision of Paragraph 1, Section 1608(a) of the CMTA shall also not apply.</p>	<p><b>Rule 6.3. The NFA Council may create a Technical Working Group tasked to provide the relevant information.</b></p>

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<b>ARTICLE VI</b> <b>THE POWERS OF THE PRESIDENT</b>	
“The power herein delegated to the President may be withdrawn or terminated by Congress through a Joint Resolution.”	<b>Rule 6.4. In the event of rice supply shortage, the President may direct the Secretary of Trade and Industry and the PITC to expeditiously participate in the rice industry to enhance market competition and stabilize rice prices.</b>

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### ARTICLE VII

### TRADE NEGOTIATION AUTHORITY

SEC. 7. A new Section 7-A is hereby inserted after the new Section 7 of R. A. No. 8178, as amended to read as follows:

“SEC. 7-A. Trade Negotiation Authority. – In the interest of the Philippine rice industry and Philippine consumers, and upon the recommendation of the NEDA and the Department of Agriculture (DA), the President may enter into trade negotiations or renegotiations of the Philippine international trade commitments on rice.”

**Rule 7.1. In accordance with Section 1609 of the CMTA, the NEDA Board Committee on Tariff and Related Matters (CTRM) shall determine the need for negotiation and renegotiation of international trade agreements/commitments for rice and recommend to the President Philippine position and tariff modification, as necessary.**

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## ARTICLE VII

### TRADE NEGOTIATION AUTHORITY

**These trade commitments consist of but are not limited to the following:**

- a. WTO Agreements and RA 8178 as amended by the Act;**
- b. ASEAN Trade in Goods Agreement (ATIGA);**
- c. ASEAN Plus trade agreements: to date these cover ASEAN-China FTA, ASEAN-Japan FTA, ASEAN-Republic of Korea FTA, ASEAN-India FTA, ASEAN-Australia-New Zealand FTA.**
- d. Agreement on ASEAN Plus Three Emergency Rice Reserve (APTERR), and ASEAN Food Security Reserve (AFSR) Agreement.**

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### ARTICLE VIII

### MAINTENANCE OF RICE BUFFER STOCK

SEC. 8. A new Section 8 is hereby inserted after the new Section 7-A of R. A. No. 8178, as amended to read as follows:

“SEC. 8. Maintenance of Rice Buffer Stock. – The NFA shall, in accordance with the rules, regulations and procedures to be promulgated, maintain sufficient rice buffer stock to be sourced solely from local farmers.”

**Rule 8.1. The NFA shall continue to perform its role in ensuring food security by maintenance of buffer stock sourced from local farmers as provided in the Act.**

**Rule 8.2. The NFA Council shall promulgate rules, regulations and procedures involving the acquisition, maintenance and distribution of buffer stocks.**

**Rule 8.2.1 No later than December 31, 2019, the NFA Council shall promulgate rules, regulations, and procedures involving the acquisition, maintenance, and distribution of buffer stocks. NFA Council shall commission an independent study to inform and accordingly revise these rules, regulations, and procedures. The study shall cover, among others:**

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### ARTICLE VIII

### MAINTENANCE OF RICE BUFFER STOCK

- The optimal level of rice inventory to be held as national buffer stocks;
- The rules and procedures for procurement, composition, storage, processing, and rotation or replenishment, of rice stocks;
- The locations and amounts of prepositioned stocks in anticipation of emergency and disaster; and
- The transaction flow and procedures for the release of rice stocks to government agencies as emergency response and disaster relief.

**Rule 8.3.** Until December 31, 2019, the NFA shall implement the following rules, regulations, and procedures involving the acquisition, maintenance, and operations of buffer stocks:

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### ARTICLE VIII

### MAINTENANCE OF RICE BUFFER STOCK

- **Rule 8.3.1.** NFA adopts an optimal level of rice inventory equivalent to 15 to 30 days of national rice consumption. NFA shall acquire the optimal level under its palay procurement program. Procurement shall be funded by its 2019 appropriations for palay procurement.
- **Rule 8.3.2.** NFA shall maintain the optimal level of buffer stocks at all times, except to make releases in response to emergencies, in support of disaster relief programs of the government, or to dispose of ageing stocks. Storage, sale, and distribution of stocks shall be done in accordance within existing guidelines, provided these guidelines are consistent with Rule 8.3.1.

