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MAR 03 2023

MEMORANDUM

TO : **THE REGIONAL EXECUTIVE DIRECTOR**
DENR XI and XIII

THE REGIONAL DIRECTOR
Environmental Management Bureau XI and XIII

THE REGIONAL DIRECTOR
Mines and Geosciences Bureau XI and XIII

FROM : **THE ASSISTANT SECRETARY**
Field Operations-Eastern Mindanao

SUBJECT : **SUBMISSION OF POLICY ANALYSIS PAPER FOR PROPOSED POLICIES**

This pertains to the Memorandum dated 16 February 2023 from the Undersecretary for Policy, Planning and International Affairs regarding the submission of policy analysis paper for proposed policies as hereto attached.

In this regard, please be advised to submit your policy analysis papers following the template/guide provided herein.

For information, record and appropriate action.

RUTH M. TAWANTAWAN, *CESO II*

Cc: **THE UNDERSECRETARY**
Field Operations Mindanao

MEMO NO. 2023 - 191

Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City
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MEMORANDUM

FOR/TO : All Undersecretaries
All Assistant Secretaries
All Bureau Directors
All Service Directors
All Heads of Attached Agencies and other Offices

FROM : The Undersecretary for Policy, Planning and International Affairs

SUBJECT : **SUBMISSION OF POLICY ANALYSIS PAPER FOR PROPOSED POLICIES**

DATE : FEB 16 2023

In accordance with DENR Administrative Order (DAO) No. 2021-15 or the Enhanced DENR Policy Development System (EPDS) and to advance science- and evidence-based policymaking in the Department, all the Bureaus and policy proponents are requested to submit policy analysis papers for proposed policies.

The policy analysis paper shall be attached to the Complete Staff Work (CSW) report for proposed policies, and shall discuss the processes or development stages of the draft policy, i.e., 1) problem and issue identification, 2) problem and issue analysis, 3) policy options formulation, and 4) policy discussions and agreements. The policy proponent shall ensure the use of evaluative criteria, policy tools, statistical modeling, when applicable, and other approaches to ensure that the proposed policy will achieve its desired outcome. Relatedly, the policy analysis paper should contain discussions on how the approaches/policy tools were applied in the development of the proposed policy.

Additionally, the policy analysis paper should detail the strategies for implementing the proposed policy, the risks involved, possible barriers to implementation, the implementers, methods for monitoring and evaluation, the indicators to be monitored, and the means of collecting data. It shall also indicate/list the studies, researches, literatures and other references used in the formulation of the proposed policy.

Attached is the template/guide for developing the policy analysis paper, for your reference. May we remind the policy proponents to attach in the CSW report copies of all the relevant documents, i.e., highlights of meetings, consultations, reports, correspondences, issuances, etc. to support the proposed policy.

FOR COMPLIANCE.

ATTY. JONAS R. LEONES

MEMO NO. 2023 - 141

Title of Proposed Policy:

Proponent Office/Bureau:

Introduction	• Defines the issue to be addressed by the proposed policy and the purpose of the policy analysis.
Background	• Discusses the details of the issue/problem to be addressed, history, and context for the formulation of the policy. • Provides an inventory of existing conditions or state of the environment. The policy proponent may apply the following frameworks/models in analyzing the conditions: a. PESTLE (Political, Economic, Social, Technological, Legal, Environmental) Analysis – a framework to analyze the key factors influencing an organization from the outside. b. Pressure-State-Response (PSR) Framework – used to analyze the interactions between environmental pressures, the state of the environment and environmental responses. Pressure pertains to the human activities that exert pressure on the environment; State focuses on the state or condition of the environment; and Response refers to the policies and actions to prevent/reduce adverse impacts. c. Driver-Pressure-State-Impact-Response (DPSIR) Framework – provides a structure within which to present the indicators needed to enable feedback to policy-makers on environmental quality and the resulting impact of the political choices made, or to be made in the future. • Discusses the existing policies regarding the problem and other relevant issuances, and the need for the formulation of the policy.
Methods & Analysis	• Discusses the processes in the development stage of the draft policy, i.e., 1) Problem and Issue Identification, 2) Problem and Issue Analysis, 3) Policy Options Formulation, and 4) Policy Discussions and Agreements. 1. Problem and Issue Identification – identifies the issue that will be addressed or the context for the formulation of the draft policy. 2. Problem and Issue Analysis – this step includes the gathering of facts and assessing the problem in a more in-depth manner using analytical tools.

	The proponent may use any or combination of the following tools/methods, whichever is applicable: a. Problem Tree Analysis – helps find solutions by mapping out the anatomy of cause and effect around an issue in a similar way to Mind map, but with more structure b. Root Cause Analysis – a problem-solving approach that uses the analogy of roots and blooms to model cause-and-effect relationships. Rather than focusing on what's above the surface, root cause analysis troubleshoots solutions to problems by analyzing what is causing them. c. Conduct of key informant interview (KII), focus group discussion (FGD), or use of survey questionnaires to validate the issue/problem. 3. Policy Options Formulation – this stage involves defining the policy options including the objectives for achieving them; formulating the policy options or alternatives, evaluating and selecting the best policy option based on evaluation tools and drafting the policy. Upon identification and analysis of the issue/problem, the proponent may apply Objective Tree Analysis to identify the desired future situations. The negative situations indicated in the Problem Tree are converted into solutions/objectives by turning the problem statements into enabling conditions for the ideal state. In general, the objective tree mirrors the Problem Tree. Thereafter, the proponent shall formulate the policy options/alternatives, which may be: 1) maintain the current system or do nothing; 2) modify the current system; 3) use an existing design; 4) create a new design; or 5) combinations. In evaluating the policy options/alternatives and to gauge the merits thereof, any or combination of the following approaches/tools may be applied, depending on the circumstance: a. Setting of evaluative criteria to compare and rank the policy options/alternatives. Analysis of criteria may be quantitative or qualitative, or a combination of both. a.1. *Effectiveness* – measures the degree to which a policy option addresses or responds to a problem.

