

FOURTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

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SENATE

RECEIVED

S. B. No. 1990

Introduced by **SENATOR GREGORIO B. HONASAN II**

EXPLANATORY NOTE

Recognizing as a “centerpiece” program of the government, agrarian reform derives validity from basic principles enshrined in the 1987 Constitution. It is a social justice program with wonderful socio-economic and socio-political perspectives.

Pursuant to Republic Act No. 8532, the guaranteed funding support provided for the further implementation of the Comprehensive Agrarian Reform Program, shall expire in the year 2008, however, its major programs: Acquisition and distribution of private and public agricultural lands; support services; and delivery of agrarian justice are yet to be completed.

The June 2007 statistics submitted by the Department of Agrarian Reform (DAR) indicates that the Department has accomplished 3.67 million hectares or 74% of its 4.97 million hectares’ land acquisition and distribution (LAD) scope, thereby leaving a balance of 1.3 million hectares (all agricultural private lands) or 26% of the scope. The Department of Environment and Natural Resources (DENR) has accomplished 3.09 million hectares or 80% of its program LAD scope of 3.84 million hectares, thereby leaving balance of 750,000 hectares or 20% of its scope.

The Department of Agrarian Reform estimates that, with three-fourths of land acquisition and distribution scope accomplished, it will need 48 percent of its budget in the next 10 years for program beneficiaries’ development, 5 percent for agrarian justice delivery, and 47 percent for land tenure improvement.

The CARP is a continuing program. The 10-year periods provided in Republic Act No. 6657 and Republic Act No. 8532, respectively, particularly its land acquisition and distribution activities were only time frames intended to speed up the program implementation and to set a timetable for guaranteed program funding needed to further accomplish the said program goals. A time frame is important in creating a sense of urgency because the world’s experience clearly indicates that agrarian reform carried out rapidly is more beneficial than one that is drawn out as it removes uncertainties in regard to land not yet covered and hence clarifies investment risks.

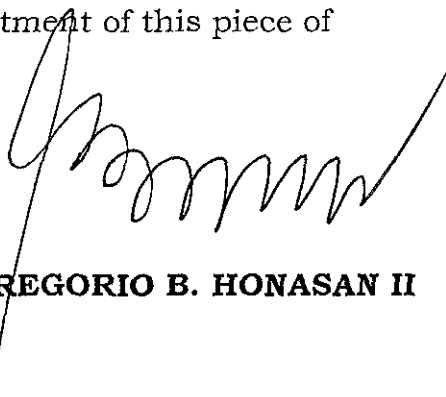
Hence, this proposed bill seeks to further amend Section 63 of Republic Act No. 6657, as amended by Republic Act No. 8532, to ensure that the CARP shall be funded "more seriously and generously" for the next three (3) years.

It also intends to strengthen its support services to the beneficiaries by increasing the flow of production credit to the countryside for further agricultural development to raise farmers' incomes and increase the contribution of the rural economy towards national growth by amending Section 37 thereof.

Further, it seeks to give impetus to Section 5, Article XIII, of the Constitution by amending Section 7 on Priorities thereof to stress the importance of giving priority to working with farmers' organizations in implementing the program.

Finally, inasmuch as the implementation of the so-called stock distribution option in almost than a dozen corporate farms pursuant to Sections 29 to 34 of the CARL law has not led to an improvement in the life of agrarian reform beneficiaries as compared to those whose lands were covered by compulsory acquisition, these Sections are sought to be repealed. All corporate farms shall be covered under compulsory acquisition of Section 16 thereof.

Considering its urgency, the immediate enactment of this piece of legislation into law is earnestly sought.



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**“AN ACT
STRENGTHENING THE COMPREHENSIVE AGRARIAN REFORM PROGRAM
(CARP), AMENDING FOR THE PURPOSE SECTIONS 7 AND 37 AND
FURTHER AMENDING SECTION 63, AND REPEALING SECTIONS 29, 30,
31, 32, 33 AND 34 OF REPUBLIC ACT NO. 6657, OTHERWISE KNOWN AS
“THE COMPREHENSIVE AGRARIAN REFORM LAW OF 1988,” AS
AMENDED, AND APPROPRIATING FUNDS THEREFOR”**

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

SECTION 1. Section 7, paragraph 7, Chapter II, on Priorities of Republic
Act No. 6657 is hereby amended to read as follows:

