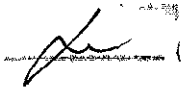


FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

8 OCT -7 P6:32

SENATE

RECEIVED BY: 

S. No. 2666

*(In substitution of S. Nos. 1911, 1990, 2047, 2122 and 2636,
taking into consideration Proposed Senate Resolution Nos. 45, 65 and 263,
and House Joint Resolution No. 21)*

Prepared by the Committee on Agrarian Reform; Justice and Human Rights; Finance;
and Social Justice, Welfare and Rural Development with Senators Defensor Santiago,
Honasan, Ejercito Estrada, Biazon, Villar, Legarda, Escudero and Enrile as authors

AN ACT

STRENGTHENING THE COMPREHENSIVE AGRARIAN REFORM PROGRAM (CARP), AMENDING FOR THE PURPOSE CERTAIN PROVISIONS 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 the House of Representatives of the Philippines in Congress assembled:

1 **SECTION 1.** Section 2 of Republic Act No. 6657, otherwise known as the
2 Comprehensive Agrarian Reform Law of 1988, is hereby amended to read as follows:

3 "SECTION 2. *Declaration of Principles and Policies.* – It is the
4 policy of the State to pursue a Comprehensive Agrarian Reform Program
5 (CARP). The welfare of the landless farmers and farmworkers will receive
6 the highest consideration to promote social justice and to move the nation
7 toward sound rural development and industrialization, and the
8 establishment of owner cultivatorship of economic-size farms as the basis
9 of Philippine agriculture.

10 **THE STATE SHALL PROMOTE INDUSTRIALIZATION AND FULL**
11 **EMPLOYMENT BASED ON SOUND AGRICULTURAL DEVELOPMENT**
12 **AND AGRARIAN REFORM, THROUGH INDUSTRIES THAT MAKE**
13 **FULL AND EFFICIENT USE OF HUMAN AND NATURAL RESOURCES,**
14 **AND WHICH ARE COMPETITIVE IN BOTH DOMESTIC AND FOREIGN**
15 **MARKETS. HOWEVER, THE STATE SHALL PROTECT FILIPINO**
16 **ENTERPRISES AGAINST UNFAIR FOREIGN COMPETITION AND**
17 **TRADE PRACTICES.**

1 THE STATE RECOGNIZES THAT THERE IS NOT ENOUGH
2 AGRICULTURAL LAND TO BE DIVIDED AND DISTRIBUTED TO EACH
3 FARMER AND REGULAR FARMWORKER SO THAT EACH ONE CAN
4 OWN HIS/HER OWN ECONOMIC-SIZE FAMILY FARM. AS SUCH, A
5 MEANINGFUL AGRARIAN REFORM PROGRAM TO UPLIFT THE
6 LIVES AND ECONOMIC STATUS OF THE FARMER AND HIS/HER
7 CHILDREN CAN ONLY BE ACHIEVED THROUGH SIMULTANEOUS
8 INDUSTRIALIZATION AIMED AT DEVELOPING A SELF-RELIANT AND
9 INDEPENDENT NATIONAL ECONOMY EFFECTIVELY CONTROLLED
10 BY FILIPINOS.

11 TO THIS END, THE STATE MAY, IN THE INTEREST OF
12 NATIONAL WELFARE OR DEFENSE, ESTABLISH AND OPERATE
13 VITAL INDUSTRIES.

14 [To this end,] A more equitable distribution and ownership of land,
15 with due regard to the rights of landowners to just compensation and to
16 the ecological needs of the nation, shall be undertaken to provide farmers
17 and farmworkers with the opportunity to enhance their dignity and improve
18 the quality of their lives through greater productivity of agricultural lands.

19 The agrarian reform program is founded on the right of farmers and
20 regular farmworkers who are landless, to own directly or collectively the
21 lands they till or, in the case of other farmworkers, to receive a share of
22 the fruits thereof. To this end, the State shall encourage and undertake
23 the just distribution of all agricultural lands, subject to the priorities and
24 retention limits set forth in this Act, having taken into account ecological,
25 developmental, and equity considerations, and subject to the payment of
26 just compensation. The State shall respect the right of small landowners,
27 and shall provide incentives for voluntary land-sharing.

28 The State shall recognize the right of farmers, farmworkers and
29 landowners, as well as cooperatives and other independent farmers'
30 organization, to participate in the planning, organization, and management
31 of the program, and shall provide support to agriculture through
32 appropriate technology and research, and adequate financial, production,
33 marketing and other support services.

34 The State shall apply the principles of agrarian reform, or
35 stewardship, whenever applicable, in accordance with law, in the
36 disposition or utilization of other natural resources, including lands of the
37 public domain, under lease or concession, suitable to agriculture, subject

1 to prior rights, homestead rights of small settlers and the rights of
2 indigenous communities to their ancestral lands.

3 The State may resettle landless farmers and farmworkers in its own
4 agricultural estates, which shall be distributed to them in the manner
5 provided by law.

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

9 The State shall protect the rights of subsistence fishermen,
10 especially of local communities, to the preferential use of communal
11 marine and fishing resources, both inland and offshore. It shall provide
12 support to such fishermen through appropriate technology and research,
13 adequate financial, production and marketing assistance and other
14 services. The State shall also protect, develop and conserve such
15 resources. The protection shall extend to offshore fishing grounds of
16 subsistence fishermen against foreign intrusion. Fishworkers shall receive
17 a just share from their labor in the utilization of marine and fishing
18 resources.

