Rural Growth and Development Revisited

AGRARIAN REFORM FOR BROAD-BASED RURAL GROWTH

by

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ACRONYMS AND ABBREVIATIONS USED

ACA        Agricultural Credit Act
AJD        Agrarian justice delivery
ALDA       ARCs’ Level of Development Assessment
ALG        Alternative Law Groups
AO         Administrative order
AR         Agrarian reform
ARB        Agrarian reform beneficiary
ARC        Agrarian reform community
ARCDP      Agrarian Reform Community Development Project
ARMM       Autonomous Region of Muslim Mindanao
ARPT       Agrarian Reform Program Technologist
BALA       Bureau of Agrarian Legal Assistance
BARBD      Bureau of Agrarian Reform Beneficiaries Development
BARC       Barangay Agrarian Reform Committee
BARIE      Barangay Agrarian Reform Information and Education
BLAD       Bureau of Land Acquisition and Distribution
BLD        Bureau of Land Development
BSS        basic social services
CA         Compulsory Acquisition
CARL       Comprehensive Agrarian Reform Law
CARP       Comprehensive Agrarian reform Program
CLOA       Certificate of Landownership Award
DA         Department of Agriculture
DAR        Department of Agrarian Reform
DARAB      Department of Agrarian Reform Adjudication Board
DENR       Department of Environment and Natural Resources
DENR-LMS   Department of Environment and Natural Resources-Land Management Sector
DLR        Department of Land Reform
DLRCO      Department of Land Reform Central Office
DLRMO      Department of Land Reform Municipal Office
DLRPO      Department of Land Reform Provincial Office
DLRRO      Department of Land Reform Regional Office
DOJ        Department of Justice
DOP        Deposit of payment
DPS        Direct payment scheme
DSWD       Department of Social Welfare and Development
ECOPISS    Economic and physical infrastructure support services
FAPs       Foreign-assisted projects
FAPsO      Foreign-Assisted Projects Office
FPI        Farm productivity and income
GAD        Gender and development
GFI        Government financial institute
GOL        Government-owned land
Ha  Hectare(s)
LAD  Land acquisition and distribution
LAMA  Land Administration and Management Act
LBP  Land Bank of the Philippines
LBP-LVO  Land Bank of the Philippines-Land Valuation Office
LEDAC  Legislative-Executive Development Advisory Council
LGU  Local government unit (barangay, municipality, city or province)
LMB  Land Management Bureau
LRA  Land Registration Authority
LT  Land tenure
LTI  Land tenure improvement
MARO  Municipal Agrarian Reform Officer
MODE  Management for Organization Development and Empowerment
MOV  Memorandum on Valuation
NLUA  National Land Use Act
NCIP  National Commission on Indigenous Peoples
NGOs  Non-government organizations
NLV  Notice of Land Valuation
OM  Organizational maturity
PAL  Private agricultural land
PARC  Presidential Agrarian reform Council
PARO  Provincial Agrarian Reform Officer
PCA  Philippine Coconut Authority
PCGG  Presidential Commission on Good Government
PD  Presidential Decree
PESANTEch  Paralegal Education Skills Advancement and Networking Technology
PPU  Provincial Planning Unit
ProCARRD  Provincial Consultation on Agrarian Reform and Rural Development
PSRS  Policy and Strategic Research Service
RA  Republic Act
RFVI  Resistance from vested interests
ROD  Register of Deeds
SDO  Stock distribution option
SICB  Social infrastructure and capability building
SRA  Sugar Regulatory Administration
SRDI  Sustainable rural development index
SS  Support services
TCT/RP  Transfer Certificate of Title in the name of the Republic of the Philippines
VLT  Voluntary land transfer
VOS  Voluntary offer to sell
The principal purpose of this paper is to provide recommendations for actions that would enhance agrarian reform’s contribution to broad-based rural growth. Sources of information for the paper included a review of recent literature, interviews and the author’s own stock of knowledge built up since 1970-1973 when he worked with the Federation of Free Farmers lobbying for amendments to the Agricultural Land Reform Code of 1963 (Republic Act No. 3844) and with what was then known as the Department of Agrarian Reform (DAR, 1986-1990, 1997-1998).

This paper has benefitted from comments from staff of the National Economic and Development Authority (NEDA) and the Department of Land Reform (DLR).

The paper is divided into two sections. The first reviews agrarian reform and program accomplishments to date. The second focuses on seven recommendations for enhancing the agrarian reform program’s contributions to rural growth:

- Increase ARCs and ARC-like mechanisms.
- Prioritize landholdings to be covered.
- Increase human and other resources in DLRPOs with largest LAD balances.
- Boost funding for agrarian reform.
- Hasten decision-making on cases and promote early resolution of issues.
- Adopt common criteria for beneficiary selection under the Comprehensive Agrarian Reform Law (CARL) and Free Patent Law.
- Approve the Land Administration and Regulatory Authority (LARA) bill, National Land Use Act (NLUA) and Agricultural Credit Act (ACA).

I. Agrarian Reform and Program Implementation to Date

The Comprehensive Agrarian Reform Law (RA 6657) defines agrarian reform as

“...the redistribution of lands, regardless of crops or fruits produced, to farmers and regular farmworkers who are landless, irrespective of tenurial arrangement, to include the totality of factors and support services designed to lift the economic status of the beneficiaries and all other arrangements alternative to the physical redistribution of lands, such as production or profit-sharing, labor administration, and the distribution of shares of stock, which will allow beneficiaries to receive a just share of the fruits of the lands they work.”

Agrarian reform may also be described as a package of interventions that seek to redress inequities in regard to farmland tenure, institutions, credit, marketing, infrastructure, production technology, and so on. It is clear that the problems in the rural areas do not revolve solely around the concentration of landownership in the hands of a few but are also institutional, financial, related to farm technology, lack of infrastructure that would boost production or facilitate marketing of farm products, and so on. Hence, agrarian reform is not a one-sided program focusing only on land tenure improvement but has several dimensions.
The DLR’s Handbook for CARP Implementors, second edition, published by the Bureau of Agrarian Reform Information and Education (1995), stated that “Basically, agrarian reform is land reform – the transfer of control and ownership of agricultural land to the actual tillers – plus a package of support services: economic and physical infrastructure support services (ECOPISS, e.g., credit, extension, irrigation, roads and bridges, marketing facilities), and human resource and institutional development or social infrastructure building and strengthening.”

This may be expressed in the form of an equation: \( AR = LR + SS + SIBS \), where \( AR \) stands for agrarian reform; \( LR \), land reform; \( SS \), support services; and \( SIBS \), social infrastructure building and strengthening.

Community organizers subsequently recommended giving more weight to \( SIBS \). They reasoned that unprepared beneficiaries are often unable to make new landownership work in their favor, just as unorganized farmers are unable to maximize support services extended by government agencies. One smart person or a few bright ones in the community may benefit more than the others, or as a result of others’ not benefiting equitably, in a kind of local elite capture. Hence, \( SIBS \) -- the education and organization of would-be beneficiaries, a key element in DLR’s Agrarian Reform Communities Development Program -- would have the effect of multiplying the benefits of land tenure improvement and support services delivery. Thus, \( AR = (LR + SS) \times SIBS \). This means that if \( SIBS \) is negative -- e.g., the beneficiaries’ organization is controlled by the former landowner and they continue to be subservient to him -- \( AR \) could actually be negative for the beneficiaries.

In a conference on “WCARRD 20/20: Emerging Trends and Perspectives of Agrarian Reform in Asia,” held in Tagaytay City in 1999, Bruce Moore of the Popular Coalition to Eradicate Hunger and Poverty said that it was important to take into consideration forces opposed to agrarian reform. His formula was: \( Agrarian \ Reform = \frac{(\text{Land Tenure} + \text{Support Services} + \text{Participation})}{\text{Resistance from Vested Interests}} \). He explained:

While social relationships are complex and therefore do not lend themselves to formulas, the use of a mathematical analogy can illustrate the components of the process that need to be incorporated into agrarian reform planning.

The history of agrarian reform has shown that civil-society movements without institutional and public support or government-led reforms without the support of civil society have both failed. The lessons from the past also teach us that social change precedes technological and economic transformation. And, the record from development assistance and official aid emphasises that sustainability requires that people are empowered to be the agents of their own development.

... there can be no empowerment of people if they do not participate in the decisions that affect them. At the same time, participation is meaningless if it does not result in improved access to productive resources.

The factor that Mr. Moore added -- Resistance from Vested Interests (RFVI) -- was easy to accept but its relationship to the other factors was questionable. While Mr. Moore meant that a
high level of resistance would give a lower impact and a lower level of resistance would result in higher impact, the mathematical analogy would not hold if the resistance were expressed as a negative, because the overall result would then be negative.

It would be better to see resistance from vested interests as the opposite of the strength of popular forces or people’s participation -- or, to use the term adopted by the DLR’s Bureau of Agrarian Reform Beneficiaries Development (BARBD), social infrastructure and capability building (SICB). So the relationship of positive and negative forces could be expressed as “SICB – RFVI.” Hence, the formula would run as follows:

\[
AR = (LT + SS) \times (SICB – ROVI),
\]

where AR stands for agrarian reform; LT, land tenure; SS, support services; SICB, social infrastructure and capability building; and RFVI, resistance from vested interests.

Four Components of AR

This equation says that agrarian reform has four components to watch out for. **Land Tenure Improvement** is often regarded as the most important component because it addresses land use and ownership. Based on the Philippine Constitution of 1987 and relevant laws, the basic principle of agrarian reform appears to be land to the tiller. This is different than land to the landless. The latter principle would tend to make as many citizens as possible landowners, while the former recognizes that labor on the land creates an entitlement, that the cultivator should have secure control of his/her farmland through ownership preferably or at least permanent lease rights.

The land-to-the-tiller principle would make farmers secure in their hold on the farm, not to be threatened with eviction or dismissal without just cause, so that they would have every incentive to plan, invest and work hard for the improvement of their farm and its productivity. To maximize the amount of land that should be held securely by farmers as well as the number of farmers who own the land they cultivate, Presidential Decree No. 27 (1972) specified that no one may own rice or corn land in excess of seven hectares, while Republic Act No. 6657 (1987) set the limit at five hectares for croplands other than rice and corn. Landholdings in excess of these limits are to be acquired by the government for redistribution.

The second component is **support services**. This covers the entire range of rural infrastructure, production credit, agricultural technology, marketing and so on. The assumption is that the farmer who used to have access to support services when he was simply a share tenant or a farmworker, mostly provided by the landowner or his overseer, would have this assistance cut off when landownership would be transferred. So the farmer would need an alternative source of support. While predecessor laws were silent on allocations, the Comprehensive Agrarian Reform Law (CARL) specified that 25% of the budget for agrarian reform should be set aside for support services. It even created a Support Services Office within the Department of Agrarian Reform to ensure this. To minimize the functional overlaps with the Department of Agriculture
and its attached agencies, it was later agreed that the DLR’s role would focus on coordinating the delivery of support services rather than directly delivering these.

The third component is **social infrastructure and capability building**. This term is used to cover everything that has to do with generating would-be beneficiaries’ enthusiasm for the program, empowering them through education and organization, and ensuring they participate in various ways in the process of transferring landownership to themselves so that they would treasure the land and make it more productive. It includes development assistance that would encourage greater cooperation with other farmers for the purpose of purchasing inputs at lower prices, improving access to services, raising farm production, securing advantageous prices for their products, and so on. It may also be seen as a necessary counterpart of support services. The level of support farmers receive from government depends not only on government’s capability but also on farmers’ level of effective demand and their absorptive capacity, just as the extent to which they are able to take advantage of markets depends on their level of knowledge, skills and access.

The DLR at present uses the term land tenure improvement or LTI in a way that is synonymous with TI or LT used in this paper. The DLR term “program beneficiaries development” or PBD includes both support service delivery and social infrastructure and capability building.

While the first three components of agrarian reform are positive -- the more of these the program has, the better -- the fourth, **resistance from vested interests**, is negative. It is a component only in the sense that it is part of the reality of the program although it is not desirable. The CARL was a compromise, according to both advocates of agrarian reform and oppositionists. Years after the law was passed, opposition coming primarily from those who own farm land but don’t cultivate it personally or who desire to use farmland as an investment that may appreciate over the years or for other purposes they consider more lucrative continues. Although some landowners have learned to accept the program as a given and move on, insisting simply on fair and prompt payment for their landholdings, others continue to look for ways to stop, delay or circumvent program implementation.

