

**FOURTEENTH CONGRESS OF THE
Republic of the Philippines
First Regular Session**

SENATE

Senate Bill No. 2047

Introduced by Honorable SEN. JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE

Hailed as a centerpiece program for development, the Comprehensive Agrarian Reform Program (CARP) remains a potent and powerful promise that however, is yet to be completely fulfilled in the Philippine democratic system.

The CARP was supposed to pave the way for the country's aspirations for sustainable economic development and industrialization by infusing fresh capital, infrastructure and lasting peace into agricultural areas. No less than the Supreme Court in the case of *Association of Small Landowners in the Philippines, Inc. vs. Secretary of Agrarian Reform*, 175 SCRA 343., in defending constitutionality of the Comprehensive Agrarian Reform Law, envisioned that through agrarian reform, the farmer at last "*will be released not only from want but also from the exploitation and disdain of the past and from feelings of inadequacy and helplessness; the farm will be his/her portion of Mother Earth that will give not only the staff of life but also the joy of living*". Hence, the CARP is unique in that it seeks to both correct centuries of social injustices and at the same time usher in genuine economic development. The relationship between agricultural and countryside development as brought about by efficient agrarian reform and the modernization and industrialization of a nation cannot be gainsaid and has been proven many times over by the experiences of many countries.

Twenty years after it was first enacted into law, the Program once again is facing an impending end to its funding allocation in the national budget in 2008, despite the fact that CARP is far from complete. According to the Department of Agrarian Reform (DAR), 1.3 Million hectares of the most productive private agricultural lands still have not been covered by the program as of 2006. Major policy reversals on agrarian reform threaten the program's future and undermine many of its gains. The roots of the problem can be traced to the government's failure to put the required institutional, fiscal and infrastructural support; compounded by DAR's inefficiency and corruption.

The CARP, as a Constitutional mandate, cannot end with the lapse of the implementing law. Ending the implementation of the CARP without completing the acquisition and distribution of lands covered by the program will result in the anomalous situation where persons still own big landholdings in excess of what the Constitution deems equitable. Furthermore, as a necessary consequence to the Constitutional mandate for agrarian reform, a continuous appropriation for support services and agrarian justice delivery must be in place even after the land acquisition and distribution program.

This bill seeks to accelerate the implementation of the Land Acquisition and Distribution (LAD) component of the CARP and complete once and for all this most urgent part of the Program which promises to usher the country into to industrialization and modernization similar to the development path taken by many of our neighbors - Japan, South Korea, Taiwan and Vietnam.

With the objectives of national development and social justice in mind, the bill requests that the government automatically set aside a small 3.8% of the annual national budget to finally complete the LAD component within the next seven (7) years. In this same period, seventy percent (70%) will be allocated to justly compensate affected private landowners so that they can invest their money in industries needed to process raw materials and to strengthen the market; while the remaining thirty percent (30%) will be used to provide credit assistance and other support services to the farmer beneficiaries to enable them to be entrepreneurs and agri-businessmen.

Moreover, learning from the lessons gleaned from two decades worth of CARP implementation, this bill introduces measures to address the loopholes of the law in order for the implementing agencies to accomplish the Constitutional mandate. The bill seeks to strengthen credit and support service delivery, provide secure titles to agrarian reform beneficiaries, ensure actual, physical distribution and possession of lands; to pursue the reorganization of the DAR for better performance and more farmer participation. It also seeks to improve and strengthen the policies that frame the program to bring emphasis to the fact that the CARP, is foremost a social justice program which seeks to remedy the effects and consequences of a n unjust and iniquitous past which for generations have favored the few but powerful over the many but weak.

We must also not ignore the many successes of the CARP. Studies show that the Program, in many parts of the country, has improved the lives of farmers and their households; freed millions from hunger and destitution; brought peace to the countryside; sent more children to schools; developed and modernized agricultural lands; built and paved more roads, warehouses and post harvest facilities; provided credit and technical assistance to the rural areas. If completed, CARP will be able to lift from poverty and hunger an additional 1.7 million Filipinos, mostly from the rural areas, and facilitate the increase of the middle class. With an enlarged middle class, businesses will grow, politics will become more modern and the economy will be in better shape for all Filipinos in the 21st century.

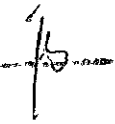
With the impending end to CARP funding in 2008, it is incumbent upon this Congress to claim its place in history now, by passing this bill with urgency and enthusiasm. By accelerating the completion of LAD, continuing to provide credit and support services to its beneficiaries, and by boldly addressing much-needed policy issues and implementation problems of the CARP, it will be remembered as heroic champions of agrarian reform, social justice, and national development.

Thus, the passage of this bill is earnestly sought.