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

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

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

32 **SEC. 2.** Section 7 of Republic Act No. 6657 is hereby amended to read as
33 follows:

34 “SEC. 7. *Priorities.* – The DAR, in coordination with the PARC shall
35 plan and program the acquisition and distribution of all [agricultural lands
36 through a period of ten (10) years from the effectivity of this Act.]

37 **REMAINING UNACQUIRED AND UNDISTRIBUTED AGRICULTURAL**

1 **LANDS FROM THE EFFECTIVITY OF THIS ACT UNTIL DECEMBER**
2 **31, 2013.** Lands shall be acquired and distributed as follows:

3 Phase One: Rice and corn lands under Presidential Decree No. 27;
4 all idle or abandoned lands; all private lands voluntarily offered by
5 the owners for agrarian reform; all lands foreclosed by government
6 financial institution; all lands acquired by the Presidential
7 Commission on Good Government (PCGG); and all other lands
8 owned by the government devoted to or suitable for agriculture,
9 which shall be acquired and distributed immediately upon the
10 effectivity of this Act, with the implementation to be completed
11 **[within a period of not more than four (4) years] ON OR BEFORE**
12 **DECEMBER 31, 2010;**

13 Phase two: All alienable and disposable public agricultural lands; all
14 arable public agricultural lands under agro-forest, pasture and
15 agricultural leases already cultivated and planted to crops in
16 accordance with Section 6, Article XIII of the Constitution; all public
17 agricultural lands which are to be opened for new development and
18 resettlement; and all private agricultural lands in excess of fifty (50)
19 hectares, insofar as the excess hectarage is concerned, to
20 implement principally the right of farmers and regular farmworkers,
21 who are landless, to own directly or collectively the lands they till,
22 which shall be distributed immediately upon the effectivity of this
23 Act, with the implementation to be completed **[within a period of**
24 **more than four (4) years.] ON OR BEFORE DECEMBER 31, 2010;**

25 Phase Three: All other private agricultural lands commencing with
26 large landholdings and proceeding to medium and small
27 landholdings under the following schedule:

28 (a) Landholdings above twenty-four (24) hectares up to fifty
29 (50) hectares, to begin on **[the fourth (4th) year from the**
30 **effectivity of this Act] JANUARY 01, 2011** and to be
31 completed **[within three (3) years] ON OR BEFORE**
32 **DECEMBER 31, 2012; and**

33 (b) Landholdings from the retention limit up to twenty-four
34 (24) hectares, to begin on **[the sixth (6th) year from the**
35 **effectivity of this Act] JANUARY 01, 2012** and to be
36 completed **[within four (4) years] ON OR BEFORE**
37 **DECEMBER 31, 2013;** to implement principally the right of

1 farmers and regular farmworkers who are landless, to own
2 directly or collectively the lands they till.

3 The schedule of acquisition and redistribution of all agricultural
4 lands covered by this program shall be made in accordance with the
5 above order of priority, which shall be provided in the implementing rules
6 to be prepared by the Presidential Agrarian Reform Council (PARC),
7 taking into consideration the following: **THE NECESSITY OF GIVING**
8 **PRIORITY TO COVERING LANDHOLDINGS WHEREIN THE FARMERS**
9 **ARE ORGANIZED AND UNDERSTAND THE MEANING AND**
10 **OBLIGATIONS OF FARMLAND OWNERSHIP;** the need to distribute
11 lands to the tiller at the earliest practicable time; the need to enhance
12 agricultural productivity; and the availability of funds and resources to
13 implement and support the program.

14 **LAND ACQUISITION AND DISTRIBUTION SHALL BE**
15 **COMPLETED WITHIN FIVE (5) YEARS FROM THE EFFECTIVITY OF**
16 **THIS ACT: PROVIDED, THAT, NOTWITHSTANDING THE ABOVE**
17 **SCHEDULE, PHASE THREE SHALL NOT BE IMPLEMENTED UNTIL**
18 **AT LEAST NINETY PERCENT (90%) OF THE COUNTRY TOTAL OF**
19 **PHASE ONE AND PHASE TWO HAVE BEEN COMPLETED:**
20 **PROVIDED, FURTHER, THAT ALL ADMINISTRATIVE, QUASI-**
21 **JUDICIAL, AND JUDICIAL PROCEEDINGS INVOLVING THE**
22 **IMPLEMENTATION OF PHASE THREE ALREADY INSTITUTED AND**
23 **PENDING UPON THE EFFECTIVITY OF THIS ACT SHALL BE**
24 **ALLOWED TO PROCEED. HOWEVER, IF UPON THE EFFECTIVITY OF**
25 **THIS ACT, LANDS UNDER PHASE THREE SUBJECT OF**
26 **PROCEEDINGS MENTIONED ABOVE, IN RELATION TO WHICH NO**
27 **AWARDS HAVE BEEN PREVIOUSLY MADE OR NO CERTIFICATES**
28 **OF LAND OWNERSHIP HAVE BEEN PREVIOUSLY ISSUED UNDER**
29 **SECTION 24 OF REPUBLIC ACT NO. 6657, THE AWARDS AND/OR**
30 **THE CERTIFICATES OF LAND OWNERSHIP, IF ORDERED IN SUCH**
31 **PROCEEDINGS, SHALL BE MADE AND/OR ISSUED ONLY AFTER**
32 **THE PARC DECLARES THAT AT LEAST NINETY PERCENT (90%) OF**
33 **THE COUNTRY TOTAL OF PHASE ONE AND PHASE TWO HAVE**
34 **BEEN COMPLETED.**