“Social infrastructure and capability building” and “resistance from vested interests” are indeed contradictory. One promotes program implementation while the other opposes it. This is why the relationship is expressed in terms of “SICB minus RFVI.” If “resistance from vested interests” were to be dominant, program implementation could grind to a halt or even become negative, meaning to say that farmers could actually become worse off. But if “social infrastructure and capability building” offsets “resistance from vested interests,” it may multiply the benefits to be derived from “Land Tenure plus Support Services” or at least increase these significantly.

**CARP Implementation to Date**

The department handles two types of **land tenure improvement (LTI)** programs: land acquisition and distribution (LAD) programs and non-LAD LTI programs like agricultural leasehold and stock distribution option.
According to the latest available “Land Acquisition and Distribution Status (Table 4) as of October 31, 2004” prepared by the DLR’s Management Information Service, DLR’s LAD working scope is 4,272,053 hectares. Its claimed accomplishment is 3,527,234 hectares, giving it a “balance” of 695,610 hectares. It is estimated that 2,600,000 farmers and farmworkers have benefited from LAD. Hectarage is broken down into eight land types and five LAD procedures, three for private agricultural lands (PAL) – voluntary offer to sell (VOS), compulsory acquisition (CA) and voluntary land transfer (VLT) or direct payment scheme (DPS) -- and two for government-owned land (GOL) – government financial institutions (GFI) and Kilusang Kabuhayan at Kaunlaran (KKK, program for livelihood projects of the moribund Ministry of Human Settlements).

### LAD Scope, Accomplishment and Balance

<table>
<thead>
<tr>
<th>Item</th>
<th>Procedure</th>
<th>Working Scope less Reversions</th>
<th>Accomplishment</th>
<th>Balance</th>
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<tr>
<td>Land Type</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Tenanted rice/corn land</td>
<td>Operation land transfer (PD 27)</td>
<td>631,890</td>
<td>573,180</td>
<td>58,710</td>
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<td>PAL &gt; 50 ha</td>
<td>VOS</td>
<td>(271,484)</td>
<td>(224,319)</td>
<td>(47,165)</td>
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<td></td>
<td>CA</td>
<td>(329,562)</td>
<td>(184,279)</td>
<td>(145,283)</td>
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<td></td>
<td>VLT/DPS</td>
<td>(106,825)</td>
<td>(73,296)</td>
<td>(33,529)</td>
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<td></td>
<td>Sub-total</td>
<td>707,871</td>
<td>481,894</td>
<td>225,977</td>
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<tr>
<td>PAL 24-50 ha</td>
<td>VOS</td>
<td>(74,233)</td>
<td>(52,875)</td>
<td>(21,358)</td>
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<td></td>
<td>CA</td>
<td>(90,908)</td>
<td>(25,239)</td>
<td>(65,669)</td>
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<td></td>
<td>VLT/DPS</td>
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<td>(42,434)</td>
<td>(7,392)</td>
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<td></td>
<td>Sub-total</td>
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<td>PAL 5-24 ha</td>
<td>VOS</td>
<td>(239,324)</td>
<td>(189,785)</td>
<td>(49,539)</td>
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<td>CA</td>
<td>(214,849)</td>
<td>(74,515)</td>
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<td>(342,474)</td>
<td>(48,487)</td>
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<td>Sub-total</td>
<td>845,134</td>
<td>606,774</td>
<td>238,360</td>
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<td>PAL &lt; 5 ha</td>
<td>VOS</td>
<td>(24,467)</td>
<td>(18,417)</td>
<td>(6,050)</td>
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<td>VLT/DPS</td>
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<td>(42,216)</td>
<td>(2,193)</td>
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<td></td>
<td>Sub-total</td>
<td>68,876</td>
<td>60,633</td>
<td>8,243</td>
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<td>GOL</td>
<td>GFI</td>
<td>(194,773)</td>
<td>(160,558)</td>
<td>(34,215)</td>
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<td></td>
<td>KKK</td>
<td>(756,809)</td>
<td>(732,692)</td>
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<td></td>
<td>Sub-total</td>
<td>951,582</td>
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<td>Landed Estates</td>
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<td>71,545</td>
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<td>Settlements</td>
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<td>748,273</td>
<td>719,685</td>
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<tr>
<td>Totals</td>
<td></td>
<td>4,272,053</td>
<td>3,527,234</td>
<td>695,610</td>
</tr>
</tbody>
</table>

In 1992-1998, DLR was moving land at the rate of 323,000 hectares a year. Since then, however, for a variety of reasons – related mainly to budgets and agency management – land transfer has slowed down to just about 130,000 hectares annually.
It has no global target for leasehold operations but reports that, as of December 2003, it has benefited 1,135,328 farmers tilling 1,556,199 hectares. Some farms placed under agricultural leasehold were subsequently covered by LAD, so the two hectarage figures may not be added up.

Another non-LAD LTI program is referred to often as SDO, stock distribution option. Under Section 31 of Republic Act No. 6657, corporate landowners are allowed to provide shares of stock to farmworkers equivalent to the value of land in lieu of transferring the land title. Since 1988, however, the Presidential Agrarian Reform Council (PARC) has disapproved 46 SDO applications and approved 14, with one later withdrawn in favor of transforming the transaction into a voluntary offer to sell (VOS). The 13 SDO plans that are operational cover 8,435 hectares, including Hacienda Luisita’s 6,296 hectares. Twelve of these commercial farms are devoted to sugarcane, one to coconuts. Nine of the farms are in Negros Occ., two in Iloilo, one in Davao del Sur, and one (Hacienda Luisita) in Tarlac.

**Agrarian Justice Delivery (AJD)** covers ALI and DARAB cases. Agrarian law implementation (ALI) matters are usually studied by the Bureau of Agrarian Legal Assistance (BALA) which recommends action to be taken by the Secretary of Agrarian Reform. Coverage issues are considered to be ALI cases. DARAB or DAR Adjudication Board, with its system of Provincial Adjudicators, Regional Adjudicators and the board itself (or DARAB-Central Office), handles cases involving program implementation outside of coverage issues and the “preliminary administrative determination of reasonable and just compensation of lands acquired under PD 27 and the CARP,” according to DLR Administrative Order No. 3, Series of 2003.

Special Agrarian Courts appointed by the Supreme Court have original and exclusive jurisdiction over “all petitions for the determination of just compensation to landowners, and the prosecution of criminal offenses under this Act” (Section 57, Republic Act No. 6657).

The Department’s Planning Service reported in May 2004 that DARAB resolved 230,991 cases or 93% of the 247,708 brought before it and that the BALA and Office of the Secretary resolved 162,315 cases or 98% of the 165,479 submitted. These are cumulative figures, of course, and may not be very meaningful.

The DLR also monitors the “ageing” of cases, which is probably more meaningful. In 1997 DLR targeted the speedier resolution of cases starting with the older ones. It aimed to have not a single DARAB case older than one year in the field and none older than three years at DARAB-Central. For matters affecting agrarian law implementation, the intention was to have no unresolved case older than six months.

As of December 2003, DARAB-Central Office was handling 2,094 cases older than three years, according to the DLR’s Planning Service. By July 2004, the figure was 2,460.

The figures have improved dramatically in recent months due to Sec. Villa’s insistence on greater efficiency in the handling of cases, according to a senior DLR official involved in field operations.
Since 1992 DLR has focused its program beneficiaries development (PBD) work on what it calls agrarian reform communities or ARCs. An ARC may include one or more barangays with sizeable farmland to be covered by CARP with 50 + 1% of the households having at least one agrarian reform beneficiary (ARB). DLR deploys an employee given special training as a “development facilitator” to work with the ARBs and others in the ARC focusing on six concerns:

- land tenure improvement (LTI),
- organizational maturity (OM),
- economic and physical infrastructure and support services (ECOPISS),
- farm productivity and income (FPI),
- basic social services (BSS), and
- gender and development (GAD).

As of December 2003, DLR had 1,589 ARCs covering 6,072 barangays. ARBs in ARCs receive significantly more attention and support services than those not in ARCs. Among the ARCs, those that receive support from 14 foreign assisted projects (FAPs) tend to be better off. But there are only 709 such ARCs and they cover about 3,000 barangays. According to the Bureau of Agrarian Reform Beneficiaries Development’s “ARCs Level of Development Assessment 2003 Results,” the sustainable rural development index (SRDI) of the 1,525 ARCs rated was 68.75, while ARCs with FAPs scored 75.88. In other words, ARCs without FAPS were not too far behind.

What is the relationship of land tenure improvement, agrarian justice delivery and program beneficiaries development to rural growth? Although a multi-donor study indicated that there are “insufficient grounds for unequivocally and positively correlating AR and farm productivity,” according to the NEDA response to the first draft of this paper, other studies and a lot of anecdotal evidence show that where the three components of agrarian reform come together -- as in the ARCs -- the chances of development taking place with farm productivity and household incomes rising are high.

AJD is directly related to the pace of LTI as it focuses on disputes that, when resolved, quicken the pace of LTI implementation. When these cases drag on for years, investments in farm productivity remain stagnant or drop in the disputed landholdings due to uncertainties. Thus, it is important from a growth point of view that these cases be resolved as soon as possible.

PBD addresses the two other aspects that need to accompany LTI to give agrarian reform the best chance of delivering on both equity and growth. Were PBD to be attended to without LTI, the program would not be much more than traditional community development, according to former DLR Sec. Ernesto D. Garilao. But LTI without PBD is uncertain to lead to increased farm productivity and higher household incomes. LTI without support services delivery and social infrastructure and capability building may end up being poverty redistribution or mere paper reform.

Impact of Agrarian Reform Implementation
The DLR’s Policy and Strategic Research Service contracted social scientists to conduct studies on the impact of agrarian reform. In the interest of space and inasmuch as the focus of this paper is action recommendations that would spur rural growth, the executive summary of Dr. Celia M. Reyes’ paper, “Impact of Agrarian Reform on Poverty,” will simply be quoted here:

This study aims to assess the impact of the agrarian reform program on poverty. It seeks to determine whether beneficiaries of the agrarian reform program have benefited in terms of higher incomes and reduced poverty incidence.

The study uses the panel data generated by the CARP-IA Micro-Meso Component. The first survey was done in 1990 and the follow-up survey was undertaken in 2000. The panel data provides socio-economic information on about 1800 households.

The results show that agrarian reform has had a positive impact on farmer-beneficiaries. It has led to higher real per capita incomes and reduced poverty incidence between 1990 and 2000. Agrarian reform beneficiaries (ARBs) tend to have higher incomes and lower poverty incidence compared to non-ARBs. Real per capita incomes of ARBs increased by 12.2% between 1990 and 2000. Moreover, poverty incidence among ARBs declined from 47.6% in 1990 to 45.2% in 2000. Poverty incidence among ARB households is lower than among non-ARB households in both years (55.1% in 1990 and 56.4% in 2000 for non-ARBs). The difference in poverty incidence between the two groups has widened in 2000 to 11.2 percentage points from 7.5 percentage points.

The ARBs also tend to be better off in terms of the other indicators of well-being compared to non-ARBs. They have better access to safe water and sanitation facilities. Members of ARB households tend to have higher educational attainment than members of non-ARB households.

The estimated logit model showed that being an agrarian reform beneficiary tends to increase one’s chances of being non-poor. Being in an agrarian reform community also has the same effect. The findings also suggest that household size tends to lower one’s chances of being non-poor. This has certain implications on the country’s policy on population growth. Although there was a reduction in the average household size of ARB households from 6.30 in 1990 to 5.31 in 2000, it is still higher than the average household size for non-ARBs (5.65 in 1990 and 5.28 in 2000).

Complementary inputs are necessary to maximize the benefits from agrarian reform. Irrigation, credit and government services tend to promote higher incomes. Moreover, agrarian reform communities tend to increase the chances of a farmer-beneficiary to be non-poor.

Given the results of this study, it is important that the agrarian reform program be completed as soon as possible. Moreover, agrarian reform communities should be expanded to benefit not just ARBs but non-ARBs as well. Infrastructure support should be extended to farming
communities. Credit and extension services by government agencies should also be made accessible to farmers.

In addition, the study highlighted the vulnerability of farmers to shocks, particularly weather-related shocks. Owning land is not sufficient to minimize risks. While higher incomes from diversified sources and higher savings are effective towards minimizing risks, there is also a need for some safety nets, particularly for the very poor. These safety nets would ensure that those hit by shocks need not resort to coping mechanisms that would have long-term negative impact on their human capital as well as their productive capacity.

II. Recommendations for a Growth-Oriented Agrarian Reform

How might agrarian reform spur rural growth without reducing its social equity impact? This paper advances seven practical recommendations.