JINGGOY EJERCITO ESTRADA
Senator

SENATE

Senate Bill No. 2047

RECEIVED BY: 

Introduced by Honorable SEN. JINGGOY EJERCITO ESTRADA

**AN ACT
ACCELERATING THE COMPLETION OF THE LAND ACQUISITION AND
DISTRIBUTION COMPONENT OF THE COMPREHENSIVE AGRARIAN REFORM
PROGRAM (CARP),
BY PROVIDING AUTOMATIC APPROPRIATION THEREOF, AND ADDRESSING
MAJOR IMPLEMENTATION PROBLEMS OF THE PROGRAM, AMENDING FOR
THE PURPOSE REPUBLIC ACT NO. 6657, AS AMENDED, OTHERWISE KNOWN
AS "THE CARP LAW OF 1988"
AND EXECUTIVE ORDER 129, AS AMENDED.**

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

I. STATE POLICY

SECTION 1. Section 2 of Republic Act 6657, otherwise known as the Comprehensive Agrarian Reform Law, is hereby amended to read as follows:

"SECTION 2. *Declaration of Principles and Policies* . -- It is the policy of the State to pursue a Comprehensive Agrarian Reform Program (CARP) through its inherent powers of eminent domain, police power and taxation. The welfare of the landless men and women farmers, farm workers, and all other qualified farmer-beneficiaries as provided under Section 22 of RA 6657 will receive the highest consideration to promote social justice and to move the nation toward sound rural development and industrialization, and the establishment of owner cultivatorship of economic-sized farms as the basis of Philippine agriculture.

"To this end, a more equitable distribution and ownership of land, with due regard to the rights of landowners to just compensation and to the ecological needs of the nation, shall be undertaken to provide men and women farmers, farm workers, and all other qualified beneficiaries with the opportunity to enhance their dignity and improve the quality of their lives through greater productivity of agricultural lands. The State shall discourage agricultural lands remain idle and unproductive.

"The agrarian reform program is founded on the right of men and women farmers, farmworkers, and all other qualified beneficiaries, who are landless, to own directly or collectively the lands they till or, in the case of other farm

workers, to receive a share of the fruits thereof. To this end, the State shall ensure the direct and physical distribution of all agricultural lands, subject to the priorities and retention limits set forth in this Act, having taken into account ecological, developmental, and equity considerations, and subject to the payment of just compensation. The State shall respect the right of small landowners, and shall provide incentives for voluntary land-sharing. The State shall prohibit non-distributive schemes of agrarian reform like Stock Distribution Option and Leaseback where control over the acquired land is channeled back to big landowners because these schemes are disempowering and disadvantageous to the farmer beneficiaries of the program.

The State shall ensure primary land transfer to beneficiaries prior to any negotiations for Joint Venture Agreement and other similar arrangements."

"The State shall include a leasehold program to alleviate and protect the welfare of those beneficiaries who cannot own the land they till. However, the State shall consider the leasehold program to be transitory while the State ensures that landless beneficiaries will be given land of his own to till."

"The State shall recognize the right of men and women farmers, farm workers, and all other qualified beneficiaries and landowners, as well as cooperatives and other independent farmers organization, to participate in the planning, organization, and management of the program, and shall provide support to agriculture through appropriate technology and research, and adequate financial, production, marketing and other support services.

"The State shall recognize and enforce the right of rural women to own and control land or to receive a just share of the fruits thereof, representation in advisory or appropriate decision-making bodies and ensure the substantive equality between men and women as qualified beneficiaries. Rural women's entitlement to the land is essential not only to the attainment of individual rights, self-empowerment, and economic survival of their families but also to the over-all rural development, democratization and food security of the nation.

"The State shall apply the principles of agrarian reform, or stewardship, whenever applicable, in accordance with law, in the disposition or utilization of other natural resources, including lands of the public domain, under lease or concession, suitable to agriculture, subject to prior rights, homestead rights of small settlers and the rights of indigenous communities to their ancestral lands.

"The State may resettle landless farmers, farm workers, rural women and qualified beneficiaries in its own agricultural estates, which shall be distributed to them in the manner provided by law.

"By means of appropriate incentives, the State shall encourage the formation and maintenance of economic-sized family farms to be constituted by individual beneficiaries and small landowners.

"The State shall protect the rights of subsistence fishermen, especially of local communities, to the preferential use of communal marine and fishing resources, both inland and offshore. It shall provide support to such fishermen through appropriate technology and research, adequate financial,

production and marketing assistance and other services, The State shall also protect, develop and conserve such resources. The protection shall extend to offshore fishing grounds of subsistence fisherfolk against foreign intrusion, Fisherfolk shall receive a just share from their labor in the utilization of marine and fishing resources.

"The State shall be guided by the principles that land has a social function and land ownership has a social responsibility. Owners of agricultural land have the obligation to cultivate directly or through labor administration the lands they own and thereby make the land productive.

"The State shall provide incentives to landowners to invest the proceeds of the agrarian reform program to promote industrialization, employment and privatization of public sector enterprises. Financial instruments used as payment for lands shall contain features that shall enhance negotiability and acceptability in the marketplace.

