

COMMENTS ON HOUSE BILL 1265¹

On July 24, 2007, Representative Abraham Kahlil B. Mitra filed a bill – numbered House Bill No. 1265 – basically seeking further appropriations for the implementation of the Comprehensive Agrarian Reform Program (CARP). More particularly, the additional appropriations are intended to cover CARP funding requirements for a period of five years, reckoned from the end-2008, the “funding deadline” for agrarian reform pursuant to Republic Act (RA) No. 6657², as amended by RA No. 8532.³ House Bill No. 1265 is the same as the bill Representative Mitra submitted for the consideration of the 13th Congress⁴ (House Bill No. 5698), which reached the stage of Committee level deliberations upon its referral to the House Committee on Agrarian Reform after its First Reading.

I. Additional Funding of Fifty Billion pesos (PhP 50, 000,000,000.00)

The present bill adopted the proposal in HB No. 5698⁵ for the appropriation of an “additional” amount of fifty billion Philippine pesos (PhP 50,000,000.00) to cover the funding requirements for CARP implementation for five years after 2008, or from 2009-2013.

It must be recalled, however, that back in the 13th Congress, the sponsors of HB No. 5698 merely proposed the amount of “PhP 50,000,000,000.00” as a ball park figure given that, around the time of the filing of HB 5698 (August 2006), neither the Department of Agrarian Reform (DAR) nor the Presidential Agrarian Reform Committee (PARC) was ready to present any firm data on or relating to how much the department and other CARP implementing agencies would need to “complete the program,” particularly its Land Acquisition and Distribution (LAD) component. And the lack of budgetary estimates was essentially on account of the absence of clear and reliable projections of the CARP balance by end-2008. Indeed, without said figures on CARP balances, there was very little to work on in

¹ AN ACT STRENGTHENING FURTHER THE COMPREHENSIVE AGRARIAN REFORM PROGRAM (CARP) BY PROVIDING AUGMENTATION FUND, AMENDING FOR THIS PURPOSE SECTIONS 2, 36 AND 63 OF REPUBLIC ACT NO. 6657, OTHERWISE KNOWN AS 'THE CARP LAW OF 1988' AS AMENDED BY REPUBLIC ACT 7905 AND REPUBLIC ACT 8532, DIRECTING THE CONDUCT OF A PROCESS FOR CARP IMPACT VALIDATION, AND FOR OTHER PURPOSES

² The “CARP Law of 1988”

³ The CARP Augmentation Act (1998)

⁴ HB No. 5698

⁵ Rep. Abraham Kahlil Mitra, chief sponsor

ascertaining the program's financial requirements for the completion of the program.

As it happened around this time last year, amid the increasing concern of and urgent inquiries by ARRD-focused organizations, DAR officials invariably cited, the need to complete the "*Inventory of CARP Scope (ICS)*" before publicly declaring the projected extent of balances in LAD, among others. In this regard, it was only in the last months of 2006 that some results of the ICS were released by the department. In fact, during the committee hearings called by the House Agrarian Reform Committee, DAR officials failed to provide any clear data on projected post-2008 CARP balances and targets, much less the estimated costs for the same. **Nevertheless, the filing of the bill was expected to at least catalyze, as it did, the debate on the CARP beyond 2008 issue, even as Congressman Mitra was confident that the matter of CARP funding extension and how much should be finally proposed/appropriated will be clarified in the process.**

Last February 5, 2007, the Presidential Agrarian Reform Committee Executive Committee passed Resolution No. 2007-107-01⁶ which states, among others, that a *Three Hundred Twenty Seven Billion Two Hundred Ninety Five Billion Sixty Nine Million Three Hundred Eighty Eight Pesos PhP 327,295,069,388.00* budgetary allocation for the CARP and an extension of 10 years are required to complete CARP. Prescinding from this statement, the proposed PhP 50,000,000,000.00 additional appropriation is way too low for the program expenses. **It is thus imperative that the proposed additional appropriations be adjusted to meet the budgetary needs embodied in PARC Executive Committee Resolution No. 2007-107-01, and with due consideration to factors that might affect the calculations of the PARC.**