“The schedule of acquisition and redistribution of all
agricultural lands covered by this program shall be made in
accordance with the above order of priority, which shall be
provided in the implementing rules to be prepared by the
Presidential Agrarian Reform Council (PARC), taking into
consideration the following: **THE NECESSITY OF GIVING
PRIORITY TO COVERING LANDHOLDINGS WHEREIN THE
FARMERS ARE ORGANIZED AND UNDERSTAND THE MEANING
AND OBLIGATIONS OF FARMLAND OWNERSHIP**; the need to
distribute lands to the tillers at the earliest practicable time; the
need to enhance agricultural productivity; and the availability of
funds and resources to implement and support the program;
**PROVIDED, THAT LAND ACQUISITION AND REDISTRIBUTION
SHALL BE COMPLETED WITHIN THREE (3) YEARS FROM THE
EFFECTIVITY OF THIS ACT.**”

SEC. 2. Section 37, Chapter IX of Republic Act No. 6657 is hereby
amended to read as follows:

“Section 37. Support Services to the **AGRARIAN REFORM** Beneficiaries. – The PARC shall ensure that support services to [farmer-] **AGRARIAN REFORM** beneficiaries are provided, such as:

(a) Land surveys and titling;

(b) Liberalized terms on credit facilities and production loans. **FOR THE PURPOSE, ALL FINANCING INSTITUTIONS SHALL ACCEPT AS COLLATERAL FOR LOANS THE PURCHASE ORDERS, MARKETING AGREEMENTS OR EXPECTED HARVESTS; PROVIDED, THAT LOANS OBTAINED SHALL BE USED IN THE IMPROVEMENT OR DEVELOPMENT OF THE FARMHOLDING OF THE ARB OR THE ESTABLISHMENT OF FACILITIES WHICH SHALL ENHANCE PRODUCTION OR MARKETING OR AGRICULTURAL PRODUCTS OR INCREASE FARM INCOME THEREFROM.**

TOWARD THIS END, THERE IS HEREBY CREATED A GUARANTEE FUND FOR AGRARIAN REFORM BENEFICIARIES' PRODUCTION CREDIT IN THE AMOUNT OF TEN BILLION PESOS (P10,000,000,000.00) WHICH SHALL BE MANAGED AND ADMINISTERED BY THE LAND BANK OF THE PHILIPPINES (LBP). AN INITIAL AMOUNT OF FIVE BILLION PESOS (P5, 000,000,000.00) SHALL BE SOURCED AND ESTABLISHED WITHIN NINETY (90) DAYS UPON THE EFFECTIVITY OF THIS ACT, 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 PRIVATIZATION MANAGEMENT OFFICE (PMO), RECEIPTS FROM ASSETS RECOVERED AND FROM SALES OF ILL-GOTTEN WEALTH RECOVERED THROUGH THE PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT (PCGG), AND A PORTION OF THE ALLOCATION FOR SUPPORT SERVICES UNDER SECTION 36 OF REPUBLIC ACT 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 THE 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 REFORM BONDS; PROVIDED, FURTHER, 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 BANGKO SENTRAL NG PILIPINAS (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.

- (c) Extension services by way of planting, cropping, production and post-harvest technology transfer, as well as marketing and management assistance and support to cooperatives and farmers' organizations;
- (d) Infrastructure such as access trails, mini-dams, public utilities, marketing and storage facilities; and
- (e) Research, production and use of organic fertilizers and other local substances necessary for farming and cultivation.

The PARC shall formulate policies to ensure that support services to [farmer-] **AGRARIAN REFORM** beneficiaries shall be provided at all stages of [land reform] **THE PROGRAM IMPLEMENTATION.**"

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xxx xxx xxx."

SEC. 3. Section 63, Chapter XIV of Republic Act No. 6657, as amended by Republic Act No. 8532, is hereby further amended to read as follows:

"Section 63. Funding Source. - The amount needed to **FURTHER implement [this Act] THE COMPREHENSIVE AGRARIAN REFORM PROGRAM AS PROVIDED IN THIS ACT, UNTIL THE YEAR 2011, OR AN EXTENSION OF THREE (3) YEARS, UPON ITS EXPIRATION IN THE YEAR 2008** shall be funded by the Agrarian Reform Fund.