35 In any case, the PARC, upon recommendation by the Provincial
36 Agrarian Reform Coordinating Committee (PARCCOM), may declare
37 certain provinces or regions as priority land reform areas, in which case

1 the acquisition and distribution of private agricultural lands therein may be
2 implemented ahead of the above schedules: **PROVIDED, THAT AT**
3 **LEAST NINETY PERCENT (90%) OF THE COUNTRY TOTAL OF**
4 **PHASE ONE AND PHASE TWO HAVE BEEN COMPLETED.**

5 In effecting the transfer within these guidelines, priority must be
6 given to lands that are tenanted.

7 The PARC shall establish guidelines to implement the above
8 priorities and distribution scheme, including the determination of who are
9 qualified beneficiaries: *Provided*, That an owner-tiller may be a beneficiary
10 of the land he/**SHE** does not own but is actually cultivating to the extent of
11 the difference between the area of the land he/**SHE** owns and the award
12 ceiling of three (3) hectares.”

13 **SEC. 3.** Section 17 of Republic Act No. 6657 is hereby amended to read as
14 follows:

15 “Sec. 17. *Determination of Just Compensation.* – In determining
16 just compensation, the cost of acquisition of the land, **INCLUDING THE**
17 **STANDING CROPS PLANTED BY THE FORMER LANDOWNER AT**
18 **THE TIME OF VALUATION**, the current value of like properties, its
19 nature, actual use and income, the sworn valuation by the owner, the tax
20 declarations, and the assessment made by government assessors,
21 **TRANSLATED INTO A BASIC FORMULA BY THE DAR** shall be
22 considered.

23 **THE STANDING CROPS IF CONSIDERED AS PART OF THE**
24 **VALUE OF THE LAND SHALL BE VALUATED ONLY ONCE. IN NO**
25 **CASE SHALL THE DETERMINATION OF THE VALUATION OF THE**
26 **STANDING CROPS BE USED TO HINDER THE INSTALLATION OF**
27 **AGRARIAN REFORM BENEFICIARIES (ARBs).**

28 The social and economic benefits contributed by the farmers and
29 the farmworkers and by the government to the property as well as the
30 non-payment of taxes or loans secured from any government financing
31 institution on the said land shall be considered as additional factors to
32 determine its valuation.”

33 **SEC. 4.** Section 24 of Republic Act No. 6657 is hereby amended to read as
34 follows:

35 “Sec. 24. *Award to Beneficiaries.* – The rights and responsibilities
36 of the beneficiary shall commence from the time the DAR makes an
37 award of the land to him/**HER**, which award shall be completed within one

1 hundred eighty (180) days from the time the DAR takes actual possession
2 of the land. Ownership of the beneficiary shall be evidenced by a
3 Certificate of Land Ownership Award (**CLOA**), which shall contain the
4 restrictions and conditions provided for in this Act, and shall be recorded
5 in the Register of Deeds concerned and annotated on the Certificate of
6 Title. **THE CLOA AND OTHER TITLES ISSUED UNDER ANY**
7 **AGRARIAN REFORM PROGRAM SHALL BE INDEFEASIBLE AND**
8 **IMPREScriptible AFTER ONE (1) YEAR FROM ITS REGISTRATION**
9 **WITH THE OFFICE OF THE REGISTRY OF DEEDS.**

10 **ALL CASES INVOLVING THE CANCELLATION OF**
11 **REGISTERED CLOAs AND OTHER TITLES ISSUED UNDER ANY**
12 **AGRARIAN REFORM PROGRAM ARE WITHIN THE JURISDICTION OF**
13 **THE DARAB.”**

14 **SEC. 5.** Section 26 of Republic Act No. 6657 is hereby amended to read as
15 follows:

16 “Sec. 26. *Payment by Beneficiaries.* – Lands awarded pursuant to
17 this Act shall be paid for by the beneficiaries to the **LAND BANK OF THE**
18 **PHILIPPINES (LBP)** in thirty (30) annual amortizations at six percent (6%)
19 interest per annum. **THE ANNUAL AMORTIZATION SHALL START ONE**
20 **(1) YEAR FROM THE DATE OF THE CLOA REGISTRATION.**
21 **HOWEVER, IF THE OCCUPANCY TOOK PLACE AFTER THE CLOA**
22 **REGISTRATION, THE AMORTIZATION SHALL START ONE (1) YEAR**
23 **FROM ACTUAL OCCUPANCY.** The payments for the first three (3) years
24 after the award [may] **SHALL** be at reduced amounts as established by
25 the PARC: *Provided,* That the first five (5) annual payments may not be
26 more than five percent (5%) of the value of the annual gross production
27 as established by the DAR. Should the scheduled annual payments after
28 the fifth (5th) year exceed ten percent (10%) of the annual gross
29 production and the failure to produce accordingly is not due to the
30 beneficiary's fault, the LBP [may] **SHALL** reduce the interest rate **AND/or**
31 reduce the principal obligation to make the repayment affordable.