II. *Increased share in the General Appropriations*

While we support calls for additional funding for the agrarian reform program, we believe it is not enough that a law is legislated authorizing additional appropriations. The program has long suffered from funding "instabilities" resulting in lower levels of accomplishment on the part of the various CARP implementing agencies. **Accordingly, we affirm the proposal in the bill for a greater share for CARP in the general appropriations or from Php 3 billion per year (RA 6657, as amended by RA 8532) to Php 5 billion annually.** Definitely, it

⁶ Resolution Approving the General Policies, Proposed Plans and Budgetary Projections for the Implementation of the Comprehensive Agrarian Reform Program Beyond CY 2008.

would be better if the total funding needs for the program would be assured through the GAA. The increase is more particularly justified considering the following:

- (1) Funds from the other ARF sources have been depleting over the years;
- (2) The increase in the share in the general appropriations is a logical mechanism to accommodate the economic repercussions of inflation. Stakeholders are reminded, in this regard, that the amount of Php three billion was set by RA No. 8532, a law that took effect in 1998.

III. *Extension of Five Years*

House Bill No. 1265 provides to the effect that the additional appropriations would provide for the budgetary needs for CARP implementation for a period of five (5) years, particularly from 2009 to 2013. Having long observed the seeming bureaucratic foot-dragging in the implementation of the country's agrarian reform program, we absolutely agree with any proposal indicating a period for the completion of at least the LAD component of the program. Moreover, as we have stated in observation to the Cua bill (House Bill 743)⁷ -

“Studies have confirmed that the success of a state-led agrarian / land reform program is, to a large extent, dependent on the efficiency of its implementation and completion at the shortest possible time. Thus, for the remaining tracts of land for distribution to farmer-beneficiaries, it is important that the land transfer component of the program be time-bound, using the shortest possible period for LAD process completion but enough to allow efficient program implementation.”

The only question to confront is whether or not the task is realistic on the part of the DAR and other CARP implementing agencies. According to the PARC Executive Committee, the net balance is 1,077,598 hectares (the breakdown of PAL and non-PAL was unstated). Thus, the DAR will have to redistribute 215,551.96 hectares per year in order to attain the target set in this bill - completion in five

⁷ AR Dialogues No. 2-07 (July 18, 2007)

years (which appears to be a directory period). Considering the track record of the DAR in LAD for the past several years, this figure is daunting, to say the least.

At the time of the filing of HB 5698, the general estimates relative to the probable CARP balance by end-2008 did not consider and could not have factored in the results of the ICS⁸ which, as it turned out, recorded a much higher balance for land acquisition and distribution under the CARP. In this light, we believe a serious deliberation must be made on the issue of whether or not the period proposed in the current bill is reasonable, taking into account the size of the DAR bureaucracy, the absorptive capacities of the implementing agencies, and the statements of DAR senior officials that they can distribute 200,000 hectares of land per year if given sufficient funding.

IV. *Fifty Percent for PBD*

From the outset of the discussions on the post-2008 CARP question, IDEALS has been consistent in clamoring for enhanced delivery of support and other services for our agrarian reform beneficiaries (ARBs). The fundamental considerations for this are as follows: (1) the insufficiency of the quality and quantity of beneficiary and support services given to ARBs; (2) the fact that there are ARBs who have lost the lands awarded to them and many are still in danger of losing their lands, with the general lack of support and other services for making their lands productive and/or economically viable, being a major contributory cause to such loss (as such, CARP reversals are not merely due to CLOA cancellations and exemptions); and (3) the fact that, despite the shortcomings of the program, the number of ARBs in the country is significant and increasing. **These engender our agreement to the provision in H.B. No. 1265 for the increase in the allocation for ARB support services from the total CARP appropriation.**

Support service delivery to ARBs is an essential component of the country's agrarian reform program. The concept is that it is not enough for the State to distribute lands; the State must ensure that these lands continue to be productive and/or economically viable and that the beneficiaries are given access to the support mechanism that can make this possible in order for the gains of CARP to be sustained. In this light, we affirm the concept that enhancing support services is a necessary component of a sustainable agrarian reform program.