"The State may lease undeveloped lands of the public domain to qualified entities for the development of capital-intensive farms, traditional and pioneering crops especially those for exports subject to the prior rights of the beneficiaries under this Act."

II. DEFINITION OF TERMS

SECTION 2. Definition of Terms —

- a. **Agrarian Reform** is the direct and physical redistribution of lands, regardless of crops or fruits produced, to men and women farmers and regular farmworkers and all other qualified beneficiaries 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.
- b. **Agricultural Lands** are lands actually devoted to agricultural activity or suitable for agriculture activity.
- c. **All other qualified beneficiaries of the Agrarian Reform Program** refers to agricultural lessees and share tenants, regular farm workers, seasonal farm workers, other farm workers, actual tillers or occupants of private and public lands, collective or cooperatives of the above beneficiaries, and others directly working on the land.
- d. **Actual and Physical Distribution of Agricultural Lands** refers to the awarding of the CLOA or EP to the agrarian reform beneficiary and the actual, peaceful and effective utilization or cultivation by the beneficiary of the land for any agricultural activity.
- e. **Rural Women** shall refer to women who perform productive and/or reproductive labor, engaged either directly or indirectly in farming and/or fishing as their source of livelihood, whether paid or unpaid, regular or seasonal. Reproductive labor refers to acts performed by rural women necessary for productive work like food preparation, managing the household, caring for the children, etc.

III. RETENTION LIMITS

SECTION 3. Section 6 of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988 is hereby amended to read as follows:

"Section 6. Retention Limits – Except as otherwise provided in this Act, no person may own or retain, directly or indirectly, any public or private agricultural land, the size of which shall vary according to factors governing a viable family-sized farm, such as commodity produced, terrain, infrastructure, and soil fertility as determined by the Presidential Agrarian Reform Council (PARC) created hereunder, but in no case shall retention by the landowner exceed five (5) hectares. Three (3) hectares may be awarded to each child of the landowner, subject to the following qualifications: (1) that he or she is at least fifteen (15) years of age as of 15 June 1988; (2) that he or she is actually residing in the barangay and/or municipality where the land is situated; and (3) that he or she is actually tilling the land or directly managing the farm and the latter is his or her main occupation; provided that a child of the landowner shall not be considered a preferred beneficiary when the land covered is tenanted; provided further that landowners whose lands have been covered by Presidential Decree No. 27 shall be allowed to keep the area originally retained by them thereunder; provided finally that original homestead grantees or direct compulsory heirs who still own the original homestead at the time of the approval of this Act shall retain the same areas as long as they continue to cultivate said homestead.

"The DAR determines, motu proprio, the landowner's retention area within sixty (60) days from the posting of the notice of coverage; provided that in case the area selected for retention by the landowner is tenanted, the tenant shall have the option to choose whether to remain therein or be a beneficiary in the same or another agricultural land with similar or comparable features. In case the tenant chooses to remain in the retained area, he shall be considered a leaseholder and shall lose his right to be a beneficiary under this Act. In case the tenant chooses to be a beneficiary in another agricultural land, he loses his right as a leaseholder to the land retained by the landowner. The tenant must exercise this option within a period of one (1) year from the time the landowner manifests his choice of the area for retention.

"In all cases, the security of tenure of the farmers or farm workers or tenants on the land prior to the approval of this Act shall be respected.

"Upon the effectivity of this Act, any sale, disposition, lease, management contract or transfer of possession of private lands executed by the original landowner in violation of this Act shall be null and void; Provided however that those executed prior to this Act shall be valid only when registered with the Register of Deeds within a period of three (3) months after the effectivity of this Act. Thereafter, all Registers of Deeds shall inform the DAR within thirty (30) days of any transaction involving agricultural lands in excess of five (5) hectares. Titles issued in violation of this act shall be annulled in a proper proceeding and a new title in the name of the Republic of the Philippines shall thereafter be issued for distribution to agrarian reform beneficiaries."

IV. JUST COMPENSATION

SECTION 4. Section 17 of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988, is hereby amended to read as follows:

"Section 17. Determination of Just Compensation -- In determining just compensation, the cost of acquisition of the land, including the visible crops planted by the former landowner at the time of valuation, the current value of like agricultural properties regardless of potential or future use, its nature, actual use and income, the sworn valuation by the owner, the tax declarations, and the assessment made by the government assessors shall be considered on the date of receipt by the landowner or the last day of posting or publication in at least two(2) national newspaper of the notice of coverage issued by the DAR, whichever is earlier.

The visible crops if considered as part of the value of the land shall be valued only once. In no case shall the determination of the valuation of the standing crops be used to hinder the installation of ARBs.

The social and economic benefits contributed by the farmers and the farmworkers and by the Government to the property as well as the non-payment of taxes or loan secured from any government financing institution on the said land shall be considered as additional factors to determine its valuation."