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### ARTICLE VIII

### MAINTENANCE OF RICE BUFFER STOCK

- **Rule 8.4.** The NFA shall submit a monthly report to its Council on the actual buffer stock level as compared to the optimal level.
- **Rule 8.5.** The budgetary requirements for the acquisition, maintenance, and operations of buffer stock shall be generated via NFA corporate receipts and supplemented by the national government, including but not limited to the General Appropriations Act (GAA), subject to the usual budgeting, accounting, and auditing guidelines.
- **Rule 8.6.** The NFA shall engage the DSWD in distributing the buffer stock during emergency situations and distributing ageing stock. In lieu of rice subsidy in cash, the NFA, through DSWD and with approval of DBM, may distribute actual rice to intended beneficiaries in areas where it is logistical efficient to do so. This option shall be considered in the independent study indicated in Rule 8.2.1.

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### ARTICLE IX

### LIFTING OF QUANTITATIVE EXPORT RESTRICTIONS ON RICE

SEC. 9. A new Section 9 is hereby inserted after the new Section 8 of R. A. No. 8178, as amended to read as follows:

“SEC. 9. Lifting of Quantitative Export Restrictions on Rice. – Any and all laws, rules, regulations, guidelines, and other issuances imposing quantitative export restrictions on rice are hereby repealed. The exportation of rice shall be allowed in accordance with the established rules, regulations and guidelines.”

**Rule 9.1. Any and all laws, rules, regulations, guidelines, and other issuances imposing quantitative export restrictions on rice are hereby repealed. The exportation of rice shall be allowed in accordance with the established rules, regulations and guidelines, and shall not be restricted in volume.**

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<b>ARTICLE X</b> <b>SPECIAL RICE SAFEGUARD</b>	
<p>SEC. 10. A new Section 10 is hereby inserted after the new Section 9 of R. A. No. 8178, as amended to read as follows:</p> <p>“SEC. 10. Special Rice Safeguard. – In order to protect the Philippine rice industry from sudden or extreme price fluctuations, a special safeguard duty on rice shall be imposed in accordance with R.A. No. 8800, otherwise known as the “Safeguard Measures Act” and its implementing rules and regulations.”</p>	<p><b>Rule 10.1. The DA shall monitor the importation of rice and impose a special rice safeguard should the import volume exceed the trigger volume in accordance with the provisions of R.A. No. 8800 or the Safeguards Measure Act and its implementing rules and regulations.</b></p> <p><b>Rule 10.1.1. If the volume of imports exceeds the immediate past three-year moving average, the volume trigger shall be activated at 125% of this number. In succeeding years, if the volume trigger continues to be activated, the size of the trigger will increase following the same computation.</b></p>

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<b>ARTICLE X</b> <b>SPECIAL RICE SAFEGUARD</b>	
	<p><b>Rule 10.1.2.</b> If the volume trigger is activated, the Secretary of Agriculture shall issue a department order requesting the Commissioner of Customs, through the Secretary of Finance, to impose an additional special safeguard duty on an agricultural product, consistent with Philippine international treaty obligations. The additional safeguard duty shall be at most one-third of the applicable out-quota customs duty, and is only valid at the end of the year in which it is imposed.</p> <p><b>Rule 10.2.</b> All tariff lines under the heading 10.06 in the AHTN shall be added in the Annex of the IRR of RA 8800 on the list reflecting the agricultural products eligible for special safeguard (SSG) imposition.</p>

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### ARTICLE XI

### MECHANISM FOR THE IMPLEMENTATION OF MINIMUM ACCESS VOLUME (MAV)

SEC 11. Section 7 of R. A. No. 8178, as amended, is hereby renumbered as Section 11 and is amended to read as follows:

“SEC. 11. Mechanism for the Implementation of Minimum Access Volume (MAV). – An equitable and transparent mechanism for allocating the MAV of agricultural products whose quantitative restrictions are herein lifted, shall be developed and established, having the least government intervention, addressing the requirements of each geographical area, and without entailing any cost to importers/users of these products to the detriment of local consumers and other end-users.

**Rule 11.1** The NEDA, as may be advised by the NFA Council, shall formulate the guidelines on the auction of the rice MAV to importers consistent with the provisions of this Act. Such guidelines shall be formulated on or before March 5, 2019.

**Rule 11.2.** The Bureau of the Treasury (BTr) and the Landbank of the Philippines (LBP) shall implement the rice MAV auction in accordance with the guidelines provided by the NEDA.

