

DEPARTMENT OF AGRARIAN REFORM
CY 2005 Accomplishment Report

I. INTRODUCTION

The year 2005 saw the Department of Agrarian Reform (DAR) confronted with a formidable task of implementing the program using innovative schemes in response to the challenges of the time: 1) need to fast track the land acquisition and distribution process in the light of the fast-approaching termination of the program by 2008 pursuant to law; 2) increasing demand for support services to increase the productivity of awarded CARP lands; 3) necessity of reaching out to farmers and people outside of the agrarian reform communities to sustain rural development; and 4) need to identify lands to serve as convergence areas for agri-business development.

The program implementers took on these challenges armed with nothing more than dedication, commitment and novel approaches to pursue what has been pledged to be accomplished. In land distribution, the DAR finetuned its land distribution target for the years 2005 and 2006 to a more workable and attainable levels in response to fiscal and operational constraints. Validation of land distribution balances, scope and accomplishment was started especially in priority provinces in preparation for its projected completion in 2008. More importantly, relevant administrative orders which simplified and ensured the completion of the processes in land acquisition were issued. These measures resulted in a remarkable performance: more than 131,000 hectares were distributed during the year. This represents 100 percent of the target and the highest so far annually since the start of the Arroyo administration.

On the matter of support services delivery, the DAR sustained its strong partnership with the CARP implementing agencies, the foreign donor community and the private sector to improve agricultural productivity and household income.

On sustaining and expanding the reach of its rural development efforts, the DAR is now looking at agrarian reform areas outside of Agrarian Reform Communities (ARCs) with the purpose of duplicating therein the successes in ARC areas. The DAR is also closely working with other rural development agencies such as the Departments of Agriculture (DA) and Environment and Natural Resources (DENR) to identify upland and new lands to serve as convergence areas for agri-business development and create million jobs in support to the 10-point agenda of President Arroyo.

The year 2005 while marked with challenges, also featured unusual events which further galvanized the implementers to action. First, the change in leadership during the latter months of the year brought about by the unceremonious exit of Rene C. Villa as DAR Secretary resulted in swift action from the new management to avert disruption of the Department's provision of services and participation in the government's anti-poverty programs. Second, the violence that erupted in Hacienda Luisita led to the popular call for the DAR to redefine its position on the Stock Distribution

Option (SDO) scheme of CARP implementation in the said Hacienda. The DAR leadership after months of agonizing deliberations has finally recommended to the Presidential Agrarian Reform Council (PARC) the revocation of the Stock Distribution Option (SDO) plan of Hacienda Luisita. This is a testament to the DAR's resolve not to be bullied, pressured or swayed by political interests but to work on what it perceives to be in the best interest of the farmworkers. Finally, the DAR management's continuing efforts to eliminate strife and divisions among rank and file employees have evoked unity and encouraged the bureaucracy to strive for excellence.

II. Highlights of Performance

A. Land Tenure Improvement

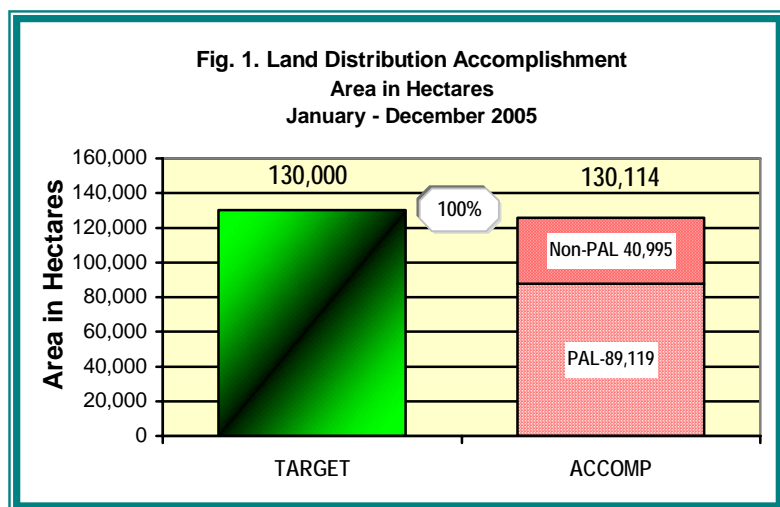
This is one of DAR's core programs under the Comprehensive Agrarian Reform Program. It brings tenurial security to landless farmers and farmworkers through land transfer/distribution and leasehold operation as provided for under different land reform laws.

1. Land Distribution (Tables 1, 1a, 1b, 1c, 1d)

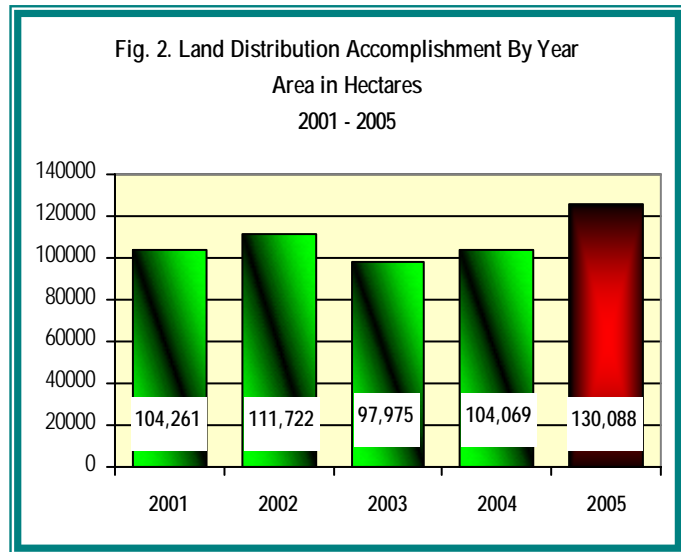
Land distribution seeks to secure farmers' tenure, promote social equity, and provide farmers a productive resource towards ensuring their economic viability and productivity. It addresses the re-distribution of covered agricultural lands to qualified agrarian reform beneficiaries (ARBs) through distribution of land titles, specifically Emancipation Patents (EPs) for rice and corn lands covered under P.D. 27, and Certificates of Land Ownership Award (CLOAs) for lands covered under other modes of acquisition/land type. It goes through the key processes of land survey, land documentation and processing, and the end stage of award of a registered landownership title to the ARB.

During the year, the Department distributed CLOAs and EPs covering 130,114 hectares of agricultural lands to 83,873 ARBs nationwide.

The area distributed is equivalent to 100.09 percent of the 130,000-hectare land distribution target for the year. (Figure 1).

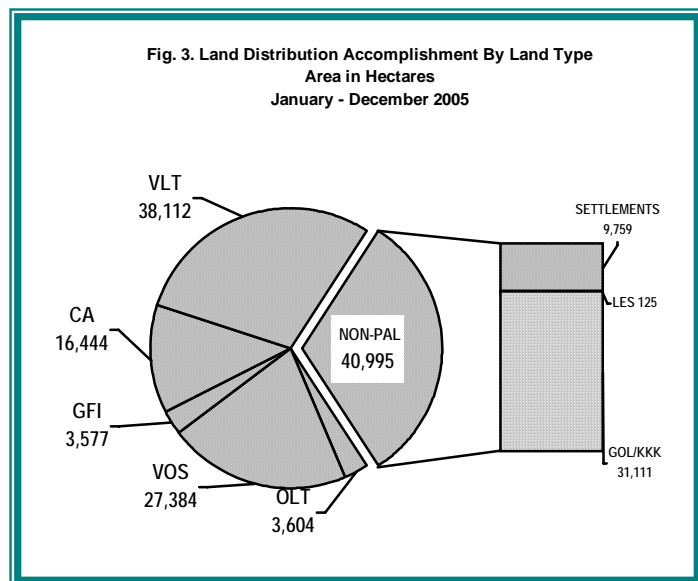


This year's land distribution accomplishment is the highest so far annually under the PGMA Administration in terms of volume of lands distributed. It is 26,045 hectares (25%) higher compared with last year's accomplishment. Figure 2 presents the graph on annual land distribution for the last five years.



Lands distributed during the year comprised 68 percent (89,119 hectares) private agricultural lands (PAL) and 32 percent (40,995 hectares) non-PAL.¹

The accomplishment on PAL comprised VLT (38,112 hectares - 43%); VOS (27,384 hectares - 31%); CA (16,444 hectares - 18%); OLT (3,604 hectares - 4%); and GFI (3,577 hectares - 4%). The non-PAL portion of lands distributed comprised settlements (9,759 hectares), landed estates (125 hectares), and government-owned lands (31,111 hectares). Figure 3 shows the land distribution accomplishment by land type/mode of acquisition



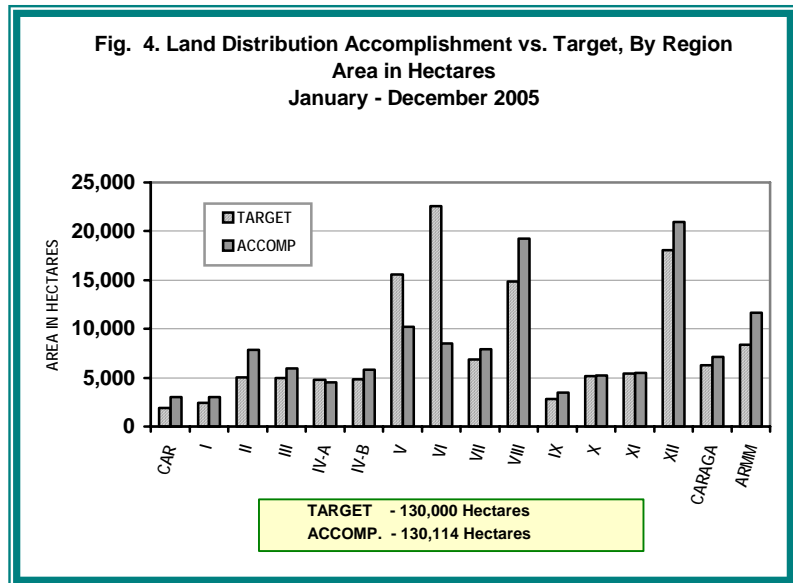
DAR scored high in the distribution of lands acquired through voluntary land transfer (VLT) scheme. The processing of land distribution of this land type was given priority by the Department as it required no funding from the government for the payment of lands since this scheme involves direct land transfer transaction between the

¹ Government lands under the coverage of DAR pursuant to E.O. 407/448 different from DENR's Public A and D Lands.

farmer and the landowner, hence, favorable on the part of the government in the light of limited funds for landowners compensation.

In terms of regional performance (accomplishment vis-à-vis target), 13 out of the 16 regions exceeded their targets for the year. Topping the list are CAR (158 percent), Region II (157 percent), ARMM (139 percent),

Region VIII (129 percent), and Region IX (125 percent). Figure 4 shows the regional configuration of land distribution performance.



While the accomplishment of Region V and Region VI fell short of their targets, they nevertheless made a significant contribution to DAR's land distribution accomplishment in terms of volume of lands distributed. These regions contributed 10,230 hectares and 8,526 hectares, respectively to the national accomplishment.