A. Increase ARCs and ARC-like mechanisms.

The establishment and development of Agrarian Reform Communities has been DLR’s most exciting contribution to rural growth since the Comprehensive Agrarian Reform Program was established by Proclamation No. 131 in 1987.

In 1993, DLR considered that it could not afford to spread the support services it could muster from other agencies too thinly to all the areas where it was attending to LTI for fear that these would have minimal impact. So it picked up an idea developed in 1989 together with an NGO, Philippine Business for Social Progress (PBSP), expanded this and initiated the establishment and development of ARCs on a large scale.

DLR articulated a development framework based on the initial policy statement of then Sec. Ernesto D. Garilao in 1992 to put together the program. Its four key interventions were:

- The training and fielding of “development facilitators” (DFs) recruited from the ranks of agrarian reform program technologists;
- The application of community organization and consultation processes to assist agrarian reform beneficiaries in understanding themselves, their community and their needs, their vision for the future and their own road map for getting there, the projects that are required by this road map and prioritizing these;
- Resource accessing from the donor community based on ARC development plans and negotiations with agencies that construct infrastructure (e.g., National Irrigation Authority for irrigation, Department of Public Works and Highways for farm-to-market roads and bridges) and provide support services (e.g., attached agencies of the Department of Agriculture and local government units for extension services); and
- The installation of a monitoring and evaluation system called the ARC Level of Development Assessment (ALDA).
Touted as “growth points in the countryside,” the ARCs best display how agrarian reform contributes to rural growth. While the 700+ ARCs with foreign funding show the most significant improvement in farm productivity and household incomes, those without such assistance have not lagged too far behind.

This is why the No. 1 recommendation is to have more ARCs and ARC-like mechanisms. DLR plans to establish 105 to 106 new ARCs annually for the next several years. This is based on its present capability. That capability may be expanded by campaigning among Agrarian Reform Program Technologists (ARPTs) attending to minimal LAD tasks to train and be fielded as DFs. This could easily be made part of DLR’s rationalization plan. It would expand DLR’s PBD capacity at the ground level and make it possible to set up even more ARCs beyond its present target.

As barangays included in ARCs grow in number, the interface with municipal governments will become even more important. ARC-like mechanisms can also be created at the congressional district or even zonal level, assuming there is healthy convergence of development initiatives of various agencies and local efforts.

DLR’s budget for 2006 could adopt a PBD allocation based on a projected future capability rather than on the present number of DFs. It should also be de-linked from LTI in the sense of being pegged to a percentage of the total so that it can cover other areas where LTI has happened without PBD.

But DLR should not be left alone to set up and develop such mechanisms. There is no deep secret in ARC development. Other national government agencies and even local government units (LGUs) can establish such mechanisms. DLR’s BARBD may be tapped to share its experience and expertise in developing and monitoring ARCs.

In the year 2000, the DLR’s Planning Service estimated that the LAD balance was 1,188,041 hectares and that this was broken down in terms of crops as follows:

<table>
<thead>
<tr>
<th>Crop</th>
<th>Hectares</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Coconut</td>
<td>750,000</td>
</tr>
<tr>
<td>b. Sugarcane</td>
<td>237,000</td>
</tr>
<tr>
<td>c. Rice &amp; Corn</td>
<td>64,000</td>
</tr>
<tr>
<td>d. Banana</td>
<td>18,000</td>
</tr>
<tr>
<td>e. Rubber</td>
<td>6,241</td>
</tr>
<tr>
<td>f. Palm oil</td>
<td>1,864</td>
</tr>
<tr>
<td>g. Other crops</td>
<td>110,936</td>
</tr>
</tbody>
</table>
The balances are lower now but the breakdown in croplands follows the same pattern. No new estimates have been generated, according to a mid-level informant in the DLR Central Office. Coconut and sugarcane lands are the two most important remaining targets. This calls for stepped up efforts to cooperate with the Philippine Coconut Authority (PCA) and the Sugar Regulatory Administration (SRA). At least, the objective would be the maintenance of productivity of these croplands. But if there is a way of persuading them to cooperate in setting up ARCs or ARC-like mechanisms in communities where theirs is the main crop, this should be pursued.

There are indications that PCA will welcome cooperation. After years of focusing on recovering the coco levy funds and then developing new products, the agency now wants to push utilization of land between the coconut trees, enterprise development, and farmer empowerment in the context of tapping new markets for new products rather than sticking to copra or waiting for coco levy funds to become available.

Intercropping is a technology well established in Cavite and Laguna. One barrier to pushing it more aggressively is land tenure. Sharehold coconut farmers now receive 20 to 40% of the net harvest. Under agricultural leasehold they would receive about 75% of the net, as their fixed rental should not be more than 25% of the average of the normal harvests during the three agricultural years preceding the date the leasehold was established, according to Section 34 of Republic Act No. 3844. Were intercropping to be introduced before LTI, landowners would be given the basis to seek higher leasehold rentals, reducing the positive effect of intercropping for actual cultivators.

Intercropping could include the introduction of large and small ruminants. Experiences with coco-dairy mixed farms in Laguna and Quezon provinces -- with forage for the dairy cows planted in between coconut trees -- have been profitable for small farmers. PCA and the National Dairy Authority (NDA) both promote this system.

Some personnel of DLR’s Bureau of Land Acquisition and Distribution (BLAD) report that leasehold has been difficult to implement for various reasons. Setting up a task force with PCA so that the two agencies can attend to this together may help speed up implementation. One senior DLR official believes that compulsory acquisition will be easier for coconut landowners to accept. If this is true, implementing leasehold may also have the effect of making landowners more cooperative in LAD processes. In other words, leasehold can serve as a stimulus to do LAD faster.

One related issue that needs to be resolved is the matter of authority to change crop or introduce new crops. Some DLR lawyers interpret a provision in the Agricultural Tenancy Act (Republic Act No. 1199, 1954) to mean that crop changes may only be done by agricultural lessees with the permission of the landowner. This is DLR’s official stand articulated in Administrative Order No. 06, Series of 2003. Others hold, however, that the agricultural lessee as the farm manager has every right to decide what to plant and when to plant for as long as (a) he pays the rental agreed upon on time and (b) he ensures
the non-deterioration of the land. In order to speed up intercropping, it would be helpful if the DLR would change its present policy.

There are a number of other issues that a joint DLR-PCA task force on agricultural leasehold in coconut areas may wish to address:

b. Should this include the main as well as secondary crops or only the main crop?
c. Should the leasehold contract stipulate payment in cash or in kind?
d. May the rental be increased over the years?
f. What if the landowner refuses permission for intercropping despite the fact that this is a national government program?

In many instances tenants’ efforts to secure leasehold have led to charges being filed for estafa or qualified theft (of the farmer’s own coconuts!) and then arrests are made on a Friday so that the small farmer has to remain in jail over the weekend. This is why educational efforts are important at the grassroots level to explain to all parties and the local government as well what the law provides. This is also the reason why it is important that leasehold arrangements are done by group rather than individually. It would also be ideal if agricultural leasehold would be implemented in the context of ARCs or nucleus coconut communities.

PCA now seeks to work with small farmers and private sector firms to promote coconut-based products like coconut oil and coir matting for which the agency has discovered sizeable foreign markets. The idea is to move away from just using the coconut meat to generate copra and then discarding the rest of the nut but to adopt instead a “whole nut” approach utilizing as much of the coconut as possible for marketable products. The partnership it seeks with DLR would ensure that benefits from increased production and new markets would redound to actual cultivators due to improved farmland tenure.

Part of the reason for PCA’s interest in agricultural leasehold is the emphasis that President Gloria Macapagal-Arroyo herself places on this. Initiated largely during her father’s incumbency as President of the Philippines, leasehold is one of the less costly agrarian reform strategies and may also have the effect of encouraging landowners to offer their land for sale voluntarily.

If PCA puts up what it is tentatively calling nucleus farm communities -- with many aspects similar to the ARCs -- it could take care of training and fielding its own personnel as development facilitators, set up its own monitoring and evaluation system with some assistance from BARBD, while DLR’s field personnel focus on LTI.

SRA may be more difficult for DLR to work with as its tradition has been to act as an arm of the millers and planters or big farmers, many of whom oppose agrarian reform. Yet SRA knows the industry better than DLR ever will and its officials are approachable. SRA can be helpful in extension work and in making arrangements with mills for
quedans or production credit and marketing. It would also be knowledgeable in plant
disease control measures and in appropriate farm technology.

Since the Department of Agriculture proper has been devolved below the regional level,
and agricultural extension work is directed largely by the Offices of Municipal (or City)
Agriculturists, interacting with them is necessary. They should be the first support
service providers the MAROs should approach to help ARBs in their municipality or city.
Municipal governments may also want to cooperate with DLR in developing ARCs. In
the province of Aurora, one town actually fields its personnel to act as development
facilitators.

Years ago the target was to raise Php 10 million per ARC. That figure is high. It’s not
that the amount cannot be absorbed and used wisely. The concern is, simply, to have as
many ARCs as possible. Hence, the amount allocated should be large enough to impel
real growth with people’s participation, to provide basic education on agrarian reform
and participatory local governance, to cover beneficiaries’ credit requirements, to
construct some infrastructure projects (whatever the people’s priority may be); but it
shouldn’t include all their needs or wants. Otherwise, too many communities will be
excluded from the program.

There is another reason for favoring a modest amount. A steady climb is preferable to a
sudden surge. The danger of being overwhelmed by assistance from the outside is as bad
as being unable to access any support. The better predictor of success is internal
investment from the locality rather than external assistance. The drop from a high level
of assistance to nothing is more difficult to cope with than the reduction from a relatively
lower level. Development is simply more sustainable when support from outside is
relatively modest and is matched by internal resources than when it is relatively large and
doesn’t require counterpart funding.

It is not practical to fix an amount alternative to P10 million. But the point is to agree on
principles that will guide the way proposals and budgets are put together for ARCs and
ARC-like mechanisms:

(a) It is good to have as many ARCs as possible even if the cost per ARC is reduced.
(b) Counterparting is healthy – from households, community-based organizations,
    barangays, municipal/city governments, provincial governments, district
congressmen, and even non-government organizations (NGOs).
(c) It’s not helpful to try to fulfill all needs at once.
(d) People in the community should determine their own needs, resources and
capabilities for a more realistic development plan.

Since ARCs have been such an effective mechanism, it is a wonder that other agencies,
except for the Department of Social Welfare and Development (DSWD), have not
developed something similar. DA’s SAFDZ was quite different. LGUs should be
encouraged to try out something similar. PCA is considering something along the same
line that it is tentatively calling Nuclear Coconut Communities organized around plants
that will process whole nuts into a variety of products rather than concentrating solely on copra and discarding the rest of the nut.

Some of the best ARCs promote diversified farms, including crop-livestock mixed farms. Although such farms demand more work, they not only add income to farm households but also expand the ARBs’ asset base. Attached as Annex 1 is a story about ARCs in Siquijor island going into dairy farming.

B. Prioritize landholdings to be covered.

Every Municipal Agrarian Reform Officer (MARO) has a list of landholdings secured from the Municipal/City Assessor that are classified as agricultural and are over five hectares in size. Due to the targeting system and emphasis on coverage of the largest landholdings, MAROs prioritize the landholdings that are easiest to cover and the largest.

The land acquisition and distribution (LAD) process takes 12 steps. The Field Operations Group of the DLR Central Office calculates that it takes 225 days to go through the process, if required documents are complete and excluding from this calculation steps to be taken by other agencies. This process has also been estimated to take seven to 15 months.

Each landholding covered has a “claim folder” that the MARO puts together. More often than not, however, the process gets snagged somewhere at the municipal or provincial level. So the MARO picks a “replacement” landholding. The “snag” is frequently a question unresolved in the mind of the MARO or an employee or official in the DLRPO. This “snag” goes unreported so the issue remains unresolved.

The effect of this on the landowner may often be harmful to rural growth. He stops investing in the land, putting in only so much as he may reasonably expect to recoup within a short time. The effect on the potential beneficiaries is also bad. Their frustration starts building up and they start wondering if the land will actually become theirs in time. So neither side invests heavily in farm improvement.

Faculty of the Ateneo de Manila University Economics and Political Science Departments observe that “It is the landowners still facing the uncertainty of CARP implementation in their landholdings who have pulled down investments in the agricultural sector.” (Philippine Daily Inquirer, 06 March 2005, p. A16)

Can the use of “replacement landholdings” be avoided? Perhaps not entirely. But it can certainly be minimized.