32 The LBP shall have a lien by way of mortgage on the land awarded
33 to beneficiary; and this mortgage may be foreclosed by the LBP for non-
34 payment of an aggregate of three (3) annual amortizations. The LBP shall
35 advise the DAR of such proceedings and the latter shall subsequently
36 award the forfeited landholding to other qualified beneficiaries. A
37 beneficiary whose land, as provided herein, has been foreclosed shall

1 thereafter be permanently disqualified from becoming a beneficiary under
2 this Act.”

3 **SEC. 6.** Section 27 of Republic Act No. 6657 is hereby amended to read as
4 follows:

5 “Sec. 27. *Transferability of Awarded Lands.* – Lands acquired by
6 beneficiaries under this Act [may] **OR OTHER AGRARIAN REFORM**
7 **LAWS SHALL** not be sold, transferred or conveyed except through
8 hereditary succession, or to the government, or to the LBP, or to other
9 qualified beneficiaries **THROUGH THE DAR** for a period of ten (10) years:
10 *Provided, however,* That the children or the spouse of the transferor shall
11 have a right to repurchase the land from the government or LBP within a
12 period of two (2) years. Due notice of the availability of the land shall be
13 given by the LBP to the Barangay Agrarian Reform Committee (BARC) of
14 the barangay where the land is situated. The [Provincial Agrarian Reform
15 Coordinating Committee (PARCCOM)], as herein provided, shall, in turn,
16 be given due notice thereof by the BARC.

17 **THE TITLE OF THE LAND AWARDED UNDER THE AGRARIAN**
18 **REFORM MUST INDICATE THAT IT IS IN AN EMANCIPATION PATENT**
19 **(EP) OR CLOA AND THE SUBSEQUENT TRANSFER TITLE MUST**
20 **ALSO INDICATE THAT IT IS AN EP OR CLOA.**

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

28 In the event of such transfer to the LBP, the latter shall
29 compensate the beneficiary in one lump sum for the amounts the latter
30 has already paid, together with the value of improvements he/**SHE** has
31 made on the land.”

32 **SEC. 7.** Section 36 of Republic Act No. 6657, as amended by Republic Act No.
33 7905, is hereby further amended to read as follows:

34 “Sec. 36. *Funding for Support Services.* – In order to cover the
35 expenses and cost of support services, at least [twenty-five percent
36 (25%)] **FORTY PERCENT (40%)** of all appropriations for agrarian reform
37 shall be immediately set aside and made available for this purpose:
38 **PROVIDED, THAT ONE-THIRD (1/3) OF THE FORTY PERCENT (40%)**

1 OF THIS APPROPRIATION SHALL BE SPECIFICALLY ALLOCATED
2 FOR SUBSIDIES TO SUPPORT THE INITIAL CAPITAL OR SEED
3 MONEY FOR AGRICULTURAL PRODUCTION UPON THE AWARDING
4 OF THE EP OR CLOA TO A NEW ARB AND CREDIT FACILITIES IN
5 THE CASE OF EXISTING ARBs INCLUDING THE LEASEHOLDERS.
6 THE LBP AND OTHER CONCERNED GOVERNMENT FINANCIAL
7 INSTITUTIONS SHALL PROVIDE THE FACILITIES FOR
8 DISBURSEMENT OF THE ABOVE FINANCIAL ASSISTANCE TO THE
9 ARBs: *Provided*, [That for the next five (5) years, a minimum of one (1)]
10 **FURTHER**, THAT THE FORMATION OF Agrarian Reform [Community]
11 **COMMUNITIES** (ARCs) shall be [established] **CONTINUED** by the DAR,
12 in coordination with the local government units, non-governmental
13 organizations and people organizations in each legislative district with a
14 predominant agricultural population: *Provided, further*, That the areas in
15 which the ARCs are to be established shall have been fully subjected
16 under this law.

17 **AFTER THE COMPLETION OF THE LAND ACQUISITION AND**
18 **DISTRIBUTION COMPONENT OF THE CARP, THE YEARLY**
19 **APPROPRIATION SHALL BE ALLOCATED FOR SUPPORT**
20 **SERVICES, AGRARIAN JUSTICE DELIVERY, AND OTHER LAND**
21 **TENURE REGULATORY FUNCTIONS.**

22 For this purpose, an Agrarian Reform Community shall be defined
23 as a barangay or a cluster of barangays primarily composed and
24 managed by Agrarian Reform Beneficiaries who shall be willing to be
25 organized and undertake the integrated development of an area and/or
26 their organizations/cooperatives. In each community, the DAR, together
27 with the agencies and organizations abovementioned, shall identify the
28 farmers' association, cooperative or their respective federations approved
29 by the farmers-beneficiaries that shall take the lead in the agricultural
30 development of the area. In addition, the DAR, **WITH PRIOR**
31 **CONSULTATION WITH THE CONGRESSIONAL OVERSIGHT**
32 **COMMITTEE CREATED HEREIN**, shall be authorized to package
33 proposals and receive grants, aids and other forms of financial assistance
34 from any source: **PROVIDED**, THAT ANY LOAN, GRANT, AID OR ANY
35 **OTHER FORM OF FINANCIAL ASSISTANCE MADE PURSUANT TO**
36 **THE MANDATES OF THE CARP SHALL BE CONSIDERED,**