This year's accomplishment of 130,114 hectares brought to 3,700,056 hectares the total lands distributed by the Department from 1972 to December 2005. This is equivalent to 84 percent of the 4,428,357-hectare DAR-CARP and distribution scope which includes those from ARMM. About 2.12 million ARBs have been given land titles in the form of Emancipation Patents and Certificates of Land Ownership Award (EPs/CLOAs) under the program since 1972.² Box 1 presents the cumulative status of land distribution by region.

² DAR's national scope and accomplishment (area and number of ARBs) include all ARMM provinces.

Box 1. DAR's Land Distribution Accomplishment
Area in Hectares
1972-December 2005

REGION	SCOPE	ACCOMP	%
		AREA (Ha)	ACCOMP
PHILIPPINES	4,428,357	3,700,082	84
CAR	77,856	84,471	108
I	140,340	124,588	89
II	300,055	317,843	106
III	405,290	381,854	94
IV-A	204,818	142,617	70
IV-B	170,817	146,078	86
V	453,769	244,826	54
VI	559,688	329,183	59
VII	166,802	124,362	75
VIII	385,505	357,404	93
IX	158,469	185,658	117
X	269,799	260,486	97
XI	202,279	200,473	99
XII	431,035	422,502	98
CARAGA	200,262	193,694	97
ARMM	301,573	184,243	61

Meanwhile, there is an ongoing project related to land distribution entitled *Inventory of CARP Scope (ICS)*. The ICS Project is designed to establish the actual agricultural lands for distribution under CARP, validate actual lands distributed, and establish land distribution balance. This is in the light of the projected land distribution completion in 2008.

The output of this project will aid planners in formulating their work program on land distribution and lawmakers in amending the CARP Law if it so requires.

Land distribution could not proceed without passing through the key processes of land survey and land documentation and processing.

Land Survey involves the actual survey of lands which the Department undertakes to allocate the lands to be awarded to the identified ARB. As a preliminary step to land distribution, this activity is done either by administration through DAR's own survey teams or by contract to a private surveying company. Survey plans is one of the documentary requirements for the generation of land titles to be distributed to ARBs.

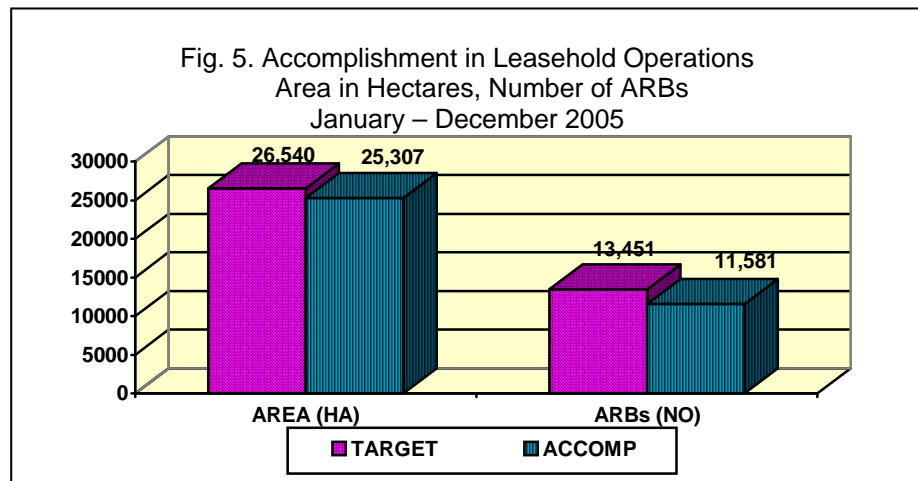
For the year, lands covered for distribution that were moduled for survey involved 123,607 hectares or 96 percent of the target of 128,283 hectares. The chunk of the area placed in module came from Region VI with 22,145 hectares, Region XII with 14,835 hectares and Region VIII with 13,722 hectares. These survey projects once completed are transmitted to LMS-DENR for verification and approval of survey plans. During the year, 90,239 hectares were transmitted by DAR to LMS-DENR (Tables 2, 2a,2b).

On land documentation and processing, about 154,000 hectares were processed and documented. Of these, 35,860 hectares were transmitted to LBP involving private agricultural lands acquired through OLT, VOS, CA, E.O. 407/448. These lands thereafter undergo the process of valuation to determine the amount to be paid to the landowners of these lands. Likewise, documentation and distribution folders are prepared for other lands that are not covered by LBP payments. These are for lands acquired under VLT scheme and for government-owned lands. Documentation of some 45, 000 hectares of these land types were completed during the year.

2. Leasehold Operation (Tables 3, 3a)

All tenanted agricultural lands not covered by land distribution specifically, the landowners’ retention areas are placed under leasehold to protect and improve the tenurial and economic status of the tenant-farmers who remain in these undistributed lands. A leasehold contract executed between the tenant-farmer and the landowner binds the sharing arrangement and the terms and conditions that shall govern the implementation of leasehold. A salient feature of the contract is the amount of lease rental for the use of the land which is equivalent to 25 percent of the net harvest as provided by law.

For CY 2005, the Department placed under leasehold 25,307 hectares involving 11,581 ARBs. Of these, 7,172 ARBs are in 12,294 hectares of retained areas, and 4,409 ARBs are in 13,013 hectares of lands awaiting land distribution. This accomplishment represents 95 percent of the target (26,540 hectares) for the year.



The following regions have reported the largest accomplishment: Region XII (7,782 hectares), Region VIII (4,565 hectares), Region V (3,165 hectares), ARMM (2,419), Region IV-A (1,144 hectares), and Region II (1,132 hectares). The aggregate accomplishment of these six regions captured 80 percent of the total accomplishment for the year.

Nine regions have performed extensively and surpassed their targets for the period: Regions I, II, IV-A, IV-B, VIII, X, XI, XII and CARAGA.

This year's accomplishment brought to 1,604,364 hectares the total area covered under leasehold operation from 1964 to December 2005. Total ARBs involved stood at 1,157,309.

Leasehold accomplishment by crop is as follows:

Box 2. Accomplishment in Leasehold, By Crop January - December 2005		
PARTICULARS	AREA (IN HECTARES)	NUMBER OF FBs
RA 3844 / PD 27	3,352	2,187
RICE AND CORN	3,352	2,187
RA 6657	21,955	9,394
COCONUT	2,494	703
SUGARCANE	138	73
OTHERS	19,323	8,618
GRAND TOTAL	25,307	11,581
Includes rice and corn under R.A. 6657, banana, pineapple, cacao, root crop, orchard, and vegetable		

B. Delivery of Agrarian Justice

To deliver just, inexpensive and expeditious agrarian justice to its clients is one of the missions of the Department being carried out through its twin programs of *agrarian legal assistance and agrarian cases adjudication services*. This mission is promulgated under Republic Act No. 6657 of 1988 and Executive Order No. 229, series of 1987 that stipulate the mechanisms and the exclusive jurisdiction of the DAR in the implementation of the Comprehensive Agrarian Reform Program (CARP).

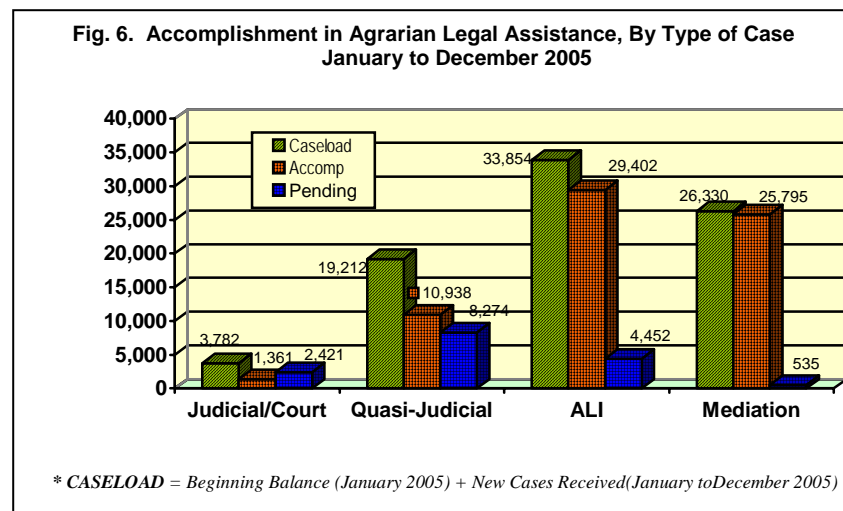
1. Agrarian Legal Assistance (Tables 4, 4a, 4b, 4c, 4d, 4e)

Three types of cases fall under this program, namely; *judicial or court cases, quasi-judicial, and cases related to agrarian law implementation (ALI)*. The first two types involve representation of farmers by DAR lawyers before the regular courts and DAR Adjudication Board, respectively. The third type involves the administrative rendering of decision by the DAR Secretary and

Regional Directors on petition for exemption/retention, petition for coverage and conflict of claims.

Despite the lack of lawyers to handle agrarian-related cases, the Department was able to handle/dispose/resolve 67,496 cases involving 93,021 ARBs under these three types of cases. This accomplishment denotes a resolution rate of 128 percent as against the annual target of 52,916 cases (excluding ARMM). Against caseload, accomplishment stood at 81 percent.

Eighty-two percent of the affected ARBs are in Region IV-A (57,849 ARBs), Region VI (14,140 ARBs), and Region IV-B (4,434 ARBs).



Of the total cases settled (67,496), 52 percent (35,034 cases) are located in five regions namely: Region VIII (8,812 cases), Region V (8,583 cases), Region II (6,472 cases), Region VI (6,243 cases), and Region I (4,924 cases). These regions likewise recorded the biggest aggregate caseload.

In terms of provincial accomplishment, it is Camarines Sur that had settled the highest number of cases (2,345). This is followed by Leyte (2,156) and Iloilo (1,397).

Pending cases for resolution stood at 15,682 as of end of December 2005 with Region V having the highest number of backlogs of 2,079 cases, closely followed by Region VIII (1,961 cases). Apparently, there is difficulty in resolving cases that are quasi-judicial in nature as shown by the volume of pending cases which stood at 8,274.

Forty-four percent of the cases resolved (29,402 cases) are ALI cases pertaining to classification and identification of landholdings, conversion of agricultural lands for commercial, residential and industrial purposes, exemption from CARP coverage, and other matters strictly involving the administrative implementation of R.A.

No. 6657 and other agrarian laws, rules and regulations. Since 1993, cumulative accomplishment on the resolution of ALI cases stood at 220,125 while 4,452 cases are pending awaiting settlement/decision as of end of December 2005. Majority of these pending cases (72%) are one year old.

The DAR at present utilizes a more aggressive alternative dispute resolution techniques in mediation to reduce conflicts maturing into court cases. The general objective is to persuade the contending parties to settle their disputes amicably or out of court before the DAR. During the year, 25,795 disputes were settled with a 98 percent resolution rate against the current caseload of 26,330 cases. As of to date, Region IV-A has the highest number of cases (95) still awaiting settlement under this scheme.

To enhance the skills of ARBs in settling minor disputes, the Department through its training arm, the Bureau of Agrarian Reform Information and Education (BARIE) provided para-legal training services for ARBs, to wit:

- ✓ Trainings on Paralegal Education and Development Program (in partnership with KASAKA-TK) in Southern Tagalog provinces; and
- ✓ Establishment of Para-legal Clinic in the province of Capiz in Region VI.