⁸ The bill was filed in August 2006. The ICS results came out sometime in the last months of 2006.

As to the amount of the allocation for support services (including beneficiary development), the same should be increased to levels that would reasonably provide for relevant programs for any given year. And it would be ideal if the law itself states these program components' allocation in actual amounts. Nevertheless, if this could not be done, the alternative is to follow the formulation in the current law -- i.e. stating the allocation for PBD in terms of how the same bears to the total appropriations for CARP (or in percentage). Currently, the allocation for support services stands at 25% of the total CARP appropriations. We agree with the proposal to increase the said share. In regard to the extent of the increase (whether it should be 50%, 40%, etc.), the same should be substantial enough to cover the needs of all ARBs - even as we submit that this should be the subject of a thorough debate among stakeholders.

One of the considerations for AR stakeholders, in this regard, is the above-cited Resolution No. 2007-107-01 of the PARC Executive Committee. In its "budgetary projection" for the completion of CARP, around Php 78 Billion is needed for Program Beneficiary Development (support services). Should the bases for this budgetary projection be ascertained, the challenge is for the actual amounts of allocation for PBD be expressly stated in the law. It would not really matter how much the same allocation bears to the total appropriations for CARP, as the computation is based on how much is actually needed for the program component of PBD. Of course, the greater challenge is for the lawmakers to provide sufficient funding for all CARP program components.

As to the establishment of more agrarian reform communities (ARCs), we endorse the same for as long as that sufficient and efficient support services and beneficiary development programs are respectively provided and implemented in non-ARC areas.

V. *Creation of an Oversight Committee*

The bill proposes the creation of an Oversight Committee composed of three (3) representatives each from the Senate and the House of Representatives and 3 each from the DAR, the Department of Agriculture (DA), and the Department of Environment and Natural Resources (DENR) to ensure the sustainability of the agrarian reform program. We support the proposal even as one should not lose sight of the fact, that regardless of an enabling law, Congress has inherent oversight functions over agencies of government in relation to how pieces of legislation have been or are being implemented. Budget deliberations,

hearings, congressional investigations, approval of presidential appointments, are among the venues for this purpose.

As to the membership of the Oversight Committee, we propose that two (2) representatives from the major agencies involved in the implementation of CARP⁹ be included instead of 3 each from the DAR, DA, and DENR. Moreover, to be a truly functioning committee, it must be required to meet more than once in every year.

In any case, the call for the creation of a joint executive-legislative committee is a welcome proposal. Among the reasons for this view are: (1) In general, it gives due emphasis to the significance of agrarian reform and the need to ensure its sustainability; and (2) on a technical level, it will better ensure the flow of information on the efficiency and quality of implementation of agrarian laws -- to include the matter of fund expenditure for the same -- from the concerned executive bodies. In this connection, we note that, ideally, this set should be able to avoid such obstacles as the need for specific presidential "permission" before executive officials could appear before congressional hearings/ investigations.

Should the creation of this special Oversight Committee be given legal imprimatur, AR advocates should be able to engage the committee to ensure that the details of its functions and operations are efficient, transparent, consultative, and democratic. And as the intention for creating the Oversight Committee is to ensure the sustainability of the agrarian reform program, it must be emphasized that coming up with recommendations or options on how to proceed with agrarian reform and sustaining its gains even beyond the "new extension period" is a necessary a function of the committee's office.//

⁹ DAR, DA, DENR, LBP, LRA, etc.