The first requirement is to set priorities carefully. The CARL specifies that the larger landholdings should be covered first. Within this general priority, two kinds of landholdings can be picked: (a) those offered by the landowner voluntarily for coverage, the so-called VOS lands, where the offer is sincere and his documents are complete, and
he is open to DLR’s ARPTs or DFs preparing would-be beneficiaries to become responsible landowners; and (b) those where the would-be beneficiaries have been organized by a people’s organization or an NGO and are willing to cooperate with DLR.

The latter should be included among priority landholdings because organized would-be beneficiaries and their assisting NGOs may be able to help significantly in accessing support services. Further, it is advantageous to DLR to turn potential critics into supporters, especially since it is these people who often have the greatest access to mass media.

Towards the end of the first semester of 2004, DLR ran a series of consultations with POs and NGOs. Consensus points were incorporated in a document entitled “Common Agrarian Reform Agenda Forged Between the PO/NGO Community and the DAR.” This was turned into an Attachment 9 to the report rendered by former Sec. Jose Ma. Ponce, “State of Agrarian Reform under President Gloria M. Arroyo Administration (2001-June 2004): A Transition Report.” Under “Land Tenure Improvement” is this item listed as No. 6: “Finish LAD targets covering at least 80% of those targeted for the year, ensuring the inclusion of priority areas identified by POs and NGOs.”

Some of these POs and NGOs have indeed forwarded their lists of landholdings they want covered because of their presence. DLR should encourage others to do likewise. These lists could be submitted in matrix form indicating province, city/municipality and barangay where the landholding is located, name of owner on record, title number, number of potential beneficiaries, and status in terms of LAD coverage.

Agrarian problems brought up by farmers’ organizations deserve priority attention. After all, the best agrarian reform is demand-driven. The beneficiaries who cherish their farmland most are those who have sacrificed much to obtain their land titles. The staunchest supporters of a government program are those who actually benefit from it. The most effective endorsements of a reform program come from those with the largest organizations and heaviest media clout – who are satisfied because they were treated fairly.

The second requirement is to establish a system for speedily resolving “snags” that may emerge. This may call for an effective monitoring process and the formation of a quick-response policy team. Since the list of landholdings to be covered for the year can be agreed on among the MAROs, PAROs and Regional Directors (RDs), they and the Field Operations Group can be monitoring the process knowing the “standard” number of days each step takes. Whenever that standard is breached, questions should be asked and explanations expected.

The Provincial Consultations on Agrarian Reform and Rural Development (ProCARRDs) set up during the incumbency of Sec. Garilao were a useful monitoring mechanism that may be reinstituted where needed. These consultations were open meetings where the PARO can make a presentation of his/her province’s LTI-AJD-PBD work and people can follow up their concerns with the MAROs, PARO and DLRCO representative have been
effective in the past. They give the potential beneficiaries and their allies a sense that their concerns are being addressed. They also provide instant feedback to Central Office on issues that matter to the most outspoken farmer organizations.

Whenever a categorical answer could not be given due to lack of data, conflicting claims or unprocessed documents, it was not difficult to assure the parties that within a certain number of days the clarification would be forthcoming.

When the sessions are carefully prepared and handled well, nobody need go home embarrassed, because it is not a matter of scoring points but of moving claim folders. And a spirit of principled cooperation can be made to prevail.

At the end of the session a matrix on a huge white board indicates the status of various issues, what will be done in the following period, who will do it, and when his/her deadline is. A copy of this can be made available later the same day or the following day for all those who need one.

It is not necessary to conduct ProCARRDs everywhere. Perhaps only in the top 20 provinces based on LAD balances (please see table below) and others where farmers have issues they want to present or questions they need to ask publicly should ProCARRDs be organized.

The keys to the success of the ProCARRDs were (a) the readiness of POs and NGOs to take official policies and procedures seriously and, as much as possible, to be prepared to suspend judgment on DLR employees and officials but instead to focus on issues, (b) the openness of DLRPO staff to undertake additional studies and coordinative work to ensure that they understood the issues being raised and that promises made could be fulfilled properly, and (c) the willingness of a senior DLRCO official to make the rounds of provinces with large LAD balances and the patience to sort out facts and issues without becoming flustered or angry.

The DLRCO official making the rounds – prefereably an Undersecretary or Assistant Secretary – would need access to the Secretary and support from a quick-response policy team. The statements he makes could go a long way in giving DLR field people the confidence to do the right thing and in providing hope to beneficiaries that their concerns were being addressed in appropriate ways.

The third requirement is assistance to field personnel to ensure that they know how to write up problems, issues, needs and concerns (PINCs) and recommend action rather than just referring unprocessed matters to DLRCO using the lazy man’s communication form called “endorsement.” Simple issues all too often are allowed to derail the coverage process and PAROs then reclassify landholdings from “workable balance” to “problematic.” Once put under that category, these landholdings can more readily be forgotten or ignored.
### Land Acquisition and Distribution Process

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Identification &amp; Documentation (LO, DLRMO)</td>
<td>9 days</td>
</tr>
<tr>
<td>2</td>
<td>Preliminary Ocular Inspection (DARMO)</td>
<td>2 days</td>
</tr>
<tr>
<td>3</td>
<td>Issuance of Notice of Coverage &amp; Posting (DLRMO)</td>
<td>8 days</td>
</tr>
<tr>
<td>4</td>
<td>CF transmittal to DARPO/PPU (DLRMO)</td>
<td>20 days</td>
</tr>
<tr>
<td>5</td>
<td>Land Survey Activities (DLRPO, DENR-LMS)</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Review &amp; Completion of Documents</td>
<td>19 days</td>
</tr>
<tr>
<td>7</td>
<td>Land Valuation &amp; Compensation (LBP-LVO)</td>
<td>31 days</td>
</tr>
<tr>
<td>8</td>
<td>Issuance of MOV to DLR (LBP)</td>
<td>3 days</td>
</tr>
<tr>
<td>9</td>
<td>Issuance of NLV to LO (DARPO)</td>
<td>8 days</td>
</tr>
<tr>
<td>10</td>
<td>Reply to NLV (LO)</td>
<td>23 days</td>
</tr>
<tr>
<td>11</td>
<td>Acceptance of DOP (LO, DLRPO, LBP)</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Certification of Payment/Deposit (LBP)</td>
<td>32 days</td>
</tr>
<tr>
<td>13</td>
<td>Issuance of TCT/RP (DLRPO, ROD)</td>
<td>0 days</td>
</tr>
<tr>
<td>14</td>
<td>CLOA Generation (DLRPO)</td>
<td>8 days</td>
</tr>
<tr>
<td>15</td>
<td>CLOA Registration (ROD)</td>
<td>6 days</td>
</tr>
<tr>
<td>16</td>
<td>Title Distribution (DLRMO)</td>
<td>10 days</td>
</tr>
<tr>
<td>17</td>
<td>End</td>
<td></td>
</tr>
</tbody>
</table>

Sticking to priority lists of landholdings would also make it possible to plan the support services more effectively. Consultations with the Office of the Municipal/City Agriculturist and the proper agency responsible for certain support services can be undertaken. The organized would-be beneficiaries and the PO/NGO assisting the
community-based group may likewise play a role in PBD. A development facilitator from DLR may not even be needed. Or the time he needs to spend on a particular group of would-be beneficiaries can be reduced greatly. With increased predictability, packages of support services can be customized properly taking into account beneficiaries’ needs and agency capabilities.

One side effect of this approach may be to give LAD implementers a sharper sense of time requirements of the different steps. In time the process that takes 225 days (see illustration on p. 21)—or in other DLR estimates, seven to 15 months—may be shortened.

Lastly, it would help if the system of flagging “flashpoint” cases would be revived. The Secretary may identify as a flashpoint case one that is controversial and has been publicized or one that affects a large landholding scheduled for coverage during the year. Once identified as such it become necessary for DARAB members to handle it with dispatch and resolve it within 30 days.

During the administration of former Sec. Roberto Pagdanganan, these were called “HIP” cases for “high urgency and priority.” The term is less important than the system of follow through emanating from the Office of the Secretary, which must follow up, push, offer incentives, reprimand, etc., otherwise the process will slow down.

C. Increase human and other resources in DLRPOs with largest LAD balances.

As of 31 October 2004, according to the DLR’s Management Information Service, the LAD balance was down to 695,610 hectares, with some 210,936 hectares listed as “problematic.”

The table below shows in which provinces these balances are to be found. The top 20 provincial offices in terms of LAD balances have to deliver 65% of the LAD work to be done (451,703 hectares ÷ 695,610 hectares). Yet they have only about 22.5% of DLR personnel working in their provinces, as DLR’s staffing pattern provides for every municipality to have one MARO with one Senior Agrarian Reform Program Technician (SARPT), three ARPTs, one Junior Statistician and one clerk.

The top 30 provincial offices cover 73% of the national balance (504,371 hectares ÷ 695,610 hectares). They have about 30% of the work force.

On the other side look at 23 provinces, from Abra, listed as having a balance of 841 hectares, and Batanes and Siquijor, with 0 balance. Their total balance amounts to 10,149 hectares. That is only 1.45% of the total balance. But they have about 25% of the employees.

Striking is the comparison of Negros Occidental and Pangasinan. Negros Occ. with a balance of 102,544 hectares has 75 times the amount of land acquisition and distribution
### LAD Balances of the DAR Provincial Offices (in Hectares)*

<table>
<thead>
<tr>
<th>Province</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negros Occ.</td>
<td>102,544</td>
</tr>
<tr>
<td>Camarines Sur</td>
<td>49,027</td>
</tr>
<tr>
<td>Leyte</td>
<td>41,888</td>
</tr>
<tr>
<td>Masbate</td>
<td>38,714</td>
</tr>
<tr>
<td>Cotabato</td>
<td>30,262</td>
</tr>
<tr>
<td>Isabela</td>
<td>29,280</td>
</tr>
<tr>
<td>Sarangani</td>
<td>18,050</td>
</tr>
<tr>
<td>Sultan Kudarat</td>
<td>17,453</td>
</tr>
<tr>
<td>Negros Or.</td>
<td>13,329</td>
</tr>
<tr>
<td>Capiz</td>
<td>12,611</td>
</tr>
<tr>
<td>Agusan del Sur</td>
<td>12,254</td>
</tr>
<tr>
<td>Iloilo</td>
<td>11,883</td>
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<tr>
<td>Lanao del Norte</td>
<td>11,451</td>
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<tr>
<td>Quezon II</td>
<td>10,574</td>
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<tr>
<td>Northern Samar</td>
<td>9,879</td>
</tr>
<tr>
<td>Or. Mindoro</td>
<td>9,672</td>
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<tr>
<td>South Cotabato</td>
<td>8,907</td>
</tr>
<tr>
<td>Western Samar</td>
<td>8,194</td>
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<tr>
<td>Bukidnon</td>
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<tr>
<td>Albay</td>
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<tr>
<td>Sorsogon</td>
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<tr>
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<td>5,493</td>
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<td>Rizal</td>
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<td>Cagayan</td>
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<td>Quezon I</td>
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<td>Cebu</td>
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<tr>
<td>Misamis Or.</td>
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<tr>
<td>Nueva Ecija South</td>
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<tr>
<td>Batangas</td>
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<td>Davao del Norte</td>
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<tr>
<td>Pampanga</td>
<td>3,840</td>
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<tr>
<td>Compostela Valley</td>
<td>2,947</td>
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<tr>
<td>Laguna</td>
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<tr>
<td>Bulacan</td>
<td>2,180</td>
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<td>Marinduque</td>
<td>2,043</td>
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<tr>
<td>Nueva Ecija North</td>
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<tr>
<td>Tarlac</td>
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<tr>
<td>Guimaras</td>
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<tr>
<td>Davao Or.</td>
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<td>Aklan</td>
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<td>Misamis Occ.</td>
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<td>Kalinga</td>
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<td>Zamboanga del Sur</td>
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<td>Benguet</td>
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<td>Pangasinan</td>
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<tr>
<td>Antique</td>
<td>1,204</td>
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<tr>
<td>Davao City</td>
<td>1,109</td>
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<tr>
<td>Occ. Mindoro</td>
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<tr>
<td>Davao del Sur</td>
<td>1,065</td>
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<tr>
<td>Abra</td>
<td>841</td>
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<tr>
<td>Catanduanes</td>
<td>773</td>
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<tr>
<td>Agusan del Norte</td>
<td>765</td>
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<tr>
<td>Romblon</td>
<td>735</td>
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<tr>
<td>Eastern Samar</td>
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<tr>
<td>Mt. Province</td>
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<tr>
<td>Nueva Vizcaya</td>
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<tr>
<td>Biliran</td>
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<tr>
<td>Quirino</td>
<td>650</td>
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<td>Surigao del Norte</td>
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<td>Zambales</td>
<td>455</td>
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<td>Batanes</td>
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<td>Siquijor</td>
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### Provinces under ARMM

<table>
<thead>
<tr>
<th>No.</th>
<th>Province</th>
<th>Balance</th>
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<tbody>
<tr>
<td>01</td>
<td>Lanao del Sur</td>
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<tr>
<td>02</td>
<td>Maguindanao</td>
<td>43,704</td>
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<td>03</td>
<td>Tawi-tawi</td>
<td>33,255</td>
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<td>04</td>
<td>Sulu</td>
<td>10,743</td>
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<td>05</td>
<td>Basilan</td>
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*Data Source: DLR Management Information Service, 31 October 2004*
work to do that Pangasinan has with its balance of 1,355 hectares. Yet Pangasinan has more DLR employees than Negros Occ. The reason for this is that items are apportioned by municipality and city rather than by volume of work. So because Pangasinan has three cities and 45 municipalities, while Negros Occ. has 19 municipalities and 14 cities, Pangasinan has more DLR personnel than Negros Occ.