1 **COMPUTED, AND REPORTED AS PART OF THE AGRARIAN REFORM**
2 **FUND UNDER SECTION 63 HEREIN.”**

3 **SEC. 8.** Section 37 of Republic Act No. 6657 is hereby amended to read as
4 follows:

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

8 (a) Land surveys and titling;

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

19 (c) Extension services by way of planting, cropping, production and
20 post-harvest technology transfer, as well as marketing and
21 management assistance and support to cooperatives and farmers’
22 organizations;

23 (d) Infrastructure such as access trails, mini-dams, public utilities,
24 marketing and storage facilities; [and]

25 (e) Research, production and use of organic fertilizers and other
26 local substances necessary in farming and cultivation[.]; **AND**

27 **(F) DIRECT AND ACTIVE DAR ASSISTANCE IN THE**
28 **EDUCATION AND ORGANIZATION OF ACTUAL AND**
29 **POTENTIAL ARBs, AT THE BARANGAY, MUNICIPAL,**
30 **PROVINCIAL AND NATIONAL LEVELS, TOWARDS HELPING**
31 **THEM UNDERSTAND THEIR RIGHTS AND RESPONSIBILITIES**
32 **AS OWNER-CULTIVATORS DEVELOPING FARM-RELATED**
33 **TRUST RELATIONSHIPS AMONG THEMSELVES AND THEIR**
34 **NEIGHBORS, AND INCREASING FARM PRODUCTION AND**
35 **PROFITABILITY WITH THE ULTIMATE END OF EMPOWERING**
36 **THEM TO CHART THEIR OWN DESTINY. THE**

1 **REPRESENTATIVES OF THE ARBs TO THE PARC SHALL BE**
2 **CHOSEN BY THE NATIONAL ARB ORGANIZATION.**

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

6 The Bagong Kilusang Kabuhayan sa Kaunlaran (BKKK) Secretariat
7 shall be transferred and attached to the LBP, for its supervision, including
8 all its applicable and existing funds, personnel, properties, equipment and
9 records.

10 Misuse or diversion of the financial and support services herein
11 provided shall result in sanctions against the beneficiary guilty thereof,
12 including the forfeiture of the land transferred to him/**HER** or lesser
13 sanctions as may be provided by the PARC, without prejudice to criminal
14 prosecution.”

15 **SEC. 9.** A new Section 37-A is hereby inserted in Republic Act No. 6657 to read
16 as follows:

17 **“SEC. 37-A. GENDER RESPONSIVE SUPPORT SERVICES. –**
18 **THE DAR MUST GIVE INCREASED ACCESS AND CONSIDERATION**
19 **TO THE NEEDS OF THE WOMEN-FARMER BENEFICIARIES IN**
20 **PROVIDING SUPPORT SERVICES UNTIL SUCH TIME THAT THE**
21 **SUPPORT SERVICES ARE EQUALLY AVAILABLE TO BOTH MEN**
22 **AND WOMEN. THE DAR SHALL ENSURE THAT THE SUPPORT**
23 **SERVICES EXTENDED TO WOMEN-FARMER BENEFICIARIES**
24 **INTEGRATE THEIR NEEDS AND WELL-BEING.”**

25 **SEC. 10.** Section 38 of Republic Act No. 6657 is hereby amended to read as
26 follows:

27 **“Sec. 38. Support Services [to] FOR Landowners.** – The PARC,
28 with the assistance of such other government agencies and
29 instrumentalities as it may direct, shall provide landowners affected by the
30 CARP and prior agrarian reform programs with the following services:

31 (a) Investment information, financial and counseling assistance,
32 **PARTICULARLY INVESTMENT INFORMATION ON**
33 **GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS**
34 **IN PURSUIT OF NATIONAL INDUSTRIALIZATION AND**
35 **ECONOMIC INDEPENDENCE;**

36 (b) Facilities, programs and schemes for the conversion or
37 exchange of bonds issued for payment of the lands acquired with

1 stocks and bonds issued by the National Government, the [Central
2 Bank] **BANGKO SENTRAL NG PILIPINAS (BSP)** and other
3 government institutions and instrumentalities;

4 (c) Marketing of [LBP] **AGRARIAN REFORM** bonds, as well as
5 promoting the marketability of said bonds in traditional and non-
6 traditional financial markets and stock exchanges; **AND/OR**

7 (d) Other services designed to utilize productively the proceeds of
8 the sale of such lands for rural industrialization.

9 A landowner who invests in rural-based industries shall be entitled
10 to the incentives granted to a registered enterprise engaged in a pioneer
11 or preferred area of investment as provided for in the Omnibus Investment
12 Code of 1987, or to such other incentives as the PARC, the LBP, or other
13 government financial institutions may provide.