Paralegal clinic is a post training activity for farmers who have undergone Paralegal Education and Development Program (PEDP). It aims to enhance the participants' skills in resolving agrarian-related conflicts and in assisting to the legal needs of their fellow farmers. The program empowers the ARBs to act as mediators and conciliators of agrarian-related disputes in the barangays on a voluntary basis. They likewise attend to the other needs of their fellow farmers through counseling. Through the PEDP, small conflicts are immediately resolved at the barangay level, which eventually prevents the piling-up of cases at the DAR municipal and provincial offices. Common problems cited by the paralegal farmers involved boundary disputes, unfair sharing of agricultural harvests, and erroneous identification of ARBs.

2. Adjudication of Cases (Table 5, 5a, 5b)

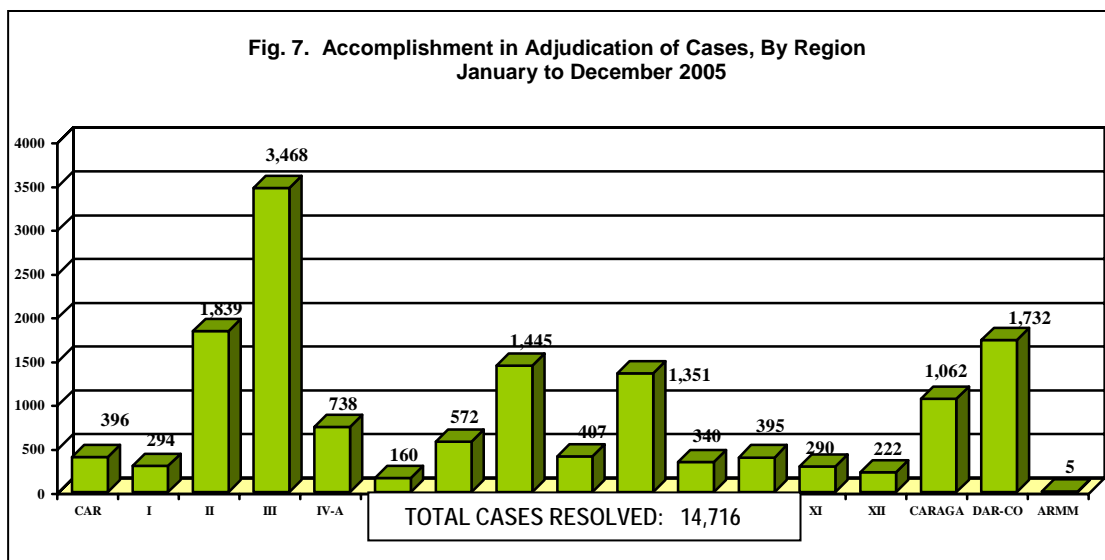
The nature of cases handled by the agrarian reform adjudicators pertains to land valuation and regular cases such as farmers' ejection from the land, fixing and collection of lease rentals, farmers reinstatement for recovery of possession of the land and cancellation of EP/CLOA.

At the start of 2005, there were 12,515 pending cases for resolution. An additional 13,270 new cases were received from January to

December 2005 that added up to a total caseload for the period of 25,785 cases. Of these, 14,716 cases were settled or 60 percent accomplishment against annual target of 24,507 cases (including ARMM) with Region II having the highest performance rate of 223 percent. However, against caseload, accomplishment rate stood at 57 percent with CAR and Region VI having the highest resolution rate of 99 percent and 88 percent, respectively.

In terms of the largest number of cases resolved, the top three performers are: Region III (3,468 cases), Region II (1,839 cases) and DARAB-CO (1,732 cases). At the provincial level, Nueva Ecija-North (1,283 cases), Cagayan (1,282 cases), and Nueva Ecija- South (736 cases) have the highest number of cases resolved.

At the end of the year, 11,069 cases remain pending for resolution that are concentrated at DARAB- Central Office (3,521 cases), Region III (1,892 cases), and Region II (976 cases). Specifically, the bulk of pending cases are in the provinces of Bulacan (903 cases) and Cagayan (430 cases).



C. Program Beneficiaries Development (Support Services Delivery)

The change in agricultural landownership brought about by CARP completely altered the country's agrarian structure. With the management of the land now in the hands of CARP awardees, who are without capital and are not market oriented, this becomes a real challenge to the Department. For these former farmhands to metamorphose into farm managers and entrepreneurs, the DAR developed a well-crafted intervention package under the PBD that provides farmers with social and economic infrastructures aimed at empowering and transforming them into capable development partners. The Department intensifies this development support to improve farmers' lives and create a dynamic and progressive countryside. This package of development interventions ranging from soft elements to the hard and visible infrastructures which

are discussed below in detail is shaping-up the rural setting over the last 17 years.

1. Agrarian Reform Communities and KARZone Development (**Tables 6, 6a, 6b, 6c, 6d**)

The strategy adopted by the Department where various interventions could immediately create visible impact is through the development of ARCs (a barangay or a cluster of barangays) as focused growth areas with critical mass of ARBs. These communities of new small landowners are benefiting directly from various support services provided to them some of which are skills training and physical infrastructure.

Since 1993, 1,784 ARCs (including ARCs in ARMM) were confirmed. These communities are characterized by high percentage of distributed lands, this being the first must criteria for confirmation and launching of ARCs. On the average, 90 percent of the CARP-covered lands in the ARCs are already distributed. Aggregately, this is equivalent to 1.52 million hectares making up 41 percent of the total area distributed in the entire country. The area placed under leasehold in the ARCs is 220,330 hectares. Both land distribution and leasehold jointly benefited 953,477 million farmers.

During the year, DAR’s activities in the ARCs are as follows:

Box 3. Accomplishment on Land Tenure Improvement Activities in the ARCs, January to December 2005	
INDICATORS	ACCOMPLISHMENT
● No. of ARCs Confirmed/launched	88
● No. of Municipalities Covered	35
● No. of Barangays Covered	214
● Area Distributed (ha)	28,976
➤ No. of ARBs	23,697
● Area Placed under Leasehold (ha)	3,500
➤ No. of ARBs	2,163

A gauge whether DAR interventions created impact in the ARCs and in the lives of the ARBs is through the tool called Assessment of ARCs Level of Development (ALDA). This tool assesses the major aspects of interventions that would increase farm productivity, improve ARBs’ household income, and empower ARB organizations.

Below is the overall rating of ARCs based on the major program components.

Box 4. Assessment of ARC Development By Component As of 31 December 2005	
ASPECT OF ASSESSMENT	AVERAGE RATING (%)
Land tenure	92.27
Organizational maturity	66.18
Economic and physical infrastructure support services	66.74
Farm productivity and income	65.61
Basic social services	86.77
Gender and development.	50.60

Over the years that ALDA is administered, the results bear out that the challenge remains to be the social and economic aspects of development. ARC organizations warrant intensified intervention to raise their maturity levels, while economic and physical infrastructure support has to be provided to propel productive activities in the community. Success in one aspect, specifically, in land distribution does not imply success in overall ARC development. Success in ARC development follows a holistic development approach, that is, all key components must exhibit equally high ratings. Thus, despite DAR's financial handicap to sufficiently fill-in the development gaps in the ARCs, it continuously mobilizes the support of foreign institutions to finance development activities in the ARCs.

Below is the level of development of 1,610 ARCs subjected to ALDA:

Box 5. Level of Development of ARCs As of 31 December 2005		
LEVEL OF DEVELOPMENT	NO. OF ARCs	PERCENT SHARE TO TOTAL
1 (lowest level)	86	5
2	182	11
3	379	24
4	460	29
5 (highest level)	503	31
Total ARCs Assessed	1,610	100

ALDA showed that majority (60%) of the ARCs are in levels 4 and 5, at high level with average ratings on the six development intervention components of 70 to 100 percent. Those in levels 1 and 2, at low level with development rating of not more than 65 percent, represent 16 percent while level 3 at medium level is 24 percent. A big number of ARCs in level 5 came from Regions 1 and III with 76 and 73, respectively. On the contrary, ARCs in level 1 are found in Regions VI, IX, XII and CARAGA. With these results, DAR should intensify its development intervention efforts in levels 1 and 2 ARCs to raise them to higher levels.

Since the ARCs cover only 41 percent of the total lands distributed nationwide and ARBs cover only about 29 percent of total ARBs under land distribution and leasehold, the DAR mapped-out another strategy to widen the scope of development interventions that shall cover more beneficiaries. This is the KALAHI Agrarian Reform Zone (KARZone) which is actually an expanded ARC. This approach offers greater advantages since it covers communities which are diverse and expansive enough to encompass the entire chain of development process to influence the market and for integration of resources, expertise and services of all stakeholders for better complementation and reinforcement of interventions. KARZones are the sites of the one million hectares of land for agri-business development which DAR has committed in support to the 10-Point Agenda of the President.

A KARZone is a sub-provincial area comprising of one or more municipalities with critical mass of ARBs and farm households. Ninety-one KARZones have already been delineated covering an area of 7.36 million hectares in 402 municipalities involving 9,367 barangays. These shall potentially benefit 2.065 million beneficiaries. Forty-eight of the 91 KARZones have been validated and confirmed by the National KARZone Task Force as suitable areas for agri-business endeavor. These cover 3.41 million hectares involving 1.3 million beneficiaries.

Some of the KARZones and ARCs are identified to be covered under the convergence program of DAR, DA and DENR through the Phil-German Technical Cooperation Project. About 480,568 hectares were validated by DAR for development into agri-business sites under the convergence program. A big portion of the area is devoted to coconut, corn, banana, mango, and vegetables. These areas shall directly benefit from mutual complementation of resources and mutual reinforcement of interventions of the three agencies.

1.1 Social Infrastructure and Local Capability Building (SILCAB)

a. Organizational Development (Table 7, 7a)

Farmers' organizations play a vital role in the ARCs as conduit/channel of support services, hence, members of organizations whether formal or informal are at a much

advantageous position in terms of access to credit, training programs, and other interventions. As of December 2005, 5,053 organizations exist in the ARCs with a total ARB and non-ARB membership of 497,293 of which 299,887 (60%) of them are ARBs. ARB membership in the organizations represents only 31 percent of the total ARBs in the ARCs. These members were fortunate enough to finance their business endeavors through loans provided by their organizations. In fact, 77,338 farmers and 1,586 organizations are now managing their own-enterprises with the financial assistance of the organizations where they belong.

As to the financial status of the organizations, the combined savings and capital build-up amounted to Php2.02 billion. For the year, the increase in their liabilities is faster than they acquire assets. However, the cumulative value of their assets is still bigger than their total liabilities resulting to a net worth of P670 million. These indicators still show proof of the financial viability of the cooperatives, but they should strive for efficient financial management to protect their gains in the long-run.