	In other words, effectiveness is a measure of how well a policy achieves its goals. a.2. *Efficiency* – refers to the effort required to achieve a valued outcome. a.3. *Equity* – refers to whether the costs and benefits are distributed equitably among different groups. a.4. *Adequacy* – the extent to which the achievement of a valued outcome will resolve the problem. a.5. *Responsiveness* – refers to whether the policy outcomes satisfy the needs, preferences, or value of particular groups. Other criteria may also be used in assessing policy options, such as: *Administrative feasibility* – refers to the likelihood that the Department or agency can implement the policy. This also entails an assessment of the Department's capacity and projection of available resources. *Technical feasibility* – refers to the availability of necessary resources and competencies. *Political viability* – how well the proposed policy will be accepted by a set of decision-makers and the general public. The proponent may use any or combination of the following approaches/tools: Political Feasibility Analysis – examines the actors and events involved in each stage of a political decision-making process and anticipates the likely resolution of a policy problem as it works its way through the policy process. Stakeholder Analysis – an approach, a tool, or set of tools for generating knowledge about actors – individuals and organizations – so as to understand their behavior, intentions, inter-relations and interests, and for assessing the influence and resources they bring to bear on decision-making or implementation processes. PRINCE Analysis – a political feasibility analysis or a systematic evaluation of the political implications of policy decisions focusing on 3Ps: position, power, priority of stakeholders.

	Social acceptability – the extent to which the public at large will accept and support a policy. The above-cited tools for determining political viability may also be used. *Economic efficiency* – measures the ratio of economic costs to economic benefits of a policy option. The following tools may be used: Cost-Benefit Analysis (CBA) – an economic approach that weighs the cost of the policy against its projected benefits. Analysts often measure opportunity cost, or the value of opportunities foregone, had the time or money been used otherwise. Economists apply the discount rate to determine the value of future benefits today. They weigh the preferences of the public for various policy options using contingent valuation methods and use sensitivity analysis to assess the impact of applying different discount rates to the same situation. Cost Effectiveness – a similar approach used when benefits cannot be monetized. *Legal feasibility/Legality* – refers to the consistency with current constitutional/legal framework, national/local mandates as appropriate. *Environmental, climate change and disaster risk resiliency responsiveness* – impact of the proposed policy to the environment, climate change and disaster risk resiliency. Environmental Impact Assessment (EIA) – a process that involves predicting and evaluating the likely impacts of a project on the environment (land, water, air, flora, fauna and people) at various stages of project development). Ecosystem Service Valuation – the process of quantifying the value of the ecosystem service benefits to people provided by a given landscape or habitat type in a defined location. Carrying Capacity Study – the study of the maximum number, density, or biomass of a population that a specific area can support sustainably.

The proponent may use the Goals/Alternative Matrix below to illustrate the comparison or options/alternatives according to the criteria established once the relative weights have been identified.

Goals/Alternative Matrix

Criteria	Option A	Option B	Option C
Effectiveness			
Efficiency			
Equity			
Adequacy			
Responsiveness			
Administrative Feasibility			
Technical Feasibility			
Political Viability			
Social Acceptability			
Economic Efficiency			
Legal Feasibility /Legality			
Environmental, Climate Change and Disaster Risk Resiliency Responsiveness			

b. Force Field Analysis – a tool used to identify and assess the strengths of the various forces influencing a desired change, both supportive and restraining.

c. Risk Analysis – the assessment process that identifies the potential for any adverse events that may negatively affect organizations and the environment.

d. Risk Evaluation – attempts to define what the estimated risk actually means to people concerned with or affected by the risk.

Environmental Risk Assessment (ERA) – a process for evaluating how likely it is that the environment may be impacted as a result of exposure to one or more environmental stressors, such as chemicals, disease, invasive species, and climate change.

	e. Forecasting – procedure for producing factual information about future states of society on the basis of prior information about policy problems. Policy Delphi – method for achieving convergence of opinions from a panel of experts on a certain topic. The method is designed as a group communication process aiming at conducting details examinations and discussions of a specific issue as input for goal-setting, policy investigation, or predicting the occurrence of future events f. Statistical Modeling – a process of applying statistical models and assumptions to generate sample data and make real-world predictions. In the Policy Options Formulation, the proponent should present all the policy options considered, including the risks. Additionally, it should discuss the situation without the policy intervention, or if the status quo is maintained. The rationale for choosing the proposed policy as the best option among all the options identified should be expounded. 4. Policy Discussions and Agreements – the proposed policy is articulated and presented to the stakeholders to create an opportunity for others to review, comment and make suggestions on the draft document. A stakeholder's consultation may be conducted by the policy proponent.
Recommendation	• Discusses the policy option/alternative selected and the rationale for selection, and identifies the possible risks. • Provides the strategies for implementing the policy option selected and identifies the barriers to implementation. • Identifies the implementers, the methods for monitoring and evaluation, the indicators to be monitored, and how the data will be collected.
References/ Evidence Base	• Lists or enumerates the studies, researches, literatures and other references used, with short descriptions of key findings.
Appendices	• Indicates the tables showing the results of policy analysis.

References:

1. DENR Administrative Order (DAO) No. 2021-15
2. UP-NCPAG
3. OECD

4. FAO
5. https://www.cipd.asia/knowledge/factsheets/pestle-analysis#gref
6. https://odi.org/en/publications/planning-tools-problem-tree-analysis/
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