The LAD balance of the province of Pangasinan is about equal that of the municipality of La Castellana in Negros Occ. Pangasinan has more than 50 times the number of personnel of La Castellana.

Redeployments of ARPTs in favor of provinces with larger LAD balances or redeployment of ARPTs as development facilitators should be considered. Some regional offices likewise seem to be overstaffed. It may be useful to consider “downloading” personnel to municipalities.

For DLRPOs and DLRMOs that are short-handed – like Negros Occ. – receiving non-Ilonggo-speaking DLR personnel from Pangasinan, for example, would be a mixed blessing. What would be more useful would be vacant items for them to use to hire Negrenses to do the job needed in their own province. This idea is being discussed within Region VI, but it may as well be made a national concern.

BARIE used to have a system for training ARPTs as DFs. This should be revived, especially for provinces with low LAD balances. This would give ARPTs a chance to become more valuable to the service and ARBs.

The timing for this recommendation is excellent as these ideas could be included in the discussions on the rationalization program mandated by Executive Order No. 366 issued by the President on 04 October 2004. In fact, some of these ideas are already being considered by the DLR team in charge of rationalization.

Four of the five provinces in the Autonomous Region of Muslim Mindanao (ARMM) would be included among the top 20 in LAD balances. However, Lanao del Sur, Maguindanao, Tawi-tawi and Sulu are different in several ways from the other provinces in the “Top 20.”

Agrarian reform implementation in these provinces in the ARMM is handled by ARMM institutions not under the supervision of DLRCO but under the Presidential Agrarian Reform Council (PARC). Their figures need to be reexamined even as the land titling system in that region bears restudying.

Agrarian reform in Muslim areas is controversial because the formal title seems to make little difference in regard to actual control and use of farm land. As DLR officials say, the program is not just about legal matters; it is primarily a social program, altering relations of people to the land and to farm cultivation. Much more work needs to be done on the social side of the program in Muslim Mindanao. More effort is needed to understand the culture of farmers in Muslim Mindanao, assist them with basic production.
for home consumption and for the market and in building self-help groups and basic associations that would focus cooperation among themselves on things that are beneficial to the members and their community.

**D. Boost funding for agrarian reform.**

Former Sec. Ponce estimated last year that DLR would need at least P100 billion more to complete the LAD component. From where will this money come?

DLR is fortunate to have the sequestered and seized Marcos wealth assigned to its use for CARP implementation. The estimated P30 billion – from the P38 billion turned over by the Swiss government -- will last only until 2007, according to estimates of DLR senior officials. While CARL specifies that funds and resources sequestered by the Presidential Commission on Good Government (PCGG) should be used for agrarian reform implementation, the particular amount was turned over by the Swiss government with the understanding that part of it would be used to compensate victims of Marcos’ martial rule. A law mandating this and laying out a system for carrying it out still has to be passed. The House of Representatives is now crafting the bill in committee.

Much more effort must be exerted to collect ARBs’ amortizations. On a selective basis, the Land Bank (LBP) should authorize MAROs and ARPTs to serve as its agents in encouraging ARBs to pay. Just as incentives can be provided for DLR personnel who help in the collection of agrarian reform receivables, there must be some consideration for incentives and disincentives for the LBP. Cannot the bank be allowed to use, say, 10% of its collections as production credit for beneficiaries? This would allow the bank to earn some amount from its collection of receivables.

As of June 2004 the LBP reported that it had approved payments for landowners of rice and corn lands worth P2.9 billion under Presidential Decree No. 27 and Executive Order No. 228, and P36.3 billion for landowners whose farms were covered under Executive Order No. 229 and Republic Act No. 6657.

There used to be a dispute between DLR and LBP on the matter of the “affordability wedge” or “assistance.” DLR’s Administrative Order (AO) No. 6, Series of 1993, fixed the ceiling for ARBs’ amortization payment at 2.5% of annual gross production (AGP) for years 1 to 3; 5% of AGP for years 4 to 5; and 10% of AGP from year 6 to 30. LBP did not contest this formally, but a few senior officials of LBP let it be known that they did not agree with the AO.

LBP officials also opposed the practice of distributing “collective CLOAs” (Certificates of Land Ownership Award). According to them, this made it impossible to give ARBs a proper amortization payment schedule because the collective CLOA did not indicate the particular land size allocated to a specific farmer.
Anyway, for whatever reason it happened, thousands of ARBs were not given amortization schedules. There were farmers who would go to an LBP branch to try to pay their amortization, but the bank would refuse to accept their payment. When they would turn to DLR, they would be advised to open a savings account with LBP because sooner or later they would have to pay for the land and it was safer for them to set aside money for this purpose. LBP later would accept deposits as advanced payment for the land.

It is not clear how much actually would be paid by ARBs altogether. The P2.9 billion it approved as payment to landowners under Presidential Decree No. 27 and Executive Order No. 228 is the amount targeted for collection. However, while P36.3 billion was approved as payment for landholdings covered by Executive Order No. 229 and Republic Act No. 6657, the present “amount due and collectible” is P14.4 billion, which is still sizeable compared to the P2.5 billion collected as of June 2004.

Will LBP receive more than it will have to spend to set up its system for collection of amortization payments? There is no evidence of this either way. But the decision by the LBP to collect “agrarian reform receivables” probably signals a different attitude.

Amortization collections used to be turned over to the Bureau of Treasury. The General Appropriations Act of CY 2003 changed this. Special Provision No. 2 of Chapter 39 of the General Appropriations Act Collections allowed LBP to hold on to its agrarian reform receivables to be earmarked for landowners’ compensation and held by LBP for this purpose.

For the period 1972-June 2004, collections of amortization payments for tenanted rice and corn lands amount to P406,202 compared to the approved land value of P2.9 billion. For lands covered by Executive Order No. 229 and the CARL, land amortization collections come to P2.5 billion out of LBP’s estimate of “amount due and collectible” of P14.4 billion and “approved land value” of P36.3 billion.

Should not the system for setting the valuation of lands be simplified? Presidential Decree No. 27 fixed this at roughly 10 times the amount the landowner was presumed to be receiving. The calculation in 1972 was that the landowner could invest the amount in some enterprise which could pay him a return of 10% so he would be able to retain his income level.

Early on DAR and LBP were in a quandary because the law specified 11 factors to be considered (Section 17, Republic Act No. 6657) and they could not think of a formula that would include all 11. This was resolved by adopting the position that several formulas could be adopted, with one being the main one and some indicators to be used as floors or ceilings.

The formula adopted, however, gave too much weight to comparable sales or “current value of like properties.” The problem with this was the dissimilarity of “like properties.” A landholding within the defined sphere of an urban center will fetch a
much higher price than one outside it that is merely a kilometer away and is identified as “CARPable” or “LADable.”

The Land Bank proposal to set land values according to principal crop is probably fairer and more efficient. It is relatively easy to estimate the per hectare production of most croplands and certainly simple to know the size of the landholding and farmgate price. The farmgate price will reflect not only proximity or distance from the poblacion but also ease or difficulty of reaching the place. If it is assumed that the landowner’s share is equivalent to 25% of the net income from the land (the rental value, according to Section 12, Republic Act No. 6657, and ‘Section 34, Republic Act No. 3844), this can be multiplied by 10.

In any case, it is important to review the valuation formula and adopt one that lends itself to greater efficiency and transparency and is easier to explain to landowners and potential beneficiaries alike.

One simple approach to land valuation is to turn over this task to the proposed Land Administration and Management Authority (LAMA), which, according to the bill pending in Congress, would be assigned the authority to determine land values. This would require that the LAMA bill explicitly amend the provisions on land valuation in Republic Act No. 6657.

It was only in July 2004 that DAR and LBP signed a Joint Memorandum Circular on the “Generation of Land Distribution Information Schedule (LDIS) to Enhance Collection of Agrarian Reform Receivables.” This signals a welcome change in the attitude of LBP toward collecting amortization payments. The attitude previously was that it would cost the bank more to collect than they could actually, so why bother. Many farmers groups complained that their payment would not be accepted by the bank (so they were advised by DAR to open a savings account with the bank, to ensure that when LBP went after them, they had the money to pay).

Another reason given by senior LBP officials was the use by DAR of the collective CLOA. This prevented the bank, they said, from being able to fix individual amortization schedules.

What some officials may have missed is the social significance of paying. The farmers’ sense of ownership is often weaker when he has not paid for the land. But when he has a title, has paid his amortizations and is recognized by his neighbors in the barangay as the farm owner, he can feel secure.

The circular, however, is silent on the timetable for informing the beneficiary about his amortization schedule. This should be done, at least, at the time he is given a title. But ideally it should happen earlier, at the time the ARPT or DF discusses with him his future farm plan and budget.
E. Hasten decision-making on cases and promote early resolution of issues.

What can DLR do to resolve cases faster? For several years now DARAB officials have been pushing for legislation that would create more adjudicator positions at the Board level. The bill they drafted would give DARAB more independence from DLR.

Becoming independent of DLR is probably unwise. It is unlikely to make DARAB, which is independent in decision-making but not administratively, more efficient. But this is the real problem.

Increasing the number of full-time Board members from three to nine would help. But this proposal would require more resources so would have to be discouraged at this time.

A system of case digests would certainly help improve the quality of decision-making at the PARAD and RARAD levels. Perhaps even at the DARAB-CO level itself. Senior officials have reported that there have been instances when cases with very similar facts are given different rulings. Some time could be set aside during regular conferences of adjudicators to discuss some of these case digests. Such a system would also speed up the decision-making processes.

Doing preliminary analysis of cases so as to be able to categorize these may also be helpful. This way, for example, issues related to a certain type of case can be discussed en banc and that could be helpful to the individual members as they study the documents and render their decision. Round-table forums involving U.P., Ateneo and San Beda law professors who handle agrarian reform or related subjects can also be convened to be able to consider other points of view. Lawyers active in Alternative Legal Groups could also be invited.

DARAB should return to the general rule of resolving older cases first. As mentioned earlier, cases over three years old increased by 17%, from 2,094 to 2,460 in seven months. Six-year-old cases were worse. These increased 71%, from 289 to 494 cases, from December 2003 to July 2004. There is speculation that the rise in cases is due to the fact that more private agricultural land is now being covered. Whether or not this is true, alarm bells should be ringing to remind the Board members that they must move faster and do more.

The situation is turning around fast, according to a senior DLR official who spoke recently about a dramatic upturn in case resolution. According to him, what did the trick was the push from the present Secretary who is himself a lawyer.

DLR has had paralegals for about two decades, but the department’s involvement with paralegals has been quite different than civil society efforts like that of the Paralegal Education Skills Advancement and Networking Technology (PESANTEch), a joint program of three NGOs that is now on its tenth year. DLR’s paralegals are usually law college graduates who have not passed the Bar. PESANTEch’s are ordinary farmers who
are taught the law and legal procedures so that they can help their barangay-mates or fellow farmers with legal issues.

Both types of paralegals are important. The DLR’s Bureau of Agrarian Reform Information and Education (BARIE) was involved in the second type. Should BARIE decide to do more paralegal formation, it should involve the Bureau of Agrarian Legal Assistance (BALA) as well as PESANTEch and Alternative Law Groups (ALG) in its efforts. The point is that greater legal expertise in the provinces could lead to a reduction of problems blossoming into cases or discourage parties who lose cases at lower levels from appealing them.