14 The LBP shall redeem a landowner's [LBP] **AGRARIAN REFORM**
15 bonds at face value, provided, that **AT LEAST FIFTY PERCENT (50%)**
16 **OF** the proceeds thereof shall be invested in a BOI-registered company or
17 in any agri-business or agro-industrial enterprise in the region where the
18 [landowner has previously made investments, to the extent of thirty
19 percent (30%) of the face value of said LBP bonds, subject to guidelines
20 that shall be issued by the LBP] **CARP-COVERED LANDHOLDING IS**
21 **LOCATED. AN INCENTIVE OF TWO PERCENT (2%) IN CASH SHALL**
22 **BE PAID TO A LANDOWNER WHO MAINTAINS HIS/HER**
23 **ENTERPRISE AS A GOING CONCERN FOR FIVE (5) YEARS OR**
24 **KEEPS HIS/HER INVESTMENTS IN A BOI-REGISTERED FIRM FOR**
25 **THE SAME PERIOD.**

26 **THE LBP AND THE DEPARTMENT OF TRADE AND INDUSTRY**
27 **(DTI) SHALL JOINTLY FORMULATE THE PROGRAM TO CARRY OUT**
28 **THESE PROVISIONS UNDER THE SUPERVISION OF THE PARC."**

29 **SEC. 11.** Section 41 of Republic Act No. 6657 is hereby amended to read as
30 follows:

31 "Sec. 41. *The Presidential Agrarian Reform Council.* – The
32 Presidential Agrarian Reform Council (PARC) shall be composed of the
33 President of the Philippines as Chairman, the Secretary of Agrarian
34 Reform as Vice-Chairman and the following as members: Secretaries of
35 the Departments of Agriculture; Environment and Natural Resources;
36 Budget and Management; **INTERIOR AND** Local Government; Public
37 Works and Highways; Trade and Industry, Finance; **AND** Labor and

1 Employment; Director-General of the National Economic and
2 Development Authority; President, Land Bank of the Philippines;
3 Administrator, National Irrigation Administration; **ADMINISTRATOR,**
4 **SUGAR REGULATORY ADMINISTRATION; ADMINISTRATOR,**
5 **PHILIPPINE COCONUT AUTHORITY; ADMINISTRATOR, NATIONAL**
6 **FOOD AUTHORITY; DIRECTOR, PHILIPPINE RICE RESEARCH**
7 **INSTITUTE; ADMINISTRATOR, NATIONAL DAIRY AUTHORITY;**
8 **ADMINISTRATOR, NATIONAL MAPPING AND RESOURCE**
9 **INFORMATION AUTHORITY; ADMINISTRATOR, LAND**
10 **REGISTRATION AUTHORITY; and three (3) representatives of affected**
11 **landowners to represent Luzon, Visayas and Mindanao; six (6)**
12 **representatives of agrarian reform beneficiaries, two (2) each from Luzon,**
13 **Visayas and Mindanao: *Provided, That AT LEAST* one of them shall be**
14 **from the [cultural communities] INDIGENOUS PEOPLES.”**

15 **SEC. 12.** Section 50 of Republic Act No. 6657 is hereby amended to read as
16 follows:

17 “Sec. 50. *Quasi-Judicial Powers of the DAR.* – The DAR is hereby
18 vested with primary jurisdiction to determine and adjudicate agrarian
19 reform matters and shall have exclusive original jurisdiction over all
20 matters involving the implementation of agrarian reform, except those
21 falling under the exclusive jurisdiction of the Department of Agriculture
22 (DA) and the Department of Environment and Natural Resources (DENR).

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

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

37 Responsible farmer leaders shall be allowed to represent
38 themselves, their fellow farmers or their organizations in any proceedings

1 before the DAR: *Provided, however,* That when there are two or more
2 representatives for any individual or group, the representatives should
3 choose only one among themselves to represent such party or group
4 before any DAR proceedings.

5 Notwithstanding an appeal to the Court of Appeals, the decision of
6 the DAR shall be immediately executory **EXCEPT IN JUST**
7 **COMPENSATION CASES."**

8 **SEC. 13.** Section 55 of Republic Act No. 6657 is hereby amended to read as
9 follows:

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

17 **SEC. 14.** Section 63 of Republic Act No. 6657, as amended by Republic Act No.
18 8532, is hereby further amended to read as follows:

19 "Sec. 63. *Funding Source.* – The amount needed to **FURTHER**
20 implement **THE CARP AS PROVIDED IN** this Act, until [the year 2008]
21 **DECEMBER 31, 2013, UPON EXPIRATION OF FUNDING UNDER**
22 **REPUBLIC ACT NO. 8532 AND OTHER PERTINENT LAWS,** shall be
23 funded from the Agrarian Reform Fund **IN THE AMOUNT OF AT LEAST**
24 **ONE HUNDRED FORTY SEVEN BILLION PESOS**
25 **(P147,000,000,000.00).**

26 [Additional amounts necessary for this purpose are hereby
27 authorized to be appropriated in excess of the initial funds, amounting to
28 Fifty billion pesos (P50,000,000,000.00) provided under Sections 20 and
29 21 of Executive Order 229.

30 The additional amount hereby authorized to be appropriated shall
31 in no case exceed Fifty billion pesos (P50,000,000,000.00.)