V. LAND DISTRIBUTION AND RELATED MATTERS

SECTION 5. Direct and Physical Distribution of Land -- Agrarian Reform covered lands shall be distributed physically and directly to agrarian reform beneficiaries. Stock Distribution Option, Leaseback and other non-distributive schemes and agreement of land distribution shall be prohibited.

Landholdings covered by existing non-distributive schemes and agreements shall be reviewed by the Department for the purpose of direct and physical distribution to the farmer beneficiaries. All agrarian reform covered lands under a non-distributive scheme or agreement shall be distributed to the farmer beneficiaries not later than one (1) year from the effectivity of this law. Pending applications before the Department for non-distributive schemes and agreement shall be denied and the subject land shall be distributed immediately.

SECTION 6. Existence of Tenancy Relationship -- Tenancy relationship exists when the following requisites are present: (1) The parties are the landowner and the tenant or agricultural lessee; (2) The subject of the relationship is an agricultural land based on actual use and in accordance with the policy of RA 3844; (3) There is consent between the parties to the relationship; (4) The purpose of the relationship is to bring about agricultural production; (5) There is personal cultivation on the part of the tenant or agricultural lessee; (6) The harvest is shared between the landowner and the tenant or agricultural lessee.

The requisite of consent between the parties may be implied. Implied consent may include but not limited to the following acts: 1. Payment by the alleged tenant of landowner's share to the landowner or his or her agent; 2. Inclusion in the Lista Saka; 3. Acquiescence by the landowner to the open and continuous cultivation of the farmers or his or her successors. Written consent is not required to show actual or implied

consent.

SECTION 7. Approval of Voluntary Land Transfer -- Voluntary Land Transfer arrangements shall be strictly reviewed and monitored by the PARC to ensure that only qualified beneficiaries shall benefit from the Agrarian Reform Program. All Voluntary Land Transfer arrangements shall be subject to the approval of the PARC.

SECTION 8. Section 24 of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988, is hereby amended to read as follows:

"Section 24. Award to Beneficiaries – The rights and responsibilities of the beneficiary shall commence from the time the DAR makes an award of the land. Such award shall be completed within one hundred eighty (180) days from the time the DAR takes actual possession of the land. Ownership of the beneficiary shall be evidenced by a Certificate of Land Ownership Award, which shall contain the restrictions and conditions provided for in this Act, and shall be recorded in the Register of Deeds concerned and annotated on the Certificate of Title. The CLOA and other titles issued under any agrarian reform program shall be indefeasible and imprescriptible after one (1) year from its registration with the Office of the Registry of Deeds.

All cases involving the cancellation of registered CLOAs and other titles issued under any agrarian reform program are within the exclusive and original jurisdiction of the DARAB.

SECTION 9. Tax on Idle Lands and Big Landholdings. An additional ten (10) percent of the Real Property tax for every hectare in excess of seven (7) hectares shall be imposed to private landholdings.

An additional twenty (20) percent of the Real Property tax shall be imposed on private agricultural lands that remain idle and unproductive for three (3) consecutive years from notice that it is idle and unproductive.

The above shall be assessed and collected annually by the Local Government Units. If the said land still remains idle and unproductive then the LGU will expropriate it, deducting all the unpaid real property taxes due and the penalties and other encumbrance on the said land and award it to landless farmers, farmworkers or other qualified beneficiaries.

VI. PAYMENTS BY BENEFICIARIES

SECTION 10. Section 26 of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988, is hereby amended to read as follows:

"Section 26. Payments by the Beneficiaries – Lands awarded pursuant to this Act shall be paid for by the beneficiaries to the LBP in thirty (30) annual amortizations at six percent (6%) interest per annum. The annual amortization shall start one year from the date of the actual, peaceful, physical, and continuous possession of the awarded land by the beneficiaries. The payments for the first three (3) years after the said actual, peaceful, physical, and continuous possession shall be at reduced amounts as established by the PARC: provided that the first five (5) annual payments may not be more than (5%) percent of the value of the annual gross production as established by the DAR.

Should the scheduled annual payments after the fifth year exceed ten percent (10%) of the annual gross production and the failure to produce accordingly is not due to the beneficiary's fault, the LBP shall reduce the interest rate and/or reduce the principal obligations to make the repayment affordable.

"The LBP shall have a lien by way of mortgage on the land awarded to beneficiary and this mortgage may be foreclosed by the LBP for non-payment of an aggregate of three (3) annual amortizations. The LBP shall advise the DAR of such proceedings and the latter shall subsequently award the forfeited landholding to other qualified beneficiaries. A beneficiary whose land as provided herein has been foreclosed shall thereafter be permanently disqualified from becoming a beneficiary under this Act."