Despite efforts to prevent problems from escalating into cases – insufficient perhaps – there are DARAB cases and ALI matters brought before DLRCO. The system of flagging “flashpoint cases” to be resolved in 30 days should be reinstated. At one time recently this was referred to as “HIP” (high impact and priority) cases. The term is less important, though, than the system of follow through from the Office of the Secretary. OSec must follow up, push, offer incentives, reprimand, etc., otherwise decision-making will slow down.

F. Adopt common criteria for beneficiary selection under the Comprehensive Agrarian Reform Law (CARL) and Free Patent Law.

DENR has the responsibility for distributing 3,770,000 hectares of land under the Free Patent Law and the Integrated Social Forestry Program. It reports that it has accomplished 47% of its targets. It is important that similar rules and guidelines be observed in its land distribution work.

The Land Management Bureau of the Department of Environment and Natural Resources (LMB-DENR) is responsible for implementing the Free Patent Law. In the late 1980s it conducted an upland census. The data from this survey are kept in filing cabinets in its provincial offices.

According to the LMB Provincial Director in one Visayas province, their system is foolproof. The PARC tells them how many hectares they should have titled in one year. Their Central Office instructs the regions. The regions set quotas for the provinces. Upland dwellers’ names are then typed on titles which are subsequently distributed.

This may appear to be an efficient way of proceeding, but it is prone to error. Even in the uplands people move around or move on. Some amount of buying and selling of rights also occurs in the highlands.

Verification of beneficiaries is crucial. Likewise, the beneficiaries to be identified by LMB should qualify under Section 22 of Republic Act No. 6657 or at least should not be disqualified under Section 22.
It is important that LMB develop greater transparency. Practices like posting in the barangay for three weeks prior to awarding to allow time for challenges may be important to adopt. Certainly DLR and LMB must share a lot of data not only in regard to the Free Patent Law but also in regard to geodetic surveys and the use of the Swede Survey facilities managed by DLR’s Bureau of Land Development (BLD).

When the bill creating a Land Administration and Management Authority is discussed in Congress, it may be useful to consider whether the implementation of the Free Patent Law in regard to agricultural land would be more efficiently undertaken by the DLR than by the new agency, considering that similar criteria and procedures for agricultural land distribution are important to maintain and that DLR’s presence in all municipalities and cities could facilitate verification and information dissemination requirements.

G. Approve the Land Administration and Management Authority (LAMA) bill, National Land Use Act (NLUA) and Agricultural Credit Act (ACA).

The country has about 24 million land parcels, according to the Land Administration and Management Program’s study. Of these, 11.2 million parcels of 46% are titled, compared to 80% for Thailand. This reduces the potential collateral value of land, hampers trading, and limits the amount that can be collected as real property tax.

The LAMA bill was proposed by the LAMP Study. The bill would abolish the Registries of Deeds (RODs) and their mother agency, Land Registration Authority (LRA), which is attached to the Department of Justice (DOJ); the National Mapping and Resource Information Authority (NAMRIA) under DENR; and LMB-DENR. It would create under the Office of the President a new agency to be known as the Land Administration and Management Authority (LAMA).

The new agency would take over the functions of the abolished agencies. It would have the authority to issue original certificates of title, removing this from among the functions of the courts.

LAMA would be responsible for fixing the value of all land everywhere in the country. This would create greater consistency in land valuation whether for purposes of real property tax payments or for determining collateral value in the negotiation of a loan or for purposes of landowner compensation under agrarian reform.

The bill is supported by the Legislative-Executive Development Advisory Council (LEDAC). It may be among those approved in the first half of the MTPDP.

As proposed, the National Land Use Act (NLUA) filed initially several congresses back would mobilize the participation of citizens even at the barangay level to identify present use of the land and propose its proper use. This would build upon the community’s sense of propriety. They would determine that this area should be maintained for agriculture, as forest (because it is a watershed, for example), for housing and so on.
Municipal or city governments would put together the barangays’ maps, making changes as needed, but in the process explaining to barangay residents why these changes are made. Provincial governments would do the same in consultation with city and municipal governments.

Since citizens would be involved in determining land use, it is expected that they would tend to respect zoning and could be mobilized to enforce restrictions.

The LEDAC has supported this bill, but its passage remains uncertain considering the difficulty of approving it in the past.

After endorsing the use of farmland as collateral four times in four State of the Nation Addresses, the President may finally get her wish. The Agrarian Reform Committee of the House of Representatives has decided to file as its own the bill based primarily on the one crafted by DLR with inputs from civil society organizations. This bill carefully avoids amending the CARP law, unlike Senate Bill 206 filed by Sen. Sergio Osmeña III which has not yet been reported out by the Senate committee. The LEDAC has endorsed the House version, but given the bill’s past, it is anybody’s guess whether it will be approved soon.

If Senate and House pass versions that are quite dissimilar, it may be difficult for a bicameral committee to resolve the differences. In the previous Congress the House contingent refused to meet with their counterparts in the Senate unless the Senators agreed that the starting point for discussion would be the House version. It turned out that they never actually met.

A copy of the present House version to be filed by the Agrarian Reform Committee is attached as Annex 2.

Conclusion

This paper provided a brief overview of agrarian reform and program accomplishments to date before discussing seven recommended actions for promoting broad-based rural growth.

It ends with a reminder. Agrarian reform in the Philippines, because it is based on land to the tiller, is not just a process; it is also a situation. Even after all the land targeted to be transferred is covered, there will be second- and third-generation problems to be resolved. This is partly the reason why agrarian reform implementation will not end in 2008. Annex 3 -- Opinion 009, s. 1997, of then DOJ Secretary Teofisto T. Guingona Jr. -- explains this more fully.

It is healthy for the economy to have a free market for farm land. But the extent of this freedom is determined by law. The players in this market are Filipino farmers who
actually cultivate the soil and do not exceed the five-hectare limit. Other Filipinos who wish to go into farming will have to be content with leasing their land or leasing lands that for some reason are still owned or controlled by a government agency.
Annex 1 (for Boxed Sidebar)

Siquijor’s All-Women Dairy Coops

For several years, the 200-strong membership of the Liga sa Kababayen-an (League of Women) in Siquijor province’s San Juan town took part in parades to observe International Women’s Month every March. They did not do much else other than the normal chores of rural women.

Things have changed a lot for these women, their barangays and an increasing number of residents of other Siquijor towns because of the introduction of dairying.

Realizing the potential of the women’s group, the Department of Labor and Employment-Region VII Field Office took steps to reorganize it into three smaller units. These are now known as BARUG (Babaye Alang sa Reforma Ug Gugma), WONDER (Women Nurturing for Development and Economic Recovery) and TRIC (Timbaon Rural Improvement Club). The DOLE regional office then linked up with the Cebu-based National Dairy Authority-Visayas Field Office to set up of a dairy project for the three groups. These barangays were chosen also because they were located within agrarian reform communities in the town of San Juan. DOLE and dairying would not have come to Siquijor without the ARCs and women’s groups.

Then NDA-VFO mobilized its technical field staff to prepare the three groups on how to handle their respective dairy enterprises. In the third quarter of 2002, 19 dairy cows were distributed to qualified recipients under the NDA’s standard animal loan scheme. Eight of these went to BARUG, six to WONDER and the rest to the TRIC. And the first ever all-women dairy groups in the Philippines officially came into existence. Having no resident veterinarian in the village, one of the dairy farmers and a local technician received instructions through a mobile phone from the NDA staff at the Cebu office on how to assist the first animal to deliver its calf.

Less than two years later, the women have federated their primary coops into Kapanig Dairy that runs a small, cottage type processing center. Kapanig supplies milk for 500 school children covered by the municipal government’s school milk program for malnourished children. The coop also sells milk to the immediate community and to visitors who come on field trips to the barangay. The processing center located beside the cowshed maintained by five women members has become the study tour destination of students from various towns of Siquijor island. The total dairy herd of the three coops has since increased to 42 head.

Governor Orlando B. Fua, Sr. has taken the province’s guests from the European Union to visit the dairy village. San Juan Mayor Edwin M. Quimno is very pleased to host guests who have come all the way from Luzon to the DOLE’s showcase Poverty-Free Zone.
Annex 2

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL NO.__________
(In Substitution to HB Nos. 247, 279, 417, 2830 & 447)

------------------------------------------------------------------------------------------------------------

Introduced by Representatives
Dadivas, De Venecia, Jr., Lacson, Mercado, Zamora (M.), Codilla, Sr., Biazon,
Arroyo (I.), Badelles, Miranda, Lopez (J.), and Amin

------------------------------------------------------------------------------------------------------------

AN ACT
TO PROVIDE FARMERS BROADER ACCESS TO
AGRICULTURAL CREDIT AND PROVIDING MECHANISMS
THEREFOR AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

Section 1. Title. - This Act shall be known as the "Agricultural Credit Act of 2005".

Section 2. Declaration of Policy. - It is hereby declared the policy of the state to promote accelerated growth with equity and modernization of the agricultural sector to increase productivity and income by enhancing access and efficient use of agricultural credit by the agrarian sector and providing better environment for bank and non-bank financial institutions including savings and credit cooperatives to extend agricultural credit to the said sector. Towards this end, the government shall ensure that the agrarian reform beneficiaries (ARBs) and other members of the agricultural sector shall be given optimum opportunity to develop in order to raise productivity, promote efficiency and equity and increase income pursuant to the fundamental policy of the state to promote social justice and sustainable development. Henceforth, Certificate of Land Ownership Awards (CLOAs) and Emancipation Patents (EPs), being indefeasible titles registered under the Torrens System, shall be made instruments for securing credit for farmers and direct investments to the agricultural sector.
Section 3. Indefeasibility of EP/ CLOA Titles.- Emancipation Patents (EPs) and Certificate of Land Ownership Awards (CLOAs), being titles brought under the operation of the Torrens System, shall enjoy the same indefeasibility and security afforded to all titles under the said Torrens System as provided under Presidential Decree (P.D.) No. 1529. Failure of any person with interests in such land, to file any action or petition to assail the coverage of such land within the period prescribed under Section 16 of RA 6657 and existing issuances shall be deemed to be a waiver to assert any and all rights that may prevent such land from being subject of coverage; provided, that, in no case shall any petition for cancellation of registered CLOAs and EPs be entertained if the same is filed later than one (1) year after the date of registration.

Section 4. Coverage. - This Act shall apply to the following categories of agricultural lands devoted to agricultural activity, taking into account the pertinent provisions of agrarian reform laws and other related laws particularly the prohibitions on sale, transfer, or conveyance of agricultural lands:

4.1 Lands not yet covered by the agrarian reform program (ARP);
4.2 Lands retained by landowners;
4.3 Lands covered and fully paid under the ARP beyond the 10-year prohibition Period;
4.4 Lands covered by homestead grants and free-patents;
4.5 Lands covered by the ARP but not yet paid within or beyond the 10-year 3.6 prohibition period;
4.5 Lands covered and fully paid under the ARP but within the 10-year prohibition period.

Section 5. Acceptability of Loan Collateral. All agricultural land enumerated under Section 4 of this Act shall be accepted as collateral by any formal lending institution, whether bank or non-bank financial institution including savings and credit cooperatives, to secure loans of the registered owners as appearing in the Certificate of Land Ownership Award, Emancipation Patent, Homestead Patent, Free Patent, Original Certificate of Title or Transfer Certificate of Title.

Section 6. Use of Loan Proceeds. The proceeds of loans that may be granted under this Act shall be used solely and exclusively to finance any agricultural activity such as production, processing, storage and post-harvest facilities, shallow tube well and pump irrigation, distribution and marketing of agricultural products, and other related agricultural activities on the land being used as collateral, following the proven “Best Practices” in agricultural credit or in the case of farmer-lessees on the land subject of the leasehold contract.

Section 7. Land Bank Authorization of the Loan and Additional Requirements. - For partially paid and unpaid lands used as collateral under this Act, all loans that are to be granted by lending institutions are deemed to be with authorization and consent of the Land Bank of the Philippines (LBP) and the Department of Agrarian Reform (DAR) subordinated to any or all prior encumbrance existing in favor of the LBP. The LBP shall strictly monitor the aforesaided loans.
The consent of the co-owners, in case of co-owned lands, and the ratification of the majority of the members, in the case of cooperative-owned lands, shall likewise be obtained without prejudice to the submission of standard documentary requirements of banks and other formal lending institutions for the processing of loans as provided by pertinent banking laws rules and regulations.

**Section 8. Valuation.** – In order to assist bank and non-bank financial institutions, including savings and credit cooperatives, to be fully aware of the land valuation formula under the agrarian reform program, the DAR and LBP shall undertake measures to disseminate the said valuation formula and provide technical assistance to bank and non-bank financial institutions such that they may be able to evaluate the value of lands under Sections 4 offered as security by borrowers.