Box 6. Financial Status of Farmers' Organizations in the ARCs, January to December 2005	
INDICATORS	ACCOMPLISHMENT
● No. of New Organizations	338
● No. of ARBs who are new members of organizations	71,928
● Amount of Savings (PM)	57.44
● Amount of Capital Build-up (PM)	894
● Amount of Assets (PM)	483
● Amount of Liabilities (PM)	995

Through the ALDA, these organizations were assessed and classified into five levels. The result of CY 2005 assessment is shown below:

MATURITY LEVEL	NO. OF ORGANIZATIONS
1 (lowest level)	1,063
2	515
3	648
4	636
5 (highest level)	1,083
Total	3,945

Empirical data show that many organizations are clustered in levels 1 and 5. Organizations in level 1 are weak in terms of organizational management, resource management, social enterprise operations and local governance and alliance building which is the opposite of those organizations in level 5. Organizations at levels three to five are those considered as functional and efficiently operating. These organizations are mostly capable of managing enterprises and have established accounting system. Regions I and III have the highest number of organizations in level 5 with, 129 and 175, respectively.

b. Agrarian Reform Beneficiaries Training (Table 8)

In the ARCs, DAR trains and orients ARBs on the various aspects of CARP; technical, social, institutional, aimed at providing them knowledge and necessary skills towards uplifting their socio-economic status and developing their communities

For CY 2005, a total of 69,052 ARBs attended trainings on land tenure improvement, social infrastructure and local capacity building, sustainable area based enterprise development and basic social services development. The regions with the largest number of ARBs trained are in Regions VII (12,490), III (9,695), and VI (8,765). This accomplishment represents 78 percent of the target for the period. The training programs conducted are as follows:

▶ Land Tenure Improvement

1. CARP Orientation and Responsibilities of ARBs
2. BARC Orientation and Re-Orientation
3. Paralegal Training (Mediation & Conciliation)
4. DAR Policies and Guidelines

▶ Social Infrastructure and Local Capability Building

1. Organizational Development
2. Organizational Management
3. Participatory Action Research
4. Financial Management
5. Linkaging, Networking and Alliance Building
6. Values Orientation and Governance

▶ Sustainable Area Based Enterprise Development

1. Environment Friendly Production (Bio-Organic Soil Conservation)
2. Crop Specific Production Training
3. Area-Based Production Training (Upland & Lowland)
4. Animal Production

5. Microfinance and Credit Management
6. Non-Agri Livelihood Skills
7. Investment and Marketing Assistance
8. Community-Based Resource Management

▶ Basic Social Services Development

1. Health, Sanitation & Nutrition
2. Disaster Management
3. Adult Education & Popular Education

Also for the year, the PATSARRD, a foreign assisted project funded by the Australian government, trained a total of 26,375 ARBs in 26 provinces, 90 municipalities and 99 ARCs nationwide. This is a five-phase training that guided the participants to come-up with an ARC development plan suitable to their respective communities.

1.2 Sustainable Agribusiness and Rural Enterprises Development (SARED)

a. KALAHI Farmers' Centers (KFCs) (Table 9)

In partnership with agricultural academic institutions, non-government organizations, business sector, and local government units, the Department put up KFCs. Through the centers, the expertise of various local partners is tapped to train the ARBs on modern production technologies, cooperative and enterprise management. The center is also a venue for learning, harnessing, and exchanging knowledge and skills between and among farmers and rural development practitioners. The DAR and the KFC partners share responsibility and accountability, in jointly managing the centers.

The KFCs are established and managed according to the following typologies:

- Consortium. The center is jointly managed by DAR and identified center partners. Full-time staff are designated in the center to man its daily operations.
- LGU-based. Physical facilities are installed by the LGU and the LGU through its designated staff manages the center.
- Dominant. The institutional players forged a MOA with DAR and MOU or supplemental MOA with other program partners for program implementation.

There are 86 KFCs established and 30 of these are functional and providing services on information technology dissemination, extension, and agri-enterprise development. In

2005, the operational KFCs served 264 ARCs and 12,136 beneficiaries in ARC and non-ARC areas.

Six of the 30 operational KFCs are assisted by the Philippine-Australian Technical Support for Agrarian Reform and Rural Development Project (PATSARRD), namely: Aklan State University, University of Eastern Philippines, Central Visayas State College of Agriculture and Fisheries Technology, Misamis Occidental Enterprise Development and Research Center, Agusan Sur State College of Agriculture and Technology, and Surigao Norte State College and Technology. These KFCs are being helped to establish a system on how to operationalize the centers and institutionalize a monthly LGU Forum to tackle the progress of implementation of the KFC Strategic Plan. The PATSARRD provided basic equipment such as computers and put up demonstration farms to display the result of appropriate technologies. PATSARRD experts also trained farmers on enterprise development to motivate them put up projects for additional source of income by providing start-up materials.

b. Marketing Assistance Program

Marketing Assistance Program (MAP) is implemented by the Department to assist ARBs and ARCs to improve their products through training on product development to meet buyer's standard and in order to ensure a regular market of goods. Through this program farmers are envisioned to venture into commercial scale operations by adopting market-driven production system and eventually to establish marketing linkages in domestic and international market. The goal is to make ARBs become successful entrepreneurs.

MAP has three components namely:

1. Market information assistance- this component facilitates the packaging of information materials on potentially viable marketable products from the ARC and non-ARC areas.
2. Product development and marketing- this component provides services which include the conduct of market encounters, trade fairs and local trade missions and in the process create awareness and encourage forging of business partnership between ARBs and agribusiness firms. It aims to improve the marketability of ARC products by improving its quality, packaging, and other aspects.
3. Capability enhancement for program officers and ARBs- these are training programs for ARBs to hone their knowledge and skills to improve their products; and

agribusiness firms are tapped to support the development of ARBs' enterprises through coaching, mentoring and business counseling.

To market their products, the ARBs participated in the Lasang Pinoy 4th Philippine Food Expo 2005, Produktong Pinoy North Cotabato Fruit Festival, Agrilink/Foodlink and Mega Christmas Expo, and Agraryo Trade Fair that coincides with the celebration of CARP anniversary. This year's trade fairs were participated by: Agri-business Entrepreneurs, ARBs in the ARCs, DA, DTI, and DAR. A total of 124 trade fairs were organized locally during festivals and anniversaries.

The trade fairs also serve as venue for distribution of brochures on business opportunities and agri-business firms directory; product assessment/dressing to enhance marketability of ARB products; upgrading the skills of program implementers and ARBs through seminars, one on one discussions; and business counseling. For this year, 254 types of brochures were prepared and distributed. Likewise, 338 orientations were conducted nationwide involving 169 agribusiness partners and 575 POs which were attended by 9,855 ARBs in 395 ARCs.

As a result of the trade fairs, a total of 271 marketing agreements were signed between agribusiness firms and ARBs. Of these, 109 are new tie-ups involving 111 agribusiness firms which generated a total sales of P15.008 million for the ARBs; 49 are renewals involving 58 agribusiness firms with a total sale of P5.757 million and 113 are carry over contracts amounting to P13.615 million. These agreements benefited 9,617 ARBs who are members of 281 organizations nationwide.

c. Credit Programs for ARBs (Tables 10, 10a, 10b)

In support to the promotion of livelihood and enterprise development for ARBs, the DAR provides financial assistance in the form of loan and grant to ARB cooperatives to finance their economic undertakings. Their mainstreaming in the formal financial market provides options to choose from available credit sources to finance their livelihood enterprises/projects that will eventually redound to increased income.

The Department tapped various conduits such as the Land Bank of the Philippines (LBP), Quedancor, National Livelihood Support Fund (NLSF), and a non-government organization Kaunlaran ng Magsasaka, Inc. (KMI) for the availment of loans by the ARBs. These loans are intended for the construction, expansion and acquisition of farm warehouses with solar dryers, rice mills and other ancillary equipment, office

equipment and supplies, for grains marketing, crop and livestock production, and rubber replanting/rehabilitation to resuscitate this export industry.

Below is the status of the different lending programs as of December 2005.

A Box 7 Status of Credit Program for ARBs As of 31 December 2005				
S CREDIT PROGRAMS	NO. OF PROJECTS APPROVED	PROJECT COST (Php M)	AMOUNT AVAILED (Php M)	NO. OF ARBs
A. Completed/Terminated Credit Windows				
DAR - LBP ^{4/} 3	254	462.84	176.64	15,447
DAR - TLRC ^{5/} 3	8	7.27	7.27	742
DAR - KMI 1	37	80.77	80.77	9,808
Sub-Total	299	550.88	264.68	25,997
B. On-going Credit Windows				
DAR - QUEDANCOR ^e	100	133.41	103.70	12,169
CAP - PBD (Wf) ^{4/}	249	201.58	160.76	9,996
CAP - PBD (Wd) ^{4/}	6	186.05	123.15	1,664
DAR - LCAP ^m	665	1,437.39	1,437.39	101,457
Sub-Total	1,012	1,958.43	1,825.00	125,286
C. Grant Windows				
CAP - PBD (Program Mgt.) ^{6/}	92	4.36	4.01	3,104
Grand-Total	1,401	2,202.26	2,093.69	154,387

2

As of December 2005, P2.093 billion has been availed by ARB cooperatives under the different lending programs of DAR. This amount was utilized for the implementation of 1,401 projects that benefited 154,387 ARBs. Of the said amount, P2.089 billion is in the form of loans while P4.01 million was provided as grant.

As of end of 2005, the DAR-LCAP has provided the biggest loan take out amounting to P1.437 billion which benefited 101,457 ARBs.

For the year, 221 projects worth P542.14 million were approved for funding under the DAR-LCAP, CAP-PBD Window 1, and CAP-PBD Institutional Development Loan Windows benefiting 33,383 ARBs.

^{3/} Includes proponent's equity, DAR's counterpart and GFI's counterpart

^{4/} Lending terminated as of 14 May 2003

^{5/} Lending terminated as of June 2001

^{6/} For institutional development and project management

- **On-going Credit Windows:**

1. **QUEDANCOR**

This credit program implemented by DAR through Quedancor as loan conduit aims to provide marketing infrastructures mostly on-farm warehouses to farmers' cooperatives. It is primarily focused on marketing of grains to address the need for lower-price grains in the local market.

Under this program, 100 projects were approved with loan component of Php103.70 million. Ninety-six projects in the form of Barangay Marketing Centers (BMCs) were completed with total cost of Php101.75 million. In addition, four (4) cooperatives have availed marketing loan in the amount of Php1.95 million.

2. **Credit Assistance Program for Program Beneficiaries Development (CAP-PBD)**

The CAP-PBD which is a joint DAR-LBP credit program aims to develop and extend loan assistance to ARB organizations/ARB cooperatives. Farmers engaged in the production of traditional crops can avail loan from CAP-PBD Window I while those engaged in the rehabilitation of rubber plantation can avail loan from CAP-PBD Window II. There is also the CAP-PBD Program Management Fund that finances capability building and strengthening of ARBs and CARP implementers.

As of December 2005, CAP-PBD Window I has funded 249 projects with a total loan amount of Php160.76 million benefiting 9,996 ARBs. The loan is intended for the production of sugarcane, palay, corn, coffee, and for acquisition of farm machinery. This includes 10 projects approved for the year worth Php5.77 million for the benefit of 340 ARBs.

As of December 2005, CAP-PBD Window II approved 6 projects located in Region IX and ARMM, with loan component of P123.15 million benefiting a total of 1,664 ARBs.

For CY 2005, under the Program Management Fund, Php 0.30 million was released for seven training programs conducted for 224 ARBs. As of December 2005, a total of Php4.01 million was released for 92 training programs conducted for 3,104 ARBs.