VII. TRANSFER OF LANDS

SECTION 11. Section 27 of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988, is hereby amended to read as follows:

"Section 27. Lands acquired by beneficiaries under this ACT or other agrarian reform/distribution laws may not be sold, transferred or conveyed except through hereditary succession, or to the government, or to the LBP, or to other qualified beneficiaries through the DAR for a period of thirty (30) years; Provided however, That the children or the spouse of the transferor shall have a right to repurchase the land from the government of LBP within a period of two (2) years thereafter. Due notice of the availability of the land shall be given by the LBP to the Barangay Agrarian Reform Committee (BARC) of the barangay where the land is situated. The Provincial Agrarian Reform Coordinating Committee (PARCCOM) shall in turn be given due notice thereof by the BARC.

"The title of the land awarded under the Agrarian Reform must indicate that it is an EP or CLOA and subsequent transfer title must also indicate that it is an EP or CLOA."

"If the land has not yet been fully paid by the beneficiary, the rights to the land may be transferred or conveyed, with prior approval of the DAR, to any heir of the beneficiary or to any other beneficiary who as a condition for such transfer or conveyance, shall cultivate the land himself. Failing compliance herewith, the land shall be transferred to the LBP which shall give due notice of the availability of the land in the manner specified in the immediately preceding paragraph.

"In the event of such transfer to the LBP, the latter shall compensate the beneficiary in one lump sum for the amounts the latter has already paid, together with the value of improvements he has made on the land."

VIII. CREDIT AND OTHER SUPPORT SERVICES

SECTION 12. Support Services. Section 36 of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988, is hereby amended to read as follows:

"In order to cover the expenses and cost of support services, thirty percent (30%) of all appropriations for agrarian reform shall be immediately set

aside and made available for this purpose; Provided, that one-third (1/3) of this appropriation shall be specifically allocated for subsidies to support the initial capitalization for agricultural production upon the awarding of the EP or CLOA to a new agrarian reform beneficiary and subsidized credit facilities in the case of existing ARBs including the leaseholders; Provided further that the Land Bank and other concerned Government Financial Institutions shall provide the facilities for disbursement of the above financial assistance to the ARBs. In addition, the DAR shall be authorized to package proposals and receive grants, aid and other forms of financial assistance from any source.

After the completion of the land acquisition and distribution component of CARP, the yearly appropriation shall be allocated fully to support services and agrarian justice delivery.

SECTION 13. Gender Responsive Support Services -- The Department must give increased access and consideration to the needs of the women farmer beneficiaries in providing support services until such time that the support services are equally available to both men and women. The Department shall ensure that the support services extended to women farmer beneficiaries integrates her needs and well-being.

IX. REORGANIZING THE DEPARTMENT OF AGRARIAN REFORM'S ORGANIZATIONAL STRUCTURE AND FUNCTIONS

SECTION 14. Reorganizing the DAR -- The Department of Agrarian Reform (DAR) shall be reorganized by an inter-agency committee consisting of Department of Budget Management (DBM), Civil Service Commission (CSC), and the DAR, subject to the approval of Presidential Agrarian Reform Council (PARC). The reorganization shall consider completion of LAD, strengthened agrarian justice delivery (AJD), increasing support services, convergence approach, and integrated staff services; provided that regional, provincial and municipal offices shall also be restructured to reflect actual needs in services and personnel. The reorganization plan shall be completed and approved within six (6) months after approval of this Act.

The DAR shall accelerate its Land Acquisition and Distribution (LAD) function. In particular, the DAR shall increase its annual Land Acquisition and Distribution (LAD) target to not less than 200,000 hectares for a period of seven (7) years from the enactment of this Act. Provided, that the DAR shall prioritize the Compulsory Acquisition (CA) and distribution of large private agricultural lands. For this purpose, Executive Order (EO) 129-A is hereby amended.

X. LAND CONVERSION

SECTION 15. Section 65 of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988, is hereby amended to read as follows:

“Section 65. Conversion of lands. When the land ceases to be economically feasible and sound for agricultural purposes, or the locality has become urbanized and the land will have greater economic value for residential, commercial or industrial purposes, the DAR, upon application of the beneficiary or any other landowner, with due notice to the affected parties, and subject to existing laws, may authorize the reclassification or conversion of the land and its

disposition: Provided, that if the applicant is a beneficiary under agrarian laws and the land sought to be converted is the land awarded to him/her or any portion thereof, it must be shown that: (1) at least thirty (30) years have lapsed from its award; and (2) the beneficiary shall have fully paid his obligation. Provided further, that irrigated and irrigable lands, regardless of funding commitment for irrigation, shall not be subject to conversion notwithstanding its classification.

"Failure to implement the conversion plan within five (5) years from the approval of such conversion plan, shall cause the land to automatically be covered by CARP."

XI. QUASI-JUDICIAL POWERS OF THE DAR

SECTION 16. Section 50 of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988, is hereby amended to read as follows:

"Section 50. *Quasi-Judicial Powers of the DAR.* - The DAR is hereby vested with primary jurisdiction to determine and adjudicate agrarian reform matters and shall have exclusive original jurisdiction over all matters involving the implementation of agrarian reform, except those falling under the exclusive jurisdiction of the Department of Agricultural (DA) and the Department of Environment and Natural Resources (DENR).