**Section 9. Access to Guarantee.** - Farmer-beneficiaries who are owners of encumbered or non-transferable land classified under Sub-Sections 4.4 and 4.5 and farmer-lessees shall be provided a guarantee by the Quedan and Rural Credit Guarantee Corporation (QUEDANCOR): Provided, That the guarantee cover shall not exceed the principal amount of the loan: Provided further, That the principal amount of the loan shall not exceed the amount determined by the QUEDANCOR and the Department of Agriculture (DA) based on the agricultural activity and locality in which such is proposed. Provided, finally, That credit guarantees shall be subject to prior approval by the QUEDANCOR.

**Section 10. Event of Default and Foreclosure of Mortgage.** - In the event of default of the borrower under this Act, the bank and non-bank financial institutions including savings and credit cooperative may proceed against the security of the loan in accordance with existing laws and subject to the provisions of this Act: Provided, That in the case of encumbered and non-transferable lands classified under Sub-Sections 4.4 and 4.5, the bank and non-bank financial institutions including savings and credit cooperatives shall be paid the guarantee only after assigning the loan receivables and securities to the QUEDANCOR after which the QUEDANCOR shall assign the loan receivables and securities LBP: Provided, further, That QUEDANCOR shall be paid the amount of the claim paid to the banks upon redemption: Provided, furthermore, That if the farmer-beneficiary has not yet fully paid the amortization of the land awarded to him under the CARP, the agricultural productivity loan shall be added to the total loans owed by the beneficiary to the government. Provided, finally, That in case the farmer-beneficiary has fully paid for the awarded land, the agricultural productivity loan shall be secured by the awarded land.

Creditors of farmer-lessees shall be paid by the guarantee provided by the QUEDANCOR. For this purpose, farmer-lessees shall execute a waiver on their claim on the expected harvest from the land they till in favor of the QUEDANCOR: Provided, That such waiver shall not include more than seventy-five per centum (75%) of the expected harvests from the land subject of the leasehold contract as may be determined by the DAR: Provided, finally, that such waiver shall commence upon failure of the lessee to pay an aggregate of three consecutive amortizations of the equivalent thereof.
The LBP and DAR shall provide for an appropriate mechanism to ensure that the loans due the government are paid taking into account the objectives of making all agricultural lands productive.

Foreclosure of mortgages constituted over unencumbered and transferable lands categorized under Sub-Sections 4.1, 4.2, and 4.3 shall be governed by existing laws subject to Section 71, 72(b) and 73-A of the Comprehensive Agrarian Reform Law: Provided, That private lenders may not bid in the auction nor acquire title to the agricultural land unless they have complied with Section 11 of this Act.

LBP foreclosure of mortgages constituted over encumbered and non-transferable lands categorized under Sub-Sections 4.4 and 4.5 shall be in accordance with section 26, paragraph two (2) and Section 37, paragraph four (4) of the Republic Act (R.A.) No. 6657: Provided, That foreclosure of lands categorized under Sub-Section 4.5 shall be in accordance with the terms and conditions to be determined by the LBP and the DAR.

For mortgages of expected harvests of farmer-lessees, the QUEDANCOR shall impose the waiver executed by him/her under this Act and claim a portion of the actual harvests until such time that the outstanding debt of the farmer-lessee shall have been paid.

Section 11. Bidders in Auctions of Agricultural Land. - In all cases of foreclosure of mortgages constituted over lands described in Section 4 and Sub-sections 4.1, 4.2, and 4.3 of this Act, whether by the LBP or any other bank and non-bank financial institutions including savings and credit cooperatives, no bidder in the auction shall be allowed to bid nor shall the agricultural land be sold to any person not qualified to own agricultural land as determined by the DAR in accordance with Sections 6 and 70 of R.A. No. 6657.

Section 12. Exercise of Redemption Right. - In case the landholding is sold to a third person through public auction for failure of the borrower to pay the loan, the owner or agrarian reform beneficiary shall have the right to redeem the same at a reasonable price and consideration including interest thereon: Provided, That the entire landholding must be redeemed: Provided, further, That if there are more than one redemptionist owner or agrarian reform beneficiary, each shall be entitled to the said right of redemption only to the extent of the area actually cultivated by him or can afford to pay but not exceeding the three (30 hectares award limit. The right of redemption under this section may be exercised within two (2) years from the date of registration of the sale, and shall have priority over any other right of legal redemption.

Section 13. Monitoring of Loan Proceeds. - The DAR and DA shall be primarily responsible for the monitoring of the utilization of the loan proceeds of borrowers under this Act: Provided, That bank and non-bank financial institutions including savings and credit cooperatives shall provide semi-annual reports to the DAR, Bangko Sentral ng Pilipinas (BSP) and/or Cooperatives Development Authority (CDA), furnishing copies to DA-Agricultural Credit Policy Council (ACPC) and QUEDANCOR on the status of
the loans as well as issues affecting the implementation of the project for the latter to submit policy corrective actions and/or recommendations, Provided, further, That QUEDANCOR shall likewise provide quarterly reports to the BSP, DAR and DA, and/or CDA on the status of the implementation of the guarantee coverage under this Act.

**Section 14. Guarantee Fund.** - There is hereby created a Guarantee Fund for agricultural and agrarian borrowers with the amount of at least Five Billion Pesos (P5,000,000,000.00) which shall be manage and administered by the QUEDANCOR. An initial amount of at least one billion pesos (P1,000,000,000.00) shall be source and established within ninety (90) days from the effectivity, from fifty percent (50%) of the total funding allocation of the Comprehensive Agrarian Reform Program- Credit Guarantee Fund for Agricultural Landowners (CARP-CGFAL), proceeds of the sales of the Assets Privatization Thrust (APT), receipts from assets recovered by the Presidential Commission on Good Governance (PCGG), and a portion of twenty-five percent (25%) allocation for support services under Section 36 of R.A. No. 6657. Other sources of funding or appropriations shall include the following:

1. Proceeds of the Agri-Agra Reform Bonds to be issued by the Department of Finance (DOF) and guaranteed by the Republic of the Philippines: Provided, That the DOF, in coordination with the DAR, may increase or decrease the amount of Guarantee Fund in accordance with the total level of utility and demand for credit: Provided, further, That one percent (1%) of the total loanable funds of all public and private banking institutions under the ten percent (10%) agrarian reform credit in Section 3 of Presidential Decree (P.D.) No. 717 (Agri-Agra Law) shall be invested exclusively, without any alternative mode of compliance, for the purchase of Agri-Agra Bonds: Provided, furthermore, That the DOF shall determine and fix the features of the Agri-Agra Reform Bonds competitive with existing bonds and securities in domestic market circulation: Provided, finally, That the BSP shall draft the incentive program to encourage all public and private banking institutions to purchase such bonds; and

2. Other government funds not otherwise appropriated.

All funds appropriated to implement the provisions of this Act shall be considered continuing appropriations during the period of its implementation.

Farmer-beneficiaries who desire to mortgage their lands through their cooperatives or associations shall set-up a buffer fund solely intended to guarantee the loans secured by the farmer-beneficiary. The cooperative or association shall set aside an amount equivalent to at least five percent (5%) of the loaned amount and retain an amount equivalent to at least ten percent (10%) of the annual net earnings of the farmer-beneficiary from his land in subsequent harvest until such time that the loan is fully paid, as build-up capital of the buffer fund.

To further strengthen recovery of loans, non-cooperative farmer-borrowers living in the same locality, will be encouraged to form or join a small group of farmer-borrowers.
and guarantee each other following the successful credit models like the Self-Reliant Team (SRT) of Quedancor and micro-finance scheme.

Section 15. **Capacity Building and Feasibility Studies Fund.** - The DAR, the DA, LBP and the QUEDANCOR shall provide technical assistance in capacity building and the preparation of feasibility studies or investment studies as may be required by the concerned banking or lending institution within thirty (30) days. For this purpose, there is hereby created a capacity building and feasibility studies fund to support the training preparation of feasibility studies and related capacity building activities of agricultural borrowers. The Presidential Agrarian Reform Council (PARC) is hereby directed to set aside at least Three Hundred Million Pesos (P300,000,000.00) from the Agrarian Reform Fund (ARF), to be jointly manage by DAR, QUEDANCOR and LBP in the initial year of the implementation of the law. Succeeding fund requirements shall be included in the annual General Appropriations Act.

The DAR, LBP and QUEDANCOR are hereby directed to implement measures to generate additional funds for this purpose. The DAR shall draft the rule and regulations of the utilization of fund.

Section 16. **Compliance with the Agri-Agra Law (P.D. No. 717) and other Incentives** - The purchase of QUEDANCOR Agri-Agra Reform Bonds and loans granted this Act shall form part of the compliance with Agri-Agra Law (P.D. No. 717) by lending the institution. To further induce the flow of credit, banking institutions shall be provided with an incentive where insofar as compliance is concerned, the mandated allocation of its loanable funds to agrarian reform beneficiaries shall be counted twice their outstanding value.

Any transaction of sale, transfer or conveyance of lands under this Act shall be exempted from the payment of capital gains tax, registration fees, and all other taxes and fees for the conveyance or transfer as provided for under Sections 66 and 67 of R.A. No. 6657.

Section 17. **Simplification of Loan Procedures.** - In order to expedite and help facilitate timely access of farmers, agrarian reform beneficiaries and their cooperatives to formal credit, the DAR, LBP, DA and QUEDANCOR, in consultation with concerned government agencies, farmers, cooperatives and the banking sectors, shall formulate within ninety (90) days after the approval of this Act, as simplified, efficient and practicable mechanics for processing and approving loan applications which would demand only the necessary and most indispensable requirements from the loan applicant.

Section 18. **Penalties.** - For lands already covered under RA No. 6657, PD No. 27, or related agrarian reform laws, violations and other prohibited acts contrary to the exclusivity of loan purpose as defined under Section 6 hereof, such as misuse or diversion of financial and support services extended to agrarian reform beneficiaries or a deviation by the borrower in the use of loan proceeds, shall result in temporary takeover of the land and its farming operations by a cooperative or a self-reliant group where the
beneficiary is a member. In this case, he shall be allowed to participate in the entire agricultural activity until the loans shall have been fully paid.

The DAR shall be responsible for monitoring compliance of the provisions under Sections 6 and 13 of this Act, and shall initiate the necessary action against those who violate the provisions thereof: Provided, That if the offender is a public official or employee found to be in collusion to defraud the farmer, bank and other financial institution, or the government, the penalty shall be imprisonment of prision mayor with absolute disqualification as accessory penalty and a fine of not more than double the amount of fraud but not less than One Hundred Thousand Pesos (P100,000.00); Provided further, That if the offender is a juridical person the penalty shall be imposed on the responsible officers thereof.

**Section 19. Comprehensive Action Plan.** - The DAR, in coordination with the Local Government Units (LGUs) and organization of farmer-beneficiaries shall prepare a Comprehensive Action Plan to ensure the viability of the agricultural loans and the monitoring of its repayment.

**Section 20. Annual Reports.** - The PARC shall furnish Congress an annual report on the accomplishments of the Agricultural Credit Act.

**Section 21. Implementing Rules and Regulation (IRR).** - The DAR, DA, DOF, BSP, LBP, CDA and QUEDANCOR, in consultation with concerned government agencies, farmers, cooperatives and the banking sectors shall formulate the implementing rules and regulations of this Act within ninety (90) days after its approval. Such rules and regulations shall take effect fifteen (15) days after the publication in a newspaper of general circulation in the Philippines

**Section 22. Repealing Clause.** - All existing laws, Executive Orders, issuances, rules and regulations, or part thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly. Nothing in this Act shall be construed to amend existing policies, rules and regulations on collateral-free loans or loans using social collateral to small farmers and other marginalized sectors by government financial institutions and other institutions engaged in micro-finance activities.

**Section 23. Separability Clause.** - In the event any of the provision of this Act is declared unconstitutional, the validity of the other provisions shall not be affected by said declaration.

**Section 24. Effectivity Clause.** - This Act shall take effect immediately after publication in the Official Gazette or in at least two (2) national newspaper of general circulation.
Annex 3

OPINION NO. 009, s. 1997

February 14, 1997

Secretary Ernesto D. Garilao
Department of Agrarian Reform
Elliptical Road., Diliman
Quezon City

S i r:

This refers to your request for opinion on whether or not the ten-year schedule of implementation specified in Section 5 of the Comprehensive Agrarian Reform Law (R.A. No. 6657) is mandatory or directory. Said Section 5 reads:

“SEC. 5. Schedule of Implementation. – The distribution of all lands covered by this Act shall be implemented immediately and completed within ten (10) years from the effectivity thereof”

You state that as of the end of 1994, the Department of Agrarian Reform (DAR) had a remaining balance of some 2.375 million hectares of land for acquisition and distribution and you expect that despite best efforts, there will be lands which need to be acquired and distributed after June, 1998, when the ten-year period shall have expired.

ddtai

It is your view that the DAR should be given the flexibility to continue the implementation of the program after June, 1998 without further need of legislation provided that the activities to be undertaken is a continuation of the original scope and mandate of the program as defined under R.A. No. 6657.