32 Sources of funding or appropriations shall include the following:

33 (a) Proceeds of the sales of the [Assets Privatization Trust]
34 **PRIVATIZATION MANAGEMENT OFFICE (PMO);**

35 (b) All receipts from assets recovered and from sales of ill-gotten
36 wealth recovered through the [Presidential Commission on Good
37 Government (]PCGG)];

1 (c) Proceeds of the disposition of the properties of the Government
2 in foreign countries, for the specific purposes of financing
3 *production credits, infrastructure and other support services*
4 required by this Act;

5 (d) All income and collections **OF WHATEVER FORM AND**
6 **NATURE** arising from the agrarian reform operations, projects and
7 programs of **THE DAR AND OTHER CARP** implementing
8 agencies;

9 (e) Portion of amounts accruing to the Philippines from all sources
10 of official foreign aid grants, **DEBT SWAPS** and concessional
11 financing from all countries, to be used for the specific purposes of
12 financing **[production] PRODUCTIONS**, credits, infrastructures, and
13 other support services required by this Act;

14 (f) Yearly appropriations of **[no] NOT** less than Three billion pesos
15 (P3,000,000,000.00) from the General Appropriations Act; **AND**

16 (g) Other government funds not otherwise appropriated.

17 **ALL FUNDS APPROPRIATED TO IMPLEMENT THE**
18 **PROVISIONS OF THIS ACT SHALL BE CONSIDERED CONTINUING**
19 **APPROPRIATIONS DURING THE PERIOD OF ITS IMPLEMENTATION:**
20 **PROVIDED, THAT SPECIFIC AMOUNTS FOR BOND REDEMPTIONS,**
21 **INTEREST PAYMENTS AND OTHER EXISTING OBLIGATIONS**
22 **ARISING FROM THE IMPLEMENTATION OF THE PROGRAM SHALL**
23 **BE INCLUDED IN THE ANNUAL GENERAL APPROPRIATIONS ACT**
24 **(GAA)."**

25 **SEC. 15.** Section 65 of Republic Act No. 6657 is hereby amended to read as
26 follows:

27 "Sec. 65. *Conversion of Lands.* – [After the lapse of five (5) years
28 from its award,] **When the land ceases to be economically feasible and**
29 **sound for agricultural purposes, or the locality has become urbanized and**
30 **the land will have greater economic value for residential, commercial or**
31 **industrial purposes, the DAR, upon application of the beneficiary or the**
32 **landowner, with due notice to the affected parties, and subject to existing**
33 **laws, may authorize the reclassification or conversion of the land and its**
34 **disposition: *Provided,* That **IF THE APPLICANT IS A BENEFICIARY****
35 **UNDER AGRARIAN LAWS AND THE LAND SOUGHT TO BE**
36 **CONVERTED IS THE LAND AWARDED TO HIM/HER OR ANY**
37 **PORTION THEREOF, IT MUST BE SHOWN THAT: (1) AT LEAST TEN**

1 (10) YEARS HAVE LAPSED FROM ITS AWARD; AND (2) the beneficiary
2 shall have fully paid his/HER obligation[.]: **PROVIDED, FURTHER, THAT**
3 **IRRIGATED AND IRRIGABLE LANDS, REGARDLESS OF FUNDING**
4 **COMMITMENT FOR IRRIGATION, SHALL NOT BE SUBJECT TO**
5 **CONVERSION NOTWITHSTANDING ITS CLASSIFICATION.**

6 **FAILURE TO IMPLEMENT THE CONVERSION PLAN WITHIN**
7 **FIVE (5) YEARS FROM THE APPROVAL OF SUCH CONVERSION**
8 **PLAN SHALL CAUSE THE LAND TO AUTOMATICALLY BE COVERED**
9 **BY CARP.”**

10 **SEC. 16.** Section 68 of Republic Act No. 6657 is hereby amended to read as
11 follows:

12 *“Sec. 68. Immunity of Government Agencies from Undue*
13 *Interference. – No injunction, restraining order, prohibition or mandamus*
14 *shall be issued by the [lower courts] **COURT OF APPEALS, REGIONAL***
15 ***TRIAL COURTS, MUNICIPAL TRIAL COURTS, MUNICIPAL CIRCUIT***
16 ***TRIAL COURTS, METROPOLITAN TRIAL COURTS** against the*
17 *[Department of Agrarian Reform (**JDAR**)], [the Department of Agriculture*
18 *(**JDA**)], [the Department of Environment and Natural Resources*
19 *(**JDENR**)] and the Department of Justice (DOJ) in their implementation of*
20 *the Program.”*

21 **SEC. 17.** Section 73 of Republic Act No. 6657 is hereby amended to read as
22 follows:

23 *“Sec. 73. Prohibited Acts and Omissions. – The following are*
24 *prohibited:*

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

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

32 (c) [The] **ANY** conversion by any landowner of his/HER agricultural
33 land into non-agricultural use with intent to avoid the application of
34 this Act to his/HER landholdings and to dispossess his/HER tenant
35 farmers or the land tilled by them.

36 (d) The **MALICIOUS AND** willful prevention or obstruction by any
37 person, association or entity of the implementation of the CARP.