"It shall not be bound by technical rules of procedure and evidence but shall proceed to hear and decide all cases, disputes or controversies in a most expeditious manner, employing all reasonable means to ascertain the facts of every case in accordance with equity and the merits of the case. Toward this end, it shall adopt a uniform rule of procedure to achieve a just, expeditious and inexpensive determination of every action or proceeding before it.

"It shall have the power to summon witnesses, administer oaths, take testimony, require submission of reports, compel the production of books and documents and answers to interrogatories and issue subpoena, and *subpoena duces tecum* and to enforce its writs through sheriffs or other duly deputized officers. It shall likewise have the power to punish direct and indirect contempt in the same manner and subject to the same penalties as provided in the Rules of Court.

"Responsible farmer leaders shall be allowed to represent themselves, their fellow farmers/farm workers or their organizations in any proceedings before the DAR: *Provided, however,* that when there are two or more representatives for any individual or group, the representatives should choose only one among themselves to represent such party or group before any DAR proceedings.

"Notwithstanding an appeal to the Regional Trial Court, Court of Appeals and the Supreme Court, the decision of the DAR shall be immediately executory."

XII. AGRARIAN JUSTICE DELIVERY

SECTION 17. Strengthening the DARAB -- The DARAB shall be composed of the Secretary as Chairman, Three (3) Undersecretaries or Assistant Secretaries as may

be designated by the Secretary, and eight (8) others to be appointed by the President.

SECTION 18. Legal Standing and Interest of Farmer Beneficiary and their Associations -- Agrarian reform beneficiaries or identified beneficiaries and/or their Associations may file a case or cases before judicial courts concerning their individual or collective rights under the Comprehensive Agrarian Reform Program.

The fact of non-registration of such association/s before the Security and Exchange Commission or Cooperative Development Authority or any concerned government agency may not be used against them to deny the existence of their legal standing and interest in a case filed before the judicial courts.

Identified and approved agrarian reform beneficiaries, based on section 22 of RA 6657, shall have usufructuary rights over the awarded land and such right shall not be diminished even pending the awarding of the CLOA.

SECTION 19. Representation -- A counsel de officio or a paralegal shall be appointed by the DAR to represent a litigant farmer, farm worker or tenant not represented by a lawyer, a paralegal, or a farmer-leader representative.

SECTION 20. Language -- The parties or their representatives and the witnesses shall be allowed to testify or participate in the proceedings or submit pleadings using the language known to both parties or local dialects prevailing in the community.

SECTION 21. Exclusive Jurisdiction on Agrarian Related Dispute -- No court shall take cognizance of cases pertaining to the implementation of the Comprehensive Agrarian Reform Program except those provided under Section 57 of RA 6657. All cases filed in regular courts or office of the prosecutor where one of the parties is a farmer, farmworker or tenant, shall be automatically referred to the DAR if there is an allegation from any of the parties that the case is agrarian in nature, unless it is clear from the complaint that the case is agrarian in nature, in which case the court shall *motu proprio* dismiss the case. Upon referral of a case by a regular court or the prosecutor to the DAR, the DAR shall within thirty (30) days from receipt of the court's or prosecutor's referral, determine if the case is agrarian in nature, such finding shall be conclusive upon the regular court or prosecutor, and the court or prosecutor shall thereafter dismiss the case on the basis of such findings of the DAR.

SECTION 22. Agrarian Reform Harassment Cases -- No judge of the regional and trial court or any other tribunal shall take cognizance of ejectment, estafa, qualified theft, and other similar cases filed against an agrarian reform beneficiary, a farmer, farmworker or a tenant, the resolution of which requires the prior determination of tenancy relations, agrarian disputes, or the application of agrarian laws within the proper jurisdiction of the DAR or the DARAB, or where such cases are filed to harass or remove the said agrarian reform beneficiary, farmer, farmworker or tenant. Upon filing of any such case, such judge of any court or tribunal or prosecutor shall refer the same to the division or Provincial Agrarian Reform Adjudicator (PARAD) for determination of tenancy relations or adjudication of any agrarian dispute between the parties. Only upon certification issued by the PARAD that the case is not agrarian in nature, can the judge or prosecutor proceed with the case. No warrant of arrest shall be issued pending the certification from the PARAD that the case is not agrarian reform related.

The DAR shall render free legal representation for agrarian reform beneficiary, farmer, farmworker or tenant who are facing agrarian reform related criminal cases."

SECTION 23. Section 55 of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988, is hereby amended to read as follows:

"Section. 55. No Restraining Order or Preliminary Injunction. No court in the Philippines shall have jurisdiction to issue any restraining order or writ of preliminary injunction against the PARC, DAR, or any duly authorized or designated agencies in any case, dispute or controversy arising from, necessary to, or in connection with the application, implementation, enforcement, or interpretation of this Act and other pertinent laws on agrarian reform."