**Rule 11.3** The MAV may be adjusted by NEDA to take into account market circumstances subject to the approval of \_\_\_\_\_.

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## ARTICLE XI

### MECHANISM FOR THE IMPLEMENTATION OF MINIMUM ACCESS VOLUME (MAV)

“In the case of rice, its MAV will revert to its 2012 level at three hundred fifty thousand metric tons (350,000 MT) as indicated in the Philippine commitment to the WTO.

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### ARTICLE XII

### AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND (ACEF)

SEC. 12. Section 8 of R. A. No. 8178, as amended, is hereby renumbered as Section 12 and is amended to read as follows:

“SEC. 12. Agricultural Competitiveness Enhancement Fund. – To implement the policy enunciated in this Act, there is hereby created the Agricultural Competitiveness Enhancement Fund, herein referred to as the Fund. The Fund shall consist of all duties collected from the importation of agricultural products, except rice, under the MAV mechanism, including unused balances and collections from repayments from loan beneficiaries including interests, if any. ...

**Rule 12.1. The Bureau of Customs (BOC) shall upon the effectivity of the Act exclude from the ACEF tariff revenue or customs duties accruing from the importation of rice.**

**Rule 12.2. The existing guidelines in the implementation utilization of the ACEF shall be valid and remain in force, except for the use of tariff revenues or customs duties from the importation of rice.**

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## ARTICLE XII

### AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND (ACEF)

...The Fund shall be automatically credited to Special Account 183 in the General Fund of the National Treasury: Provided, That fund releases shall not be subject to any ceiling by the Department of Budget and Management (DBM).

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### ARTICLE XIV

### BENEFICIARIES OF THE RICE FUND

SEC. 14. A new Section 14 is hereby inserted after the new Section 13 of R. A. No. 8178, as amended, to read as follows:

“SEC. 14. Beneficiaries of the Rice Fund. – The beneficiaries of the Rice Fund shall be those farmers and farmworkers and their dependents listed in the Registry System for Basic Sectors in Agriculture (RSBSA), and rice cooperatives and associations accredited by the DA. ..

**Rule 14.1. The DA shall release protocol and guidelines in updating and expanding the RSBSA and in harmonizing all existing registry in agriculture and fisheries sector. The RSBSA shall be updated annually by the DA, while maintaining a record of rice farmers and farm workers who exited the sector. The corresponding budgetary requirement shall be included in the DA-OSEC budget proposal submitted annually to the DBM.**

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### ARTICLE XIV

### BENEFICIARIES OF THE RICE FUND

...Within one hundred eighty (180) days from the effectivity of this Act, the DA, in consultation with farmers' cooperatives and organizations and LGUs, shall validate and update the masterlist of eligible beneficiaries to ensure that those listed are legitimate farmers, farmworkers and rice cooperatives and associations.

**Rule 14.2. The DSWD and DA shall organize a joint task force that will work toward the harmonization of the RSBSA and Listahanan or the National Household Targeting System for Poverty Reduction (NHTS-PR) of DSWD and submit a progress report by the end of 2020 to PSC. Likewise, the DA shall endeavor to also harmonize the RSBSA with other farmer databases, such as those held by Land Bank, PhilRice, PCIC, and similar agencies.**

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### ARTICLE XIV

### BENEFICIARIES OF THE RICE FUND

“In order to focus on the targeted rice farmer beneficiaries, cooperatives and associations for the Rice Fund, the list of rice producing provinces and LGUs, as provided for by PhilRice as of 2015-2018, shall be the basis and shall be added to the roadmap as an appendix.”

**Rule 14.3 PhilRice, in consultation with DA-RFOs and LGUs, shall validate the list of rice-producing municipalities. Likewise, the DA shall revisit the RSBSA’s definition of “farmers” and “farmworkers”.**

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### ARTICLE XV

### RICE INDUSTRY ROADMAP

SEC. 15. A new Section 15 is hereby inserted after the new Section 14 of R. A. No. 8178, as amended, to read as follows:

“SEC. 15. Rice Industry Roadmap. – Upon the effectivity of this Act, the DA, together with the NEDA, Department of Finance (DOF), DBM, DAR, National Irrigation Administration (NIA), TESDA, PCIC, National Anti-Poverty Commission (NAPC) Farmer Sectoral Council Representative and other government agencies concerned,

**Rule 15.1. The DA shall lead the crafting of Rice Industry Roadmap, with NEDA, DOF, DBM, DAR, DTI, NIA, TESDA, PCIC, NAPC Farmer Sectoral Council Representative, and representatives from the PCAF Committees on Food Staples and Agricultural and Fisheries Mechanization, and other rice industry stakeholders.**

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### ARTICLE XV

### RICE INDUSTRY ROADMAP

...including rice farmer representatives, shall be given a maximum of one hundred eighty (180) days to formulate and adopt the rice roadmap to restructure the government's delivery of support services for the agriculture rice sector.