Additional [amounts] **FUNDS** necessary for this purpose are hereby authorized to be appropriated in excess of the **PREVIOUS initial AUGMENTATION** funds, amounting to **THIRTY BILLION Pesos (P30,000,000,000.00) [provided under Sections 20 and 21 of Executive Order No. 229].**

The additional **INITIAL** [amount] **FUNDS** hereby authorized to be appropriated hereunder shall in no case exceed **FORTY EIGHT BILLION AND SIX HUNDRED MILLION Pesos (P48, 600,000,000.00)**.

Sources of funding or appropriations shall include the following:

- (a) Proceeds of the sales of the [Assets Privatization Trust [APT] **PRIVATIZATION MANAGEMENT OFFICE (PMO)**];
- (b) All receipts from assets recovered and from sales of ill-gotten wealth recovered through the Presidential Commission on Good Government (PCGG);
- (c) Proceeds from the disposition of the properties of the Government in foreign countries, for the specific purposes of financing production credits, infrastructure and other support services required by this Act;
- (d) All income and collections **OF WHATEVER FORM AND NATURE** arising from the agrarian reform operations, projects and programs of **THE DAR AND OTHER CARP** implementing agencies;
- (e) Portion of amounts accruing to the Philippines from all sources of official foreign aid grants, **DEBT SWAPS** and concessional financing from all countries, to be used for the specific purposes of financing productionS, credits, infrastructures, and other support services required by *this Act*;
- (f) Yearly appropriations of no**T** less than Three Billion Pesos (P3, 000,000,000.00) from the General Appropriations Act; **AND**
- (g) Other government funds not otherwise appropriated.

xxx xxx xxx”

SEC. 4. Congressional Oversight Committee. - A Congressional Oversight Committee on Comprehensive Agrarian Reform Program (CARP) is hereby created to oversee and monitor the implementation of this Act. It shall be composed of the Chairpersons of the Committee on Agrarian Reform of both Houses, four (4) members of the House of Representatives and four (4) members of the Senate, to be designated respectively by the Speaker of the House and the President of the Senate, who shall endeavor to have the various land and agrarian reform sectors and regions of the country represented.

The Chairpersons of the Committees on Agrarian Reform in the Senate and House of Representatives shall be respectively, the Chairperson and Co-Chairperson of the Oversight Committee. The other members shall receive no compensation: however, traveling and other necessary expenses shall be allowed.

In order to carry out the objectives of this Act, the Congressional Oversight Committee shall be provided with the necessary appropriations for its operation.

SEC. 5. Powers and Functions of the Committee. - The Congressional Oversight Committee on CARP shall have the following powers and functions:

- (a) Prescribe and adopt guidelines which shall govern its work;
- (b) Hold hearings, receive testimonies and reports pertinent to its specified concerns;
- (c) Secure from any department, bureau, office or instrumentality of the Government such assistance as may be needed, including technical information, preparation, and production of reports and submission of recommendations or plans as it may require;
- (d) Summon by subpoena any public or private citizen to testify before it, or require by subpoena duces tecum to produce before it such records, reports or other documents as may be necessary in the performance of its functions;
- (e) Engage the services of resource persons from the public and private sectors as well as civil society as may be needed;
- (f) Approve the budget for the work of the Committee and all disbursements therefrom, including compensation of all personnel;

(g) Organize its staff and hire and appoint such employees and personnel whether temporary, contractual or on consultancy, subject to applicable rules; and

(h) Exercise all the powers necessary to attain the purposes for which it is created.

SEC. 6. Periodic Reports. – The Oversight Committee shall submit periodic reports on its findings and make recommendations on actions to be taken by Congress and the PARC.

SEC. 7. Automatic Review. – Within two (2) years after the effectivity of this Act, an independent review panel composed of experts to be appointed by the President shall review CARP implementation and shall make recommendations, based on its findings, to the President and to both Houses of Congress.

SEC. 8. Repealing Clause. - . Sections 29, 30, 31, 32, 33 and 34 of Republic Act No. 6657 and all other laws, decrees, executive orders, rules and regulations, issuances or parts thereof inconsistent with or contrary to this Act, are hereby repealed or modified accordingly.

All corporate farms covered by these repealed provisions shall be dealt with under compulsory acquisition pursuant to Section 16 of Republic Act No. 6657, as amended.

SEC. 9. Separability Clause. - If any provision of this Act shall be unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

SEC. 10. Effectivity Clause. - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,