SECTION 24. Section 68 of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988 is hereby amended to read as follows:

"Sec. 68. Immunity of Government Agencies from Undue Interference. – No injunction, restraining order, prohibition or mandamus shall be issued by the Court of Appeals, Regional Trial Courts, Municipal Trial Courts, Municipal Circuit Trial Courts, Metropolitan Trial Courts against the DAR, the DA, the DENR and the DOJ in the implementation of this program.

Justices and judges who violate this provision and section 55 of RA 6657 shall be administratively liable."

XIII. FUNDING SOURCE

SECTION 25. Section 63 of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988, as amended, is hereby amended to read as follows:

"The amount hereby authorized to be appropriated shall be equivalent to no less than 3.8% of the total national budget of every year beginning the year 2008 and which shall be initially released on June 15, 2008 , which amount shall not be less than Thirty Eight Billion Pesos (Php 38,000,000,000) and shall be automatically appropriated in the annual general appropriation; provided that seventy percent (70%) of the yearly appropriation shall be allocated to land acquisition, distribution and compensation which shall be fully completed by 2015; Upon completion of Land Acquisition and Distribution, the yearly appropriation shall be allocated fully to support services and agrarian justice delivery.

"Sources of additional funding or appropriations for the Agrarian reform Fund (ARF) shall include the following:

1. Proceeds of the sales of the Assets Privatization Trust;
2. All receipts from assets recovered and from sales of ill-gotten wealth recovered through the Presidential Commission on Good Government;
3. Proceeds of the disposition of the properties of the Philippine Government in foreign countries;
4. All income and collections arising from agrarian reform operations, projects and programs of CARP implementing agencies;

5. Portion of amounts accruing to the Philippines from all sources of official foreign aid grants and concessional financing from all countries, and other forms of financing arrangements, negotiated by the Philippines Government with other countries and financial institutions; and

6. Ten percent (10%) of the annual gross income of PAGCOR and PCSO."

XIV. PROHIBITED ACTS AND OMISSIONS

SECTION 26. Section 73 of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988 is hereby amended to read as follows:

"Section 73. *Prohibited Acts and Omissions.* - The following are prohibited:

(a) The ownership or possession, for the purpose of circumventing the provisions of this Act, of agricultural lands in excess of the total retention limits or award ceilings by any person, natural or juridical, except those under collective ownership by farmer-beneficiaries.

(b) The forcible entry or illegal detainer by persons who are not qualified beneficiaries under this Act to avail themselves of the rights and benefits of the Agrarian Reform Program;

(c) Any conversion by any landowner of his agricultural land into non-agricultural use to avoid the application of this act to his landholdings and to dispossess his tenant farmers or the land tilled by them;

(d) Any prevention or obstruction by any person, association or entity of the implementation of the CARP;

(e) The sale, transfer, conveyance or change of the nature of lands outside of urban centers and city limits either in whole or in part after the effectivity of this Act. The date of the registration of the deed of conveyance in the Register of Deeds with respect to titled lands and the date of the issuance of the tax declaration to the transferee of the property with respect to unregistered lands, as the case may be, shall be conclusive for the purpose of this Act;

(f) The sale, transfer or conveyance by a beneficiary of the right to use or any other usufructuary right over the land he acquired by virtue of being a beneficiary, in order to circumvent the provisions of this Act."

XV. PENALTIES

SECTION 27. Section 74 of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988 is hereby amended to read as follows:

"Sec 74, RA 6657: Penalties.--Any person who knowingly or willfully violates the provisions of this Act shall be punished by imprisonment of not less than one (1) month to not more than three (3) years or a fine of not less than one thousand pesos (P1,000.00) and not more than fifteen thousand pesos (P15,000.00), or both, at the discretion of the court. Provided that any person who violates Section 73 Paragraph (E), in relation to Section 4 Paragraph 6 shall be punished by imprisonment of six (6) years and one (1) day to twelve years

and/or a fine of one hundred thousand pesos (PHP 100,000) to five hundred thousand pesos (Php 500, 000) or both at the discretion of the court. Provided further that the landowner or his or her agent commits the act describe in Section 73 paragraph (D) shall be punished by imprisonment of twenty (20) years and/or a fine of one million pesos (Php 1,000,000) at the discretion of the court.

"If the offender is a corporation or association, the officer responsible therefore shall be criminally liable. In addition, any person convicted under this Act shall not be entitled to any benefit under any agrarian reform program."