"The following principles shall govern the development and implementation of the roadmap for the rice industry:

"(a) Raise sustainable investments in the rice industry particularly on rice support infrastructure and post-harvest facilities;

**The DA, shall conduct stakeholder consultations with the various rice industry stakeholders towards the formulation of the Rice Industry Roadmap. The DA, together with NEDA, DOF, DBM, DAR, DTI, NIA, TESDA, PCIC, NAPC Farmer Sectoral Council Representative, and representatives from the PCAF Committees on Food Staples and Agricultural and Fisheries Mechanization, and other rice industry stakeholders shall adopt the Rice Industry Roadmap on or before September 05, 2019.**

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### ARTICLE XV

### RICE INDUSTRY ROADMAP

“(b) Improve the productivity, efficiency and profitability of small rice farmers and landless farmworkers;

“(c) Strengthen research and development programs that will enhance the resiliency of the rice industry;

“(d) Preserve and enhance the rice production capabilities of future generations;

**Rule 15.2. The Rice Industry Roadmap shall include the participatory structure, mechanisms, modalities, platforms and programs/activities for farmers to actively and meaningfully engage in the implementation of the Act. It shall serve as the guidepost in the priority setting of the programs and formulation of the more detailed implementing guidelines of the Implementing Agencies. It shall provide the mechanisms and timetable for the formulation and implementation of localized Rice Value Chain Corridor Action Plans. These action plans will substantiate the Rice Industry Roadmap implementation at economic cluster/area specific basis and will reflect the different eco-systems and climate change impacts. ..**

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### ARTICLE XV

### RICE INDUSTRY ROADMAP

“(e) Provide accessible, targeted and technology-oriented support services that cover the entire value chain;

“(f) Set up responsible, participatory and effective governance mechanisms; and

“(g) Address impact of income loss caused by rice tariffication.

“The rice industry roadmap shall be implemented through a complementation of the DA’s rice sector programs as funded by the GAA, and the Rice Fund created under this Act.”

**...The Rice Industry Roadmap will specify, inter alia, the conduct of rapid appraisals of rice and rice-other commodity value chains, the engagement of LGUs and other key stakeholders at local (municipal) levels in planning and decision-making, the investment and institutional requirements, and the implementation and monitoring and evaluation (M&E) arrangements**

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### ARTICLE XV

### RICE INDUSTRY ROADMAP

**Rule 15.3. DA, DBM, NEDA, DOF and other concerned agencies shall ensure that the activities and investments necessary for the effective and efficient implementation of the Rice Industry Roadmap are funded in accordance with the annual Budget Priorities Framework annually approved by the Development Budget Coordinating Council to be covered by National Budget Memorandum issued annually by the DBM in the Budget Preparation of any given budget year.**

**Rule 15.4. The DA, together with NEDA, DOF, DBM, DAR, DTI, NIA, TESDA, PCIC, NAPC Farmer Sectoral Council Representative, and representatives from the PCAF Committees on Food Staples and Agricultural and Fisheries Mechanization shall conduct periodic review of the Rice Industry Roadmap.**

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### ARTICLE XVI

### NATIONAL SINGLE WINDOW

SEC. 16. A new Section 16 is hereby inserted after the new Section 15 of R. A. No. 8178, as amended to read as follows:

“SEC. 16. National Single Window Program. – To ensure the accurate collection of tariff as provided in Section 6 of this act, the National Single Window (NSW) program of the Bureau of Customs (BOC) shall be implemented within one hundred eighty (180) days from the effectivity of this Act in accordance with Executive Order No. 482.”

**Rule 16.1. For the purpose of issuing SPSIC, the BPI trade system procedures shall be operationally linked with the NSW and/or its subsequent version.**



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**National Economic and Development Authority**

Stakeholder Consultation

26 February 2019