3. DAR – Local Credit Assistance Program

Funds under this program is being managed by the National Livelihood Support Fund. The concept of this re-lending program revolves around the provision of credit funds to accredited program partners usually farmers organizations/cooperatives that will serve as conduits to re-lend funds to end-beneficiaries who will directly operate micro livelihood projects, e.g. livestock and poultry production, vegetable and root crops production, dried and smoked fish processing, sari-sari store, handicraft making.

As of December 2005, the credit line of accredited cooperatives reached Php1.44 billion that funded 655 projects and benefitted 101,457 ARBs. These include the 204 projects approved in CY 2005 amounting to Php536.07 million benefiting 32,819 ARBs.

1.3 Access Facilitation and Enhancement Services

a. Infrastructure Support (Table 11)

Accessibility and presence of production support infrastructures play crucial role in the development of ARCs. The provision of facilities like irrigation leads to increase production while post-harvest facilities allow efficient processing of farm products. On the other hand, roads and bridges connect ARCs to market thereby resulting in the smooth transporting of raw materials and produce in and out of the ARCs. These infrastructure support provided to ARBs in the ARCs are funded through the Agrarian Reform Fund (ARF) and proceeds of loans and grants from Official Development Assistance (ODA) provided by foreign creditors.

For CY 2005, the Department coordinated and monitored the completion of 880 projects constructed by DPWH, NIA, and LGUs. Aggregately these projects cost Php 2.929 billion both funded under the ARF and Official Development Assistance.

For the year, the NIA has completed 66 projects generating additional irrigable area of 7,515 hectares of CARP lands. In addition, some 30,536 hectares were partially irrigated by 178 ongoing projects. On the other hand, the DPWH completed the construction of 777 farm-to-market roads and bridges with an aggregate length of 1,168 kilometers. Another 327 projects with a total length of 1,172 kilometers are ongoing. Twenty five units of post-harvest-facilities were completed, while 53 units are under construction.

Completed infrastructure projects in the ARCs funded both by ARF and ODA are presented below.

Box 8. Infrastructure Projects Completed in the ARCs As of 31 December 2005			
Project Type	No. of Projects	Unit	Cost (Php B)
<i>Farm-to-Market Roads</i>	5,743	10,754 kms.	9.979
<i>Irrigation Systems</i>	689	141,823 ha.	7.022
<i>Bridges</i>	95	7,088 lms.	0.566
<i>Post-Harvest-Facilities</i>	170	174 units	0.171
TOTAL	6,697		17.738

Average development rating of ARCs in terms of presence of economic and physical infrastructures facilities is placed at 66.74 percent or medium level of development. This result shows the need to infuse more infrastructure facilities in the ARCs to achieve a higher level of development in this aspect.

Other facilities to support the basic needs of farm families are also provided in the ARCs. These are in the form of school buildings, rural health centers, and potable water supply.

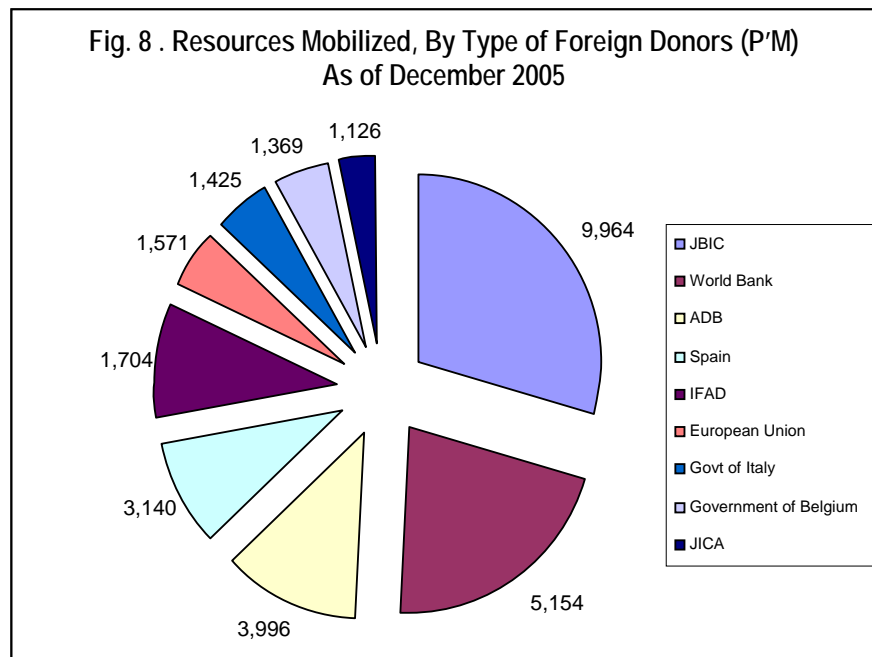
b. Foreign Resource Mobilization

The DAR resorts to foreign borrowings to finance development projects that would sustain the gains achieved under CARP and to continuously provide support services to a greater number of stakeholders. The DAR packages project proposals coursed through the NEDA for funding support of the international community. The financial support forms part of the country’s Official Development Assistance (ODA). The proceeds from this are largely utilized for physical and social infrastructures in the ARCs which are vital systems to improve its agricultural economy/community and to strengthen the capability of farmers and their organizations. The fund is also used to train CARP implementors and to procure equipment needed in project management and implementation.

Evaluation results of projects implementation proved to be encouraging as shown by the continuous support of donor community. A number of projects are now in their 2nd phase of implementation and got additional funding from foreign donors since they are convinced that these projects will create positive impact on the ARBs and the ARCs.

Since 1992, the Department mobilized P31.42 billion foreign-assistance in the form of loans and grants representing 74 percent of project cost for 55 projects. Twenty-six percent of

the project cost amounting to P11.181 billion represents the required GOP counterpart. Ninety-four percent of this amount was contributed by nine institutions shown in the graph below.



Resources mobilized from these institutions paved the way for the implementation of 55 projects covering 990 ARCs. Thirty-two of these projects are completed, 22 are being implemented and still ongoing, and one project was approved for implementation.

Twelve out of the 22 ongoing projects are product of loan agreements amounting to P19.13 billion with two projects having also grant component of P6.2 million. ten projects are purely grants amounting to P2.21 billion. The Government of the Philippines put up P7.2 billion counterpart funds for the implementation of these projects.

Below is the breakdown by status and project cost of the 55 projects benefiting almost a million beneficiaries.

Box 9. Summary of Foreign Resources Mobilized As of December 2005					
Project Status	No. of Projects	Loan (PM)	Grant (PM)	GOP (PM)	Total (PM)
Completed Projects	32	4,768.45	3,972.90	3,924.21	12,665.56
Ongoing Projects	22	19,132.88	2,208.8	7,199.80	28,541.48
■ Capital Assistance	12	19,132.88	1,437.84	7,173.74	27,744.46
■ Technical Assistance	10	0.00	770.97	26.06	797.03
Approved for Implementation	1	1,341.00	0	57.00	1,398
Grand Total	55	25,242.33	6,181.70	11,181.01	42,605.04
Percent Share		59	15	26	100

During the year, two projects amounting to P233.49 million were approved and were subsequently implemented. These are as follows:

Project Title	Donor	Amount Mobilized (PM)
<ul style="list-style-type: none"> Integrated Programme for the Empowerment of Indigenous Peoples and Sustainable Development of Ancestral domains (IP-EIPSDADS) 	UNDP (Grant)	78.45
<ul style="list-style-type: none"> Program Support to Asset Reform Implementation (PSARI) 	UNDP (Grant)	155.04

Table 12 presents the details of the ongoing foreign-assisted projects.

The immediate impacts and benefits derived from these projects per major type of intervention are the following:

Farm to Market Roads

- Increased daily vehicle traffic and availability by 53% (from an average baseline of 30 vehicles per day to 46 vehicles)
- Reduce travel time by 43% (from an average baseline of 116 minutes to 66 minutes)
- Reduced operating cost of vehicles by 54% (from Php20,040.00 to Php9,121.00)
- Decreased commuters’ travel cost by 47% (from an average baseline of Php36/capita/day to Php19/capita/day)
- Reduced the cost of transporting agricultural commodities such as palay by 35% (from baseline of Php29/cavan/day to Php19/cavan/day)
- Reduced maintenance cost of vehicles by 62% (from Php19,861.00 to Php9,564.00)
- Generated 19,642 man-days of employment

Community Irrigation System

- Increased average yield of palay by 81% (from 116 cavans/ha to 210 cavans/ha)
- Increased the total land area under cultivation by 17% (from 560 to 655 ha in ARISP areas)
- Increased the number of croppings per year from once to twice annually (in ARISP II areas)
- Generated 2,770 man-days of employment

Bridges

- Reduced travel time by 42% (from 96 minutes to 56 minutes)
- Declined commuters’ travel cost by 43% (from Php56/capita/day to Php32/capita/day)
- Reduced cost of transporting agricultural commodities such as palay by 42% (from Php54/cavan/day to Php31/cavan/day)

- Generated 1,278 man-days of employment

Potable Water Supply System

- Increased number of households with convenient access to potable water by 11,928
- Increased water availability in ARCs covered by 75% (from 13.7 hours/day to 24 hours)
- Reduced time in fetching water by 76% (from 59 minutes to 13.8 minutes)
- Generated 29,013 man-days of employment

Pre/Post-Harvest Facilities

- Reduced post harvest losses per farmer by 45% (from Php1,598.00 to Php878.00)
- Generated Php147,315.00 in user fees
- Increased real farm gate price (from Php5.92/kg to Php6.34/kg–ARISP; from Php5.96/kg to Php6.91/kg – WMCIP)
- Generated 4,713 man-days of employment

Solar Power Technology

- Generated savings on electricity of households by an average of Php134.00/month/household
- Increased time devoted to income generating activities by an average of 4 hours per night
- Generated incremental income per month from the following: Php1,200.00 from rope-making, Php750.00 from barbeque, Php600.00 from sari-sari store, Php600.00 from broom making
- Eliminated health hazard from filth generated by kerosene

Community Organizing and Development

- Improved savings of new POs and coops by 549% (from Php1,490,562 to Php9,672,847)
- Increased capital build-up of new POs and coops by 1,037% (Php7,346,625 to Php83,540,214)
- Increased by 329% the number of active ARB members in organizations (from 13,807 to 59,199)

Institutional Strengthening

- Increased by 58% the number of organizations accredited or registered with CDA, SEC, and other regulatory agencies (from 308 to 488)
- Increased savings of farmers' organizations by 727% (from Php906,956.00 to Php7,504,000.00)
- Increased capital build-up of farmers' organizations by 509% (from Php10,406,251.00 to Php63,363,280.00)
- Increased membership in existing organizations by 157% (from 61,901 to 158,232)

- Increased number of POs elevated to next level of Organizational Maturity Assessment (OMA) by 155% (from 38 to 97)
- Increased number of POs eligible to avail loan by 325 (from 40 to 170)
- Increased number of POs and coops engaged in credit and savings by 220% (from 50 to 160)
- Increased by 282% the number of MOAs/MOUs forged involving marketing, investment, and research and technology tie-ups (from 17 to 65)

Credit and Rural Financing

- Provided loans for 353 agri-business and other enterprise endeavors with repayment rate of 99%
- Generated a total of Php333,431.00 in savings and CBU collection involving 16 cooperatives

Basic Social Services

- 1,159 schools provided various types of assistance through BIARSP
- 150 out-of-school youths were given Accreditation and Equivalency Certifications by TESDA
- 405 skills training graduates now operating 14 micro-economic projects
- 294,578 individuals now have access to improved preventive and curative health care services
- 2,576 out-of-school youths completed 95 batches of literary classes

Gender and Development

- Increased number of women members in organizations by 149% from (3,100 to 7,691)
- Increased number of female leaders in cooperatives/POs by 1,640% (from 90 to 1,566)
- Increased number of women managers of enterprises by 1,125% (from 288 to 3,528)
- Increased number of women managers by 145% (from 29 to 71)

D. Support Activities

1. Public Relations Information and Social Marketing (PRISM)

The Department endeavors to develop and evolve a more effective and holistic approach in disseminating CARP information to the publics. Its intention is to reach out to the widest audience possible; to various organizations, institutions, beneficiaries, landowners, legislators, to the grassroots. Effective information dissemination would shy away the Department from controversies and negative image brought about by misinformation. The Department carries out its information

dissemination program through print and broadcast media, interpersonal scheme and special projects.