We share your view.

R.A. No. 6657 which was approved on June 10, 1988, took effect on June 15, 1988. The law institutes a comprehensive agrarian reform program (CARP) to attain the State’s policy to promote social justice and to move the nation toward sound rural development and industrialization and the establishment of owner-cultivatorship of economic-size farms as the basis of Philippine agriculture (see Sec. 2, R.A. No. 6657). One of its goals is the immediate distribution of agricultural lands, which, as provided for in Section 5 of said Act, supra, is to be completed within ten (10) years from its effectivity or until June 15, 1998.

It is believed that the ten-year period of implementation prescribed in the aforequoted Section 5 is merely directory in character. It has been held that the difference between a
mandatory and a directory provision is often determined on grounds of expediency. And where a provision embodies a rule of procedure rather than one of substance, the provision as to time will be regarded as directory only notwithstanding the mandatory nature of the language used. (See Marcelino vs Cruz, Jr., 121 SCRA 51, citing authorities.)

An examination of Section 5 of R.A. No. 6657 would readily disclose that its provision is more procedural than substantive in nature and its evident objective is expediency. It prescribes a ten-year schedule of implementation to dramatize the urgency of the CARP which must be implemented immediately and completed, ideally, within the time frame prescribed by law.

It could not have been the intention of the law to prescribe a fixed and rigid period of ten-years for the CARP. Such intention would have frustrated the policy and purpose of the law. The very essence of the CARP, which goes beyond the concepts of land acquisition and land distribution, does not justify a myopic view of Section 5. The policy of the law will be effectuated if the period prescribed in Section 5 is liberally construed.

It is true that Section 5 uses the word “shall”, which is generally interpreted to be mandatory in character (Guiao vs. Figeroa, 94 Phil 1022). However, it is well-recognized that the ordinary acceptance of “shall” and “may” as being obligatory and permissive, respectively, is not an absolute and inflexible criterion (Vda. de Mesa vs. Mencias, 18 SCRA 533). Provisions as to time will generally be construed as directory if there are no negative words restraining the doing of the act afterwards (Phil Ass’n of Free Labor Unions vs. Sec. of Labor, 27 SCRA 40).

In Marcleino vs. Cruz, supra, the constitutional provision mandating that the maximum period within which a case or matter shall be decided or resolved from its submission shall be three months for inferior courts was construed by the Supreme Court as merely directory and that non-compliance by the courts with the said provision does not result in loss of Jurisdiction. Also, this Department, in a previous opinion, had occasion to rule that the “six-month” period provided in Proclamation No. 50 is merely directory, it appearing that the said period was provided merely for facilitation and not for prescription purposes (Sec. of Justice Op. No. 210, s. 1988).

The foregoing rules of construction apply equally to the provision of law under consideration. The CARP is a continuing program and there is no word of absolute prohibition in the law against the extension of the ten-year period provided for its implementation. On the contrary, Section 11 of the law provides that commercial farms shall be subject to immediate compulsory acquisition and distribution after ten (10) years from the effectivity of the law, clearly implying that the CARP does not end after the lapse of ten (10) years.

It bears emphasis that the ten-year period of implementation is only a time frame given to the DAR for the acquisition and distribution of public and private agricultural lands covered by R.A. No. 6657. It is a schedule to guide the DAR in setting its priorities, but it
is not by any means a limitation of authority in the absence of more categorical language providing to that effect. This is made clear in the Bicameral Conference Committee Report for R.A. No. 6657, viz:

“Rep. Zamora apprised the body on the panel’s position on priorities after its consultation with the House, which is a proposition for a ‘no-date’ formula but providing a benchmark figure of ten (10) years where a categorization or phasing may be established and giving PARC the authority to move these phases in the course of its implementation”. Cdt

Please be guided accordingly.

Very truly yours,
(SGD.) TEOFISTO T. GUINGONA, JR.
Secretary
REPORTS & DOCUMENTS REVIEWED


Community-Managed Agrarian Reform and Poverty Reduction Project (CMARPRP) brochure.


DAR: Memorandum of Agreement for the SDO covering Hda. Najalin, La Carlota City, Negros Occ.


DAR Adjudication Board (DLRAB): Consolidated DARAB Accomplishment Reports for the 3rd Quarter of 2004


DAR Bureau of Agrarian Reform Information and Education (BARIE): RA 6657, PD 27, Proclamation 131, EO 229, EO 228, EO 129-A.


DAR-DENR (31 March 1997): Joint Memorandum Circular No. 1997-14: Clarifying the Jurisdiction of the Department of Agrarian Reform (DAR) and the Department of Environment and Natural Resources (DENR) on the Disposition of Untitled Privately Claimed Agricultural Lands.


DAR Management Information Service: Land Acquisition and Distribution Status (Table 4) as of October 31, 2004.


DAR Planning Service (May 2004): CARP in a Nutshell (as of December 2003).


De la Peña, Beulah, Cesar Umali, Jr. and Diolina Mercado: Study on Rural Development Initiatives. DAR-GTZ RP-German Cooperation Support to Agrarian Reform and Rural Development Project.


Garilao, Ernesto D.: Agrarian Reform Communities Development Project (ARCDP).

Gerochi, Manuel D.: Land Tenure Security on Public Alienable and Disposable Lands


Land Bank of the Philippines (09 November 2004): “Average Valuation on Lands Approved for Payment: Land Bank of the Philippines (1972-June 2004)”


Lim, Joseph Y. (2002): An Integration of the First round of CARP-IA Studies


National DAR-PO-NGO Consultation Workshop, 16 June 2004 (Documentation Proceedings).


Salcedo, Martha Carmel (04 March 2002): An Integrative Report of the Comprehensive Agrarian Reform Impact Assessment
## Agrarian Reform Action Plan Matrix

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<tr>
<th>Key Lever or Agenda</th>
<th>Responsible Agency/Agencies</th>
<th>Initial Actions</th>
<th>Output Indicator</th>
<th>Time Frame</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Thrust 1: Increase ARCs or ARC-like Mechanisms</strong></td>
<td>DLR (esp. BARBD &amp; FAPsO), DA, PCA, SRA, LGUs, CSOs</td>
<td>Identify barangays/communities and zones where development convergence is possible; secure agreements (who should do &amp; who should pay for what, where, when; and how will these be monitored)</td>
<td>More barangays and households of owner-cultivators covered; farm production and household income increases; improvement in citizen participation and LGU responsiveness</td>
<td>Continu- ing process</td>
<td>High</td>
</tr>
</tbody>
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| **Strategic Thrust 2: Prioritize Landholdings to be Covered** | DLR Field Operations Office, CSOs, DLRROs, DLRPOs, DLRMOs, LBP, LMB-DENR, ROD-LRA-DOJ | Identify advocate/champion within DLR (Usec or Asec) willing to push this thrust; secure lists of landholdings voluntarily offered for sale by landowners or whose farmers/workers are now being assisted by CSOs; form quick-response policy team. | Faster land acquisition and distribution or agricultural leasehold contracting; greater support for CARP implementation from POs and NGOs; faster resolution of policy issues. | Life of MTPDP | High |
### Strategic Thrust 3: Increase Human and Other Resources in DLRPOs with Larger LAD Balances

| Rationalization plan that takes into account (a) LAD balances and (b) need for more DFs for additional ARCs | DLR OSEC, DLR Field Operations Office, DLR Finance & Administration Office | Include personnel performance audit in rationalization plan; study implications of shifting resources to provinces with larger LAD balances; retool field personnel in DLRPOs with small LAD balances so they can serve as DFs. | Faster land acquisition and distribution; higher personnel output levels; more ARCs with DFs. | First half of MTPDP | Medium |

### Strategic Thrust 4: Boost Funding for Agrarian Reform

| More funds for tenurial improvement, support services and people’s participation | DLR, LBP, CIAs, LGUs | Include beneficiaries’ payment of amortizations in ARC framework; build up data base on ARBs’ amortization schedules and payments; prod Congress on passage of Marcos Wealth/Human Rights Victims Compensation law; persuade other agencies to share cost of servicing ARCs | More domestic funds for program implementation. | Continuing concern | Medium |

### Strategic Thrust 5: Hasten Resolution of Agrarian Cases and Promote Early Resolution of Issues

| System for | DLR OSEC, | Improve systems for resolving | Faster case resolution; greater | First half | Medium |
| resloving cases and limiting case load | DLRAB, BALA, BARIE | cases (“HIP” cases, digests, conferences, hiring contractual employees); promote farmer paralegal formation in conjunction with civil society efforts (PESANTEch) | farmer participation and better understanding of the law and DLRAB decisions leading to reduction in case load | of MTPDP |

### Strategic Thrust 6: Adopt Common Criteria for Beneficiary Selection under CARL and Free Patent Law

| Beneficiary selection for land distribution | DLR, LMB-DENR, Municipal/City Assessors | Review guidelines for beneficiary selection under Free Patent Law; share information on beneficiaries, land sizes, locations | Avoidance of “double coverage”; greater transparency in regard to information on land ownership | First half of MTPDP | Medium |

### Strategic Thrust 7: Approve LEDAC-endorsed Legislation That Would Enhance Rural Growth

| Rural growth-enhancing legislation | OP, LEDAC, Congress | Approve legislation that would speed up titling and standardize land valuation (LARA Bill), regulate land use (NLUA Bill), and generate increased credit flows to farms (ACA Bill) | Improvement of rural conditions for increased investments in farms | First half of MTPDP | High |

### Abbreviations & Acronyms Used

<p>| ACA | Agricultural Credit Act |
| ARCs | Agrarian Reform Communities |
| BALA | Bureau of Agrarian Legal Assistance |
| BARIE | Bureau of Agrarian Reform Information and Education |
| BARBD | Bureau of Agrarian Reform Beneficiaries Development |
| CIAs | CARP Implementing Agencies |</p>
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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</thead>
<tbody>
<tr>
<td>CSOs</td>
<td>Civil Society Organizations (People’s or Non-Government Organizations)</td>
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<tr>
<td>DA</td>
<td>Department of Agriculture</td>
</tr>
<tr>
<td>DENR</td>
<td>Department of Environment and Natural Resources</td>
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<tr>
<td>DFs</td>
<td>Development Facilitators</td>
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<td>DLR</td>
<td>Department of Land Reform</td>
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<td>DLRAB</td>
<td>Department of Land Reform Adjudication Board</td>
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<td>DLRMOs</td>
<td>Department of Land Reform Municipal Offices</td>
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<td>DLR OSEC</td>
<td>Department of Land Reform Office of the Secretary</td>
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<td>DLRPOs</td>
<td>Department of Land Reform Provincial Offices</td>
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<td>DLRROs</td>
<td>Department of Land Reform Regional Offices</td>
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<tr>
<td>DOJ</td>
<td>Department of Justice</td>
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<tr>
<td>FAPsO</td>
<td>Foreign Assisted Projects Office</td>
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<tr>
<td>HIP</td>
<td>High Importance and Priority</td>
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<tr>
<td>LARA</td>
<td>Land Administration Regulatory Authority</td>
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<tr>
<td>LBP</td>
<td>Land Bank of the Philippines</td>
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<td>LEDAC</td>
<td>Legislative-Executive Development Advisory Council</td>
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<td>LMB</td>
<td>Land Management Bureau</td>
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<tr>
<td>LGUs</td>
<td>Local government Units</td>
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<tr>
<td>LRA</td>
<td>Land Registration Authority</td>
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<td>MTPDP</td>
<td>Medium-Term Philippine Development Plan</td>
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<td>NLUA</td>
<td>National Land Use Act</td>
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<td>PARC</td>
<td>Presidential Agrarian Reform Council</td>
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<td>PCA</td>
<td>Philippine Coconut Authority</td>
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<tr>
<td>PESANTEch</td>
<td>Paralegal Education Skills Advancement and Technology</td>
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<tr>
<td>ROD</td>
<td>Register of Deeds</td>
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<tr>
<td>SRA</td>
<td>Sugar Regulatory Administration</td>
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<tr>
<td>VOS</td>
<td>Voluntary Offer to Sell</td>
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