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

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

12 **SEC. 18.** Section 74 of Republic Act No. 6657 is hereby amended to read as
13 follows:

14 “Sec. 74. *Penalties.* – Any person who knowingly or willfully
15 violates the provisions of this Act shall be punished by imprisonment of
16 not less than one (1) month to not more than three (3) years or a fine of
17 not less than One thousand pesos (P1,000.00) and not more than Fifteen
18 thousand pesos (P15,000.00), or both, at the discretion of the court:
19 **PROVIDED, THAT ANY PERSON WHO VIOLATES SECTION 73**
20 **PARAGRAPH (E), IN RELATION TO SECTION 4 PARAGRAPH (C)**
21 **SHALL BE PUNISHED BY IMPRISONMENT OF SIX (6) YEARS AND**
22 **ONE (1) DAY TO TWELVE YEARS AND/OR A FINE OF ONE HUNDRED**
23 **THOUSAND PESOS (P100,000.00) TO FIVE HUNDRED THOUSAND**
24 **PESOS (P500,000.00) OR BOTH AT THE DISCRETION OF THE**
25 **COURT: PROVIDED, FURTHER, THAT ANY PERSON WHO VIOLATES**
26 **SECTION 73 PARAGRAPH (D) SHALL BE PUNISHED BY**
27 **IMPRISONMENT OF TWENTY (20) YEARS AND/OR A FINE OF ONE**
28 **MILLION PESOS (P1,000,000.00) AT THE DISCRETION OF THE**
29 **COURT.**

30 If the offender is a corporation or association, the officer
31 responsible therefor shall be criminally liable. **IN ADDITION, ANY**
32 **PERSON CONVICTED UNDER THIS ACT SHALL NOT BE ENTITLED**
33 **TO ANY BENEFIT UNDER ANY AGRARIAN REFORM PROGRAM.”**

34 **SEC. 19.** *Congressional Oversight Committee.* – A Congressional Oversight
35 Committee on Agrarian Reform (COCAR) is hereby created to oversee and monitor the
36 implementation of this Act. It shall be composed of the Chairpersons of the Committee
37 on Agrarian Reform of both Houses, three (3) members of the House of
38 Representatives and three (3) members of the Senate, to be designated respectively by

1 the Speaker of the House of Representatives and the President of the Senate, who
2 shall endeavor to have the various land and agrarian reform sectors and regions of the
3 country represented.

4 The Chairpersons of the Committees on Agrarian Reform in the Senate and
5 House of Representatives shall be Chairpersons of the Congressional Oversight
6 Committee. The members shall receive no compensation: however, traveling and other
7 necessary expenses shall be allowed.

8 In order to carry out the objectives of this Act, the COCAR shall be provided with
9 the necessary appropriations for its operation.

10 **SEC. 20. Powers and Functions of the Committee.** – The COCAR shall have the
11 following powers and functions:

12 (a) Prescribe and adopt guidelines which shall govern its work;

13 (b) Hold hearings and consultations, receive testimonies and reports
14 pertinent to its specified concerns;

15 (c) Secure from any department, bureau, office or instrumentality of the
16 Government such assistance as may be needed, including technical
17 information, preparation and production of reports and submission of
18 recommendations or plans as it may require, particularly a yearly report of
19 the record or performance of each ARB as provided under Section 22 of
20 Republic Act No. 6657;

21 (d) Secure from the DAR or the LBP information on the amount of just
22 compensation determined to be paid or which has been paid to any
23 landowner;

24 (e) Oversee and monitor, in such a manner as it may deem necessary,
25 the actual implementation of the program and projects by the DAR.

26 (f) Summon by subpoena any public or private citizen to testify before it,
27 or require by *subpoena duces tecum* to produce before it such records,
28 reports or other documents as may be necessary in the performance of its
29 functions;

30 (g) Engage the services of resource persons from the public and private
31 sectors as well as civil society as may be needed;

32 (h) Approve the budget for the work of the Committee and all
33 disbursements therefrom, including compensation of all personnel;

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

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

1 **SEC. 21. *Periodic Reports.*** – The Committee shall submit periodic reports on its
2 findings and make recommendations on actions to be undertaken by both Houses of
3 Congress, DAR and PARC, and in order to carry out the objectives of this Act, an initial
4 amount of Twenty five million pesos (P25,000,000.00) is hereby appropriated for the
5 Congressional Oversight Committee for the first year of its operation.

6 **SEC. 22. *Access to Information.*** – Notwithstanding the provisions of Republic Act
7 No. 1405 and other pertinent laws, information on the amount of just compensation
8 paid to any land owner under Republic Act No. 6657 and other agrarian reform laws
9 shall be deemed public information.

10 **SEC. 23. *Automatic Review.*** – Within two (2) years after the effectivity of this
11 Act, an independent review panel composed of experts to be appointed by the
12 President shall review CARP implementation and shall make recommendations, based
13 on its findings, to the President and to both Houses of Congress.

14 **SEC. 24. *Repealing Clause.*** – All other laws, decrees, executive orders, rules
15 and regulations, issuances or parts thereof inconsistent with or contrary to this Act, are
16 hereby repealed or modified accordingly.

17 **SEC. 25. *Separability Clause.*** – If any provision of this Act shall be
18 unconstitutional or invalid, the other provisions not otherwise affected shall remain in
19 full force and effect.

20 **SEC. 26. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after its
21 publication in at least two (2) newspapers of general circulation.

22 Approved,