1.1 Print Media

a. DAR Publications

It is noteworthy that during the entire year of 2005, print media was the major mechanism in addressing pertinent information needs of the DAR work force and the external audience.

Six issues of the Dyaryo DAR were published with a total circulation of 48,000 copies. A major item in the publication is the salient provisions of EO 366 or the Government Rationalization Program to enlighten the employees on its implications to them.

Highlights of Dyaryo DAR are the following:

- View of Secretary Rene Villa to Finish Land Distribution Program
- EO 364 DAR now DLR
- Farmer's Income Improves in Land Reform Areas
- CARP Recognized by International Leaders
- Women's Month
- 17th CARP Anniversary
- 15 Foreign Funding Institutions Spur 896 Agrarian Reform Communities
- DLR Generates Php 42 Billion for CARP
- Appointment of Secretary Nasser Pangandaman by PGMA
- Marcos Funds All Accounted For
- Farm Income Increased in ARCP Areas
- 42nd Year of Agricultural Land Reform Code
- Scrapping of SDO in Hacienda Luisita
- Multi Million Irrigation Project to Boost Productivity in Negros Oriental
- PCP Grants Homelots to 205 AFP Enlisted Men
- Disbursement of Marcos Funds
- Hacienda Luisita Under CARP

The DAR also reproduced and distributed copies of agrarian reform laws such as R.A. No.6657 and R.A.3844. The same materials were distributed in the Photo Exhibit at the SM Megamall.

In addition, relevant materials (posters, calendars, etc.) and "Quick Look on CARP" were produced and 2,166 copies were distributed while 9,050 copies of "What About CARP and DLR?" were also given out. "Landmarks" a news magazine which caters to both internal and external reader containing

feature stories on CARP were likewise distributed to various publics.

b. Broadsheet

Broadsheets circulations facilitated the publication of news items, feature stories, articles and photo stories on the various programs and activities of the Department which appeared 879 times in the following: Manila Bulletin, People’s Journal, Businessworld, Philippine Star, Manila Standard Today, Daily Tribune, and Philippine Daily Inquirer.

Major news releases that were published in the broadsheets were as follows:

- CLOA Distribution in Palawan
- DAR Orders Speedy Distribution of Lands to Farmer Beneficiaries
- Farmer and Fisherfolk to Use ICT
- World Bank-Funded Batanes Road Project
- CARP Marks 17th Anniversary
- More Arroyo Lands: Up For Distribution
- Scrapping of Stock Distribution Option of Hacienda Luisita
- Hacienda Luisita Under CARP

Print Media Analysis

Analysis of press releases and photo stories that came out in various dailies during the year disclosed that the Department earned 44,744 positive points and 4,477 negative points. This is a conclusive proof that DAR is being effective in its public information dissemination and social marketing strategies.

The following are the sample articles that came out in different newspapers.

Positive Points	Negative Points
<ul style="list-style-type: none"> - PGMA’s Husband: First Gentleman Mike Arroyo and His Family for the VOS of an Additional 250 Hectares of their Farmland in Negros Occidental - Scrapping up of Stock Distribution Option in Hacienda Luisita 	<ul style="list-style-type: none"> - Farmer’s Protest Actions - Forcible Entry to the Secretary’s Office - Confrontation: Police vs. Farmer - Rallyists in Manila

Stories and articles on CARP also appeared in the Philippine Free Press which featured the following:

- “Return to Pinatubo”, Cover Story
- “DAR After 17 Years”
- “DARBCL, A Looming Giant in the South”
- “Outstanding CARP Players”
- “Midsalip Farmers Multi Purpose Cooperative
- “The National Commission on Indigenous People’s Serious Business”
- “Presidential Commission for the Urban Poor, There Ought To be a Law”
- “Beyond the Farms”, Cover Story
- “Broadening the Gains”
- “SPOTS-More Than Just a Lighting Project”
- “The Tagdangua Development Corporation-From Farm Workers to Top Banana Exporters”
- “Investing in the Future”

1.2 Broadcast Media

Broadcast media particularly via television and radio are the widest means for exchange of information since it reaches a broad spectrum of audience. For 2005, major events were aired in both radio and television.

DAR Officials were invited in the following Radio Stations to shed light on issues looming out the implementation of CARP: Radyo ng Bayan, DZBB, DZRJ, DWWW, DZRH, RMN-DZXL, DZMM and DZAR.

On the other hand, television guestings of DAR Officials were viewed in the following TV stations:

NBN Channel 4	Talk Ko ‘To with Secretary Soliman and Secretary Ricardo Saludo
ABC Channel 5	Interview by Cherry Mercado
IBC 13	Iyo ang Katarungan. with Justice Prisbiterio Velasco
NBN Channel 4	Network Forum, with Sec. Ricardo Saludo Probe Team with Che –che Lazaro and Clarisse de Leon: Tag-init sa Negros, and Damayan
IBC 13	Ronda Sa Trese
ANC News 21	Business News
GMA 7	Reporter’s Notebooks on Haciendas
NBN Channel 4	Morning Show with Bobby Guanzon
ANC News 21	ANC Business Money; and Business Nightly
DZRJ-TV	Hacienda Luisita

Special Projects

As part of the CARP Anniversary celebration, the Department through the PAS sponsored the “on-the-spot-poster-making-contest” upholding the theme “Tuloy – tuloy ang Reporma sa Lupa”. There were two categories laid in the contest; first, the Student Category, where Michael Villadolid of the Technical University of the Philippines (TUP) surfaced as the winner among 81 students, and second, the Professional Category, Rommer Fajardo, a part time faculty of TUP emerged as the winner among 54 professional artists.

The Department also held photo exhibits at the DAR Central Office, and SM Megamall. It also conducted a press conference in the SM Mega Mall during the Trade Fair which is an initial stride to launch the ARC in the local market and hopefully in the global market.

Furthermore, ecology preservation and the relevance of physical fitness of the DAR work force was given significant consideration. The DAR initiated “Media Bakbakan sa Larong Pampalakasan” which involved both members of the DAR workforce and members of media in sports activities. Also, the DAR launched Tree Planting Project which was participated by the media and the DAR employees.

1.3 Highlights of Regional and Provincial Accomplishments

The Department maintains a strong communication network which link the Central Office with the Regional and Provincial Information Offices.

During the year, the DAR regional and provincial information offices prepared news stories, photo releases, feature articles, newsletters, brochures and other information materials which were distributed to students, researchers, other clients as well during regional/provincial information caravans, exhibits and trade fairs. RIOs and PIOs maintain mini libraries, News Bulletin, photo exhibits at the regional and provincial offices that provide latest information on CARP to walk-in guests and clients. RIOs and PIOs are often invited to deliver lectures in colleges and universities.

DAR field executives appeared in radio program and television shows, to convey CARP related matters. Among these are in “Talking Points” aired over DWRW (FM) and viewed over the local television Infomax Station in Pampanga, Region III, which covered the footage of the conversation between the DAR Regional Director of Region III and their Most Outstanding ARB Carlos Guevarra.

In Region X live testimonies of ARBs on how their lives positively changed after receiving their land titles were aired over the radio.

The Regional Office of Region XI continuously uphold its harmonious relation with the Philippine Information Agency (PIA) and DXRP. Thus, DAR Region XI enjoys free airtime for its information dissemination activity.

The provinces of Aurora and North Nueva Ecija came up with their Kabalikat and Land Reform Newsletter and 80 percent of the news releases landed on local dailies and tabloids, featuring news stories and advertorials on CARP.

Region V implemented its information dissemination through the conduct of community and school campaign, while Region VI initiated Poster-Making Activity. In Region VIII, 80 percent of prepared print press releases were published in local and national dailies, and 100 percent of the broadcast releases were aired in radio and television.

The “Quiz Bowl” conducted by Region IX resulted to the increase in the number of students seeking information about the program.. Region IX invited media practitioners in Zamboanga City to participate in the “Pasyal Bukid” in four ARCs. This aims to keep the media well informed about the development of the lives of the farmers and subsequently, inform the civil society the gains these farmers have achieved from the program.

In Region XII “Pasyal Bukid” was conducted in South and North Cotabato wherein members of the media from ABC, IBC, and RPN networks including STARCM officials joined the activity. It is noteworthy mentioning that the RIO of Region XII holds regular lectures on CARP at the Notre Dame University, College of Arts and Sciences.

2. PO-NGO Consultation

The DAR closely works with organized peasant and civil society groups like the POs and NGOs in resolving critical problems and issues to effectively implement the CARP. This fosters transparency and accountability on the part of the Department to improve its services to its stakeholders and at the same time gain commitment of POs and NGOs to serve as partners and watchdog of CARP. This gesture elicited continued and active participation of POs and NGOs in building alliances and support through regular consultations. It also serves as a forum for other POs and NGOs to air their grievances and legitimate concerns on how CARP is implemented. The issues raised during the consultations include the implementation of MC No. 6, S. 2004 on “Clarificatory Guidelines on the Effect of the Injunction and Temporary Restraining Order Issued by the Regular Courts on Acquisition and Distribution of Lands under the CARP”, Marcos

wealth, issues on CARP coverage and lifting of coverage, cancellation of EP/CLOA, exemption and conversion and DARAB cases like ejection, harassment, and forcible entry.

The most controversial issue raised concerns the Hacienda Luisita, Inc. (HLI) which is under the Stock Distribution Option (SDO) scheme. The farmworkers submitted a petition to revoke the SDO on the ground that the corporation violated the provisions in the SDO plan. They likewise moved for the distribution of the hacienda to them. In response to this, the Department conducted an in-depth investigation and recommended to the Presidential Agrarian Reform Council (PARC) to revoke the SDO plan. However, the management of HLI contested the PARC resolution invoking that PARC has no authority to revoke their SDO. The HLI filed motion with Supreme Court to review PARC resolution.

For the period, 2,772 consultations were conducted nationwide with 50,021 participants. Regions III and XII conducted the highest number of consultations with 844 each followed by Region XIII with 468 consultations. However, Region XII has the highest number of participants with 21,924, followed by Regions XIII and III with 10,279 and 5,462 participants respectively. At the DAR Central Office, 84 consultations were held participated in by 3,189 PO-NGO members.