XVI. INTER-AGENCY COMMITTEES

SECTION 28. Creation of Inter-Agency Committee on Support Services

-- An inter-agency committee on support services is hereby created. For this purpose, Section 35 (Creation of Support Services Office) of RA 6657 is hereby amended to include the following:

"An inter-agency committee composed of six (6) government agencies including the Department of Agrarian Reform (DAR), the Department of Agriculture (DA), the Department of Public Works and Highways (DPWH), Land Bank of the Philippines, National Irrigation Administration (NIA), Cooperative Development Authority (CDA) and the Department of Trade and Industry (DTI) shall be created to plan, implement and monitor all support service undertakings in coordination with local stakeholders. The said committee shall be headed by the Department of Agrarian Reform (DAR). Provided, that the DAR shall only provide general and coordinative support to the aforementioned inter-agency. Provided further, that DAR personnel shall be retained, removed, or realigned for this purpose subject to the implementation of a reorganization plan."

"The Land Bank of the Philippines and other government financial institutions, such as QUEDANCOR, shall undertake the implementation of programs that aim to provide ARBs greater access to credit. Provided, that government shall ensure the provision of sufficient budget for the production credit requirements of the ARBs. Provided further, that such loans shall remain collateral-free, interest rates shall be concessional or below market rates, and that lending requirements shall be relaxed."

"The Department of Agrarian Reform (DAR) shall coordinate the planning, implementation, and monitoring of all agrarian reform-related Foreign-Assisted Projects (FAPs). Provided, that specialized units, such as the Foreign-Assisted Projects Office (FAPSO), are hereby abolished. Provided further, that all personnel from the FAPSO shall either be its staff shall either be removed or realigned to other offices within the DAR. Provided much further, that its functions shall be transferred to the DAR-SSO and other concerned offices within the DAR. Provided finally, that DAR personnel shall be retained, removed, or realigned for this purpose subject to the implementation of a reorganization plan."

"The DAR shall likewise coordinate the planning, implementation, and monitoring of all social infrastructure capability building programs for the ARBs. Provided that, there shall be no duplication of functions between the BARIE and the BARBD under the DAR. Provided further, that DAR personnel shall be

retained, removed, or realigned for this purpose subject to the implementation of a reorganization plan."

"The Department of Agriculture (DA), in coordination with the DAR, shall implement other support service functions like government subsidies for the use of irrigation facilities, farm inputs, farm machineries, price support and guarantee for all agricultural produce, research and development, etc."

"The NIA, DPWH, and DA, in coordination with the DAR, shall implement rural infrastructure projects such as irrigation facilities, farm-to-market roads, and post-harvest facilities in all agrarian reform areas."

"The CDA, in coordination with the DAR, shall promote cooperative as a way of life in agrarian reform areas. The CDA shall provide farmer beneficiaries assistance in organizing their cooperatives."

"The DTI, in coordination with the DAR, shall provide general market information and support as well as agro-industrial prospects to provide ARBs market access and timely information and to help facilitate rural industrialization in CARP-covered areas and dismantle marketing cartels."

"Local Government Units (LGUs), in coordination with local DAR offices, shall provide extension services to the ARBs."

"The budget for these transferred tasks would be provided by the agencies mentioned and should be on top of the current budgetary allocation for DAR's LAD and support service activities."

XVII. CARP ACCOMPLISHMENT VALIDATION

SECTION 29. Validation of CARP Scope and Accomplishments -- CARP scope shall be validated on an annual basis starting on June 15, 2008.

A CARP Validation Team shall be created and shall be composed of the Secretary of the Department of Agrarian Reform, two representatives from the Presidential Agrarian Reform Committee, a representative from an organization of agrarian reform beneficiaries at the provincial level and an Agrarian Reform non-governmental organization operating in the said province.

Further, the Department of Agrarian Reform's CARP accomplishment reports by province shall be validated by the organized agrarian reform beneficiaries together with their partner non-government organizations in the corresponding province. Only duly validated reports of the DAR will be submitted to the Oversight Committee.

The Presidential Agrarian Reform Committee (PARC) shall not approve the DAR's CARP scope validation and accomplishment reports at the national level unless they are endorsed in writing by national-level agrarian reform and rural development coalitions.

The CARP Validation Team shall be provided with the necessary funds to carry out its duties.

XVIII. OVERSIGHT COMMITTEE

SECTION 30. Oversight Committee -- An oversight committee is hereby created composed of three (3) representatives each from the Senate and the House of Representatives which includes the chairperson of Agrarian Reform committee and two (2) representatives each from agencies involved in the program, to further strengthen and ensure the sustainability of the agrarian reform program. The committee shall elect their chairperson and shall meet once every year to submit a report to the Senate and the House of Representatives on their evaluation as to the performance of the agrarian reform program.

The oversight committee shall be provided with the necessary funds to carry out its duties.

XVIII. FINAL PROVISIONS

SECTION 31. Repealing Clause. — All acts, ordinances, administrative orders, and other issuances inconsistent with this Act or any part thereof is hereby repealed.

SECTION 32. Separability Clause. — If for any reason, any section or provision of this Act is declared null and void, no other section provision or part thereof shall be affected and the same shall remain in full force and effect.

SECTION 33. Effectivity Clause. — This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,