3. Research and Policy Studies

Conduct of research and policy studies is integral part of the Department's systems review of the effectiveness and impact of CARP implementation. Results of these studies serve as inputs in the revision of policies, plans, and strategies to address operational bottlenecks, issues, and concerns that affect the program.

For CY 2005, two in-house studies were completed while one commissioned research is still on-going. These are the following:

Completed Study

3.1 Case Studies of Existing Share-Tenancy Arrangements Practiced by CARP Beneficiaries

The general objective of the study is to look into the processes and dynamics that constitute the reversion of ARBs to share-tenancy in selected major crops within CARP-covered areas.

Twenty case study reports were finalized considering the comments and suggestions raised during the Research Findings Dissemination Forum held on December 14, 2004. Some of the major findings of the case studies revealed the following:

- a. There are five typologies of share-tenants identified in selected barangays and municipalities of Isabela, Quezon, and Albay, to wit:
 - EP/CLOA holders who have given up their CARP-awarded lands and reverted to typical share-tenancy practice;
 - EP/CLOA holders who have given up their CARP-awarded lands and reverted to a new form of share-tenancy practice emerging in the locality known as *porsyentuhan*;
 - EP/CLOA holders who till other parcel/s under share-tenancy arrangements over and above their owner-cultivatorship of the lands awarded to them under agrarian reform;
 - Leaseholders who actually practice share-tenancy; and
 - Leaseholders who are practicing share-tenancy in other parcel/s aside from the parcel which is actually operated under leasehold.
- b. The sale and mortgage of agrarian reform awarded lands is usually initiated by the ARBs who directly deal with the buyer or real estate agent or mortgagor, sometimes either along with a relative or co-farmers with the same purpose.
- c. The price of agrarian reform-awarded lands ranges from Php14,000 to Php151,000 per hectare depending on the type of lands. On the other hand, the amount of mortgage ranges from Php1,000 to Php151,000 per hectare. The price depends on the financial need of the mortgagor at the time of transaction. Unlike in sale transaction where the ARBs sold the entire landholdings, most ARBs mortgage only a portion of their awarded lands or sometimes portions of their lands one after another, depending on the financial need.
- d. The ARB-respondents claim that their foremost reason for disposing their lands was financial difficulty. The specific reasons cited are: supported the educational needs of children; helped defray medical expenses of sick relatives; settled arrearages on land amortization with the Land Bank of the Philippines; financed the wedding of a son; paid debt obligation; used for daily needs; and persuaded by wife/children who wanted to work abroad.
- e. The selling and mortgaging of agrarian reform-awarded lands left the ARBs with no lands to cultivate. This condition pushed them to revert into share-tenancy since farming is the main source of livelihood of the ARB-respondents.

- f. There are more ARB-respondents who are unaware that share-tenancy is prohibited under the law. Some ARB-respondents do not recognize share-tenancy as an entirely backward tenure for farmers. For them, share-tenancy is still an alternative arrangement since it helps augment their incomes.
- g. The ARB-respondents perceive that the main advantage of share-tenancy arrangement over leasehold system is that the farmer does not incur debt to the landowner in case of *force majeure*. As share-tenant, the farmer is also relieved of responsibilities that an amortizing owner or a leaseholder is bound to comply.

Based on the results of the study, the following policy/program actions were recommended:

- a. Issue a new Memorandum Circular reiterating the DAR field personnel to enforce existing policy issuances on the prohibition of share-tenancy practice and to impose sanctions on ARBs for committing violations or circumventions through selling and/or mortgaging of lands acquired through the agrarian reform program.
- b. Monitor the implementation of DAR Memorandum Circular No. 19, Series of 1996, re: "Guidelines and Procedures Governing the Monitoring of Violations or Circumventions Committed by ARBs, Providing Sanctions Therefore and Filing of Appropriate Administrative, Quasi-Judicial and/or Criminal Actions" and institute sanctions against erring ARBs as provided under DAR Administrative Order No. 8, Series of 1995, re: "Rules and Procedures Governing the Transferability of Lands Awarded to Agrarian Reform Beneficiaries (ARBs) Pursuant to P.D. No. 27 as amended by E.O. No. 228 and R.A. No. 6657." There is also a need to determine the problems that make it difficult for DAR field personnel to implement the abovementioned guidelines and to institute the necessary appropriate sanctions.
- c. Formulate a policy that will put safety nets on the identification and selection of qualified ARBs under CARP.
- d. Amend the existing guidelines on payment of lease rental to make leasehold acceptable to farmers. It should provide that in times of crop failure as a result of fortuitous event, the obligation to pay the rental due for the particular cropping season should be extinguished to the extent of 75 to 100 percent. In the case of coconut farmers, a Certification from the Philippine Coconut Authority (PCA) must be required if the extent of destroyed coconut trees is from 75 to 100 percent as a result of natural calamities. It should

also provide option to ARBs to change crop with the consent of the landowner and with concomitant lease rental adjustment or renegotiation.

- e. Necessary support services, particularly credit and livelihood assistance, should be provided not only to EP/CLOA holders but also to farmers under the leasehold system, to make their lands productive. The DAR should also increase its visibility in the community for ARBs to know that the government is concerned about their welfare and in order that agrarian reform-related problems could immediately be addressed.

Table 14 represents the existing share-tenancy arrangements practiced by ARBs in the provinces of Isabela, Albay, and Quezon by type of crop.

3.2 Case Studies on Agribusiness Venture Arrangements (AVAs) Between Investors and Agrarian Reform Beneficiaries

The research involves seven cases which generally aims to document the experiences of ARBs entering into and implementing various types of agribusiness venture arrangements (AVAs) with investors. Findings of the research shall be used as inputs to policy and program planning.

As of December 2005, three of the seven case study reports were finalized, and the findings and recommendations are as follows:

Findings and Recommendations

3.2.1 A Case Study on the Tagdangua Development Corporation (TAGDECOR): A Joint Venture Arrangement in Barangay Tagdangua, Pantukan, Compostela Valley

Findings:

- a. The JVA involves the Tagdangua CARP Beneficiaries Cooperative (TCBC) and Mabini Industrial Tree Plantation Incorporated (MITPI). They created Tagdangua Development Corporation (TAGDECOR) to manage the 360-hectare farm for the production of Cavendish banana for export. The JVA covers 20-year period wherein the TCBC shall be paid Php4,500/ha for the first 5 years with incremental increase of Php500/ha every 5 years. The capitalization of the TAGDECOR is Php23.1 million; TCBC, Php8.1 million to be taken from the lease rental payment; and MITPI, Php15 million.
- b. The TAGDECOR is considered successful and has brought the following benefits that improved the lives of

the ARBs: a) produced more than 3,500 boxes of banana per hectare monthly; b) gained a net profit of Php50 million in 2003; c) provided stable employment to ARBs and their relatives; d) distributed 35 percent profit share to the ARBS from the operations of the joint venture.

- c. Despite the success of the JVA, many ARBs still obtain loans from TAGDECOR which sometimes exceeded the amount of their profit share. Another issue cited was in the hiring of employees and farmworkers which is done by the TCBC Officers who are not yet adept in running the overall business aspect of the plantation. In addition, the system of *palakasan and pakikisama*, which is typical to any Philippine rural community, may have an effect in the operation of the business.
- d. The ARBs are technically capable of running the operation of the plantation as workers, but failed to develop their capabilities in the management, financial and marketing aspects of the agribusiness venture. The experience of the TCBC and MITPI in forging and implementing a JVA could serve as a model in engaging in future JVAs. It also shows that if implemented properly and fairly, JVA is a good alternative farm management option.

Recommendations:

- a. A lot is still to be done to be able to say that ARBs are finally free from the so-called “bondage of poverty.” The ARBs through the TCBC have to venture into more income generating activities. Improving their income would enable them to buy back shares from MITPI so as to increase their share from the TAGDECOR’s profit and increase their household income.
- b. The TCBC needs to prepare for the eventual take over if its members would choose not to renew their contract with MITPI. They have to acquire more entrepreneurial skills, learn more the business aspect and enhance their knowledge and capability on the technical aspect of banana production. Otherwise, it would be better for TCBC to renew their partnership with MITPI and bargain for improve terms. The ARBs must also first improve the system of running their cooperative before even thinking of taking over the TAGDECOR.
- c. There is a need to thresh out the issue on how to divide between TCBC and MITPI the properties and capitalization of TAGDECOR in the two expansion areas after the duration of the JVA. They may also need to

address the legal issues that may arise which can affect the operation of TAGDECOR upon the expiration of the JVA. The extension of the period covered by the initial land lease rental payment amounting to Php8.1 million from five years to seven years and the extension of the contract of TCBC from 20 years to 25 years without any legal document may pose a problem in the future.

3.2.2 A Case Study on the Marketing Arrangement: Hijo Employees Agrarian Reform Beneficiaries Cooperative (HEARBCO 2) and Lapanday Foods Corporation (LFC) in Barangay Madanum, Tagum City, Davao del Norte.

The agreement involves marketing of banana by HEARBCO 2 to LFC for a 10-year period at \$2.10/box. The agreement provides for a price review/negotiation of at least 2 years or sooner in case of an increase of 5 percent in the price of imported materials such as fertilizers and chemicals. The business partner, LFC, provides technical services while HEARBCO 2 shoulders production and operating cost of the plantation. The cooperative was allowed to enter into a contract with Global Fruits Corporation (GFC), a subsidiary of LFC, wherein the farmers shall sell exclusively all available Cavendish Class B to the latter.

Findings:

- a. HEARBCO 2 is a showcase of successful ARBs' cooperative full takeover of a banana plantation through the marketing arrangement it has entered into with the investors which brought numerous economic benefits and incentives to the ARBs among which are as follows:
 - Increased production and income from an average of Php156 per day per ARB to a maximum of Php500 per day per ARB ;
 - Increased capital share and total assets;
 - Provided stable employment, benefits and incentives to the ARBs;
 - Engaged in various services such as deposit generation, lending operation, bakery shops, carinderia and consumer store;
 - Acquired 41.8 hectares of agricultural land;
 - Constructed an administration building and chapel;
 - Invested in continuous and massive education programs;
 - Improved qualities of banana produce specifically its Class "A" bananas; and
 - Increased members' participation in various social, political and spiritual activities.

- b. The success of HEARBCO 2 and its marketing arrangements with investors can be attributed to the strong leadership of the Chief Executive Officer (CEO), continuing education, training of officers and members, unity and cooperation among ARB members, administrative support and technical advice provided by business partner or investor, the Hijo Plantation, Inc (HIJO), to the cooperative, among others.
- c. Both ARBs and LFC also claim that the success of HEARBCO 2 in managing the operations of the plantation, in running the cooperative, and in entering into marketing agreement with the investors have resulted in the improvement of the living conditions of the cooperative members.
- d. The trainings, seminars, and educational tours attended by the cooperative officers and the ARBs enabled them to have a clear understanding on matters relating to the operations of the cooperative which developed their assertiveness and self-confidence.

Recommendations:

- a. The cooperative has to ensure the sustainability of the numerous economic benefits derived by the ARBs through the continuous conduct of information drives and monitoring of the problems and performance of the ARBs.
- b. Considering the impressive financial performance of HEARBCO 2 and the economic gains it has brought to ARB-members, the individual farming system, should be discouraged to ensure the sustainability of gains that have been achieved through cooperative full take over. Maintaining full take over by the cooperative of the banana plantation will ensure that the lands awarded to the ARBs will not be disposed and reversion to landlessness by the ARBs can be prevented.
- c. On the part of the DAR, there is a need to come up with a framework or working model for monitoring the performance and status of ARBs and the ARBs cooperatives engaged in agri-business venture agreements (AVAs) so that specific policy actions can be formulated and implemented to address their problems and ensure the sustainability of gains that have already been achieved.
- d. The learnings from the operation of HEARBCO 2 can be adopted by other ARB cooperatives to ensure continuous economic and social benefits for its members.

3.2.3 A Case Study on the Lease Rental Arrangement: Filipinas Palm Oil Plantation, Inc. (FPPI) and National Development Corporation (NDC) – Guthrie Plantations, Inc. (NGPI) and NDC – Guthrie Estates, Inc. (NGEI) Multi-Purpose Cooperatives in San Francisco and Rosario, Agusan del Sur

Findings:

- a. The lease rental arrangement between FPPI and the ARBs cooperative (NGPI and NGEI Multi-Purpose Cooperatives) was one of the earliest agribusiness venture arrangements (AVAs) facilitated by DAR when the NDC plantations were covered under CARP in 1988. The DAR, however, at that time has not issued the specific policy guidelines that would govern the stakeholders in negotiating AVAs. The administrative order came 10 years after. The delay resulted in a disadvantageous position of the ARBs in the lease rental negotiation with the investor.
- b. It was alleged that FPPI was able to pursue their interest because of strong influence on ARBs and former cooperative leaders. In a renegotiation to increase the lease rental, FPPI was able to extend the terms to another 25 years but the ARBs were not able to get a fair lease rental. The result was rejected by the cooperatives and a nullification case has been filed with DARAB. The current agreement triggered the NGEI MPC to plan mass actions against the company when the original lease agreement expires in 2007.
- c. ARBs claimed that the lease agreement failed to provide any improvement in their socio-economic condition. Under the said agreement, ARBs are supposed to receive P635 per hectare per annum and economic benefits of P 1,865 per hectare per annum starting 1998 with an increase of P500 every five years. In reality, ARBs got only an average of P6,000 per year after deducting their shares for annual land amortization of P425 per hectare and annual capital build-up of P 200 per member and other deductibles.
- d. The NGEI MPC delisted 23 members for alleged mismanagement and disloyalty to the cooperative. It was reported that as a result of the delisting, these members do not receive benefits due them as ARBs per Section IV-C of Joint DAR-CDA-DA Administrative Order No. 2, Series of 1997. The guidelines provide that the loss of membership with the cooperative shall not result to automatic forfeiture of the person's status as an ARB.

Recommendations:

- a. DAR should carefully study the demands of the ARBs for cooperative full take-over of the plantation by the end of December 2007 and its implications;
- b. Address the following concerns should cooperative full takeover become legally feasible:
 - Training of members and officers on the operations of the plantation and its financial and marketing aspects;
 - DAR should promote joint venture arrangement with agribusiness corporations wherein the two cooperatives should be the majority stockholders; and
 - Monitoring and assessment of the capability of the officers in managing the operations and identify their weaknesses so that specific actions could be undertaken to address their problems.
- c. DAR should issue clarificatory policy guidelines on the 23 delisted members since based on the law they are still entitled to receive benefits as ARBs; and

Other on-going in-house case studies on agribusiness venture arrangements are presented in Box 10.

Box 10. List of Ongoing Studies On Agri-Business Venture Agreement As of December 31, 2005				
Type of AVA	Company/Investor	ARB Coop/ Organization	Crop	Location
Contract Growership	DOLE Standard Fruits Company (DOLE-STANFILCO)	DAPCO United Small Growers Multi-Purpose Cooperative (DUSGROW)	Banana	Bgy. DAPCO, Panabo City, Davao del Norte
Land Use Management Agreement	Skyland (DOLE Phil., Inc. Division)	Carabao Farmers	Banana	Cawayan, Impasug-ong, Bukidnon
Development Contract	Del Monte Phils., Inc.	Carabao Farmers Cooperative (CFC)	Pineapple	Cawayan, Impasug-ong, Bukidnon
Lease Agreement	Mr. Hernan I. Fermin	ARBs of Hacienda Sto. Tomas	Sugarcane	Bgy. Balabag, La Carlota, Negros Occ

Ongoing Commissioned Study

3.3 Study on the Post-LAD Scenario

- *Objectives of the Study*

The study intends to explore various options on what should be done between now and 2008 in preparation for the changes in the rural setting due to the projected completion of land acquisition and distribution (LAD). The outputs of the study are expected to provide inputs in planning for the post-LAD agenda in terms of the policy framework, legislative amendments, and institutional changes. The agenda is necessary to ensure the sustainability of gains of asset reform and the support services intervention to be extended to ARBs.

The study is in its initial stages of implementation such as preparation of Terms of Reference and conduct of consultation workshops.

The study is funded by the GTZ Project “RP-German Technical Cooperation Support to Agrarian Reform and Rural Development (SARRD)”.

4. Formulation of Implementing Guidelines

Detailed guidelines are crucial instruments in implementing the agrarian reform program. The Department through the Guidelines Drafting Committee (GDC) conducts a regular review and assessment of existing implementing guidelines to keep abreast with the policy thrust of the national government, recent legislations and developments in various sectors which affect CARP implementation.

For CY 2005, four administrative orders and five memorandum circulars were issued by the DAR Secretary, to wit:

Administrative Orders

1. Administrative Order No. 1, Series of 2005 - “Approval of the Audit Agenda of the Internal Audit Service for CY 2005”

- This one-page guidelines enumerate the activities to be undertaken by the Department’s Internal Audit Service for CY 2005. Among the activities included were: auditing of various sectoral systems and procedures such as EP/CLOA validation, cash advance fund management, supply management, DARAB administrative system and procedures audit, new government accounting system audit.

2. Administrative Order No. 2, Series of 2005 - "Rules and Procedures Governing the Acquisition of Agricultural Lands Subject of Voluntary Offer to Sell and Compulsory Acquisition and those Covered under E.O. No. 407"

- The guidelines simplify the process of acquisition of lands covered by voluntarily offered and compulsorily acquired lands under Section 7 of R.A. No. 6657 and those acquired under Executive Order No. 407 dated June 14, 1990, as amended.
- New provisions introduced in the administrative order include:
 - a. A cut-off date on the filing of VOS application for landowners, i.e., in the event that the landowner offers his property after the Notice of Coverage was received by him, the same may be allowed provided that the claim folder is not yet received by the Claims Processing, Valuation and Payment Division (CPVPD) of the Land Bank of the Philippines for valuation.
 - b. Landholdings which are no longer allowed to be covered under the VOS scheme such as:
 - i. Retained areas and lands with an aggregate area of five (5) hectares and below per landowner;
 - ii. Lands under the Handog Titulo program of DENR after June 15, 1988 unless Sec. 6 of R.A. No. 6657 applies. However, if the landowner has properties other than the aforementioned program, said lands shall be covered under CARP unless the aggregate landholding does not exceed five (5) hectares; and
 - iii. Lands proclaimed as settlement areas and awarded to settlers or beneficiaries under the resettlement program earlier implemented by DAR and its predecessor offices.
 - c. Allows the landowner with pending land valuation appeal to withdraw the amount deposited in his name based on DAR and LBP Memorandum of Valuation. Later, if he accepts the original value or recomputed value, he may just file a manifestation of acceptance of the original value or joint manifestation by the LO and LBP on the recomputed value to terminate the pending land valuation case.
 - d. Directs ARBs in tenanted lands to continue to pay lease rentals based on existing guidelines on leasehold until such time the LBP issues Certification of Deposit.

- i. The issuance repeals A.O. No. 2, Series of 1996, A.O. No. 1, Series of 1998, A.O. No. 4, Series of 2000 and amends A.O. Nos. 1, 2 & 7, Series of 2003.
3. Administrative Order No. 3, Series of 2005 - “Instituting the Charter of the Internal Audit Service of the Department of Land Reform”
 - The guidelines lay down the Charter of the DAR Internal Audit Service which defines the parameters, standards and operational procedures that must be adopted in the discharge of its functions.
4. Administrative Order No. 4, Series of 2005 – “Revised Rules Governing the Issuance of Notice of Coverage in the Acquisition of Agricultural Lands under R.A. No. 6657”
 - This administrative order provides due notice and reasonable time to landowners to exercise their rights and privileges and at the same time resolves common loopholes to safeguard and ensure the completion of the acquisition process
 - Among the salient points of the guidelines are as follows:
 - a. Direct the PARO to prepare and send the Notice of Coverage (NOC) to the concerned landowner;
 - b. Allow any person to file a petition for coverage at the DAR Central Office, Regional, Provincial or Municipal Office where the subject landholding is located;
 - c. Instruct the MARO to post copies of the NOC for at least seven (7) days in bulletin boards or any conspicuous places in the municipality and in the barangay where the property is located;
 - d. Provides rules of procedures and modes of service on how the NOC should be served; and
 - e. Amends certain provisions of Administrative Order No. 1, Series of 2003.

Memoranda Circular

1. Memorandum Circular No. 1, Series of 2005 - entitled “Reconstitution and Strengthening of the Gender and Development (GAD) Focal Point”.
 - The said guidelines reconvened the GAD Focal Point from the DAR Central Office up to the provincial level. The guidelines aim to put in place the policies, support systems and structures to carry out the operationalization of the Philippine Plan for Gender and Development (PPGD) and for better integration of

gender concerns in the policies, programs and projects of the Department. The memorandum circular also identifies the concerned offices involved at different levels and their corresponding functions.

2. Memorandum Circular No. 2, Series of 2005 – Full Implementation and Continuation of the Land Acquisition and Distribution Process Pursuant to the Provisions of DAR M.C. No. 6 and 9, Series of 2004 and the Supreme Court Ruling in the Cuenca Case

- The guidelines affirm the DAR’s policy against the issuance by regular courts of temporary restraining orders (TROs) and injunctions directed against PARC or any of its agency in connection with the implementation of CARP based on M.C. No. 6 and 9, Series of 2004 and the Supreme Court’s ruling on the Cuenca case. It directs DAR officials and employees to proceed with the acquisition and distribution of agricultural lands despite the threat of, or actual issuance of TROs or injunctions issued by regular courts in order to delay the service delivery process.

3. Memorandum Circular No. 3, Series of 2005 – Supplemental/ Clarificatory Guidelines on DAR M.C. No. 2, Series of 2005

- This is supplementary to M.C. No. 2, Series of 2005. It seeks to clarify the definition of the phrase “acquisition and distribution process of lands subject of CARP Coverage” as contemplated in the said guidelines. Under this circular, CARP covered lands are explicitly defined as distributed when qualified beneficiaries are installed in the subject property.

4. Memorandum Circular No. 4, Series of 2005- Coverage of the 450.99 Hectare Property of Former Congressman Julio A. Ledesma IV under Voluntary Offer to Sell (VOS)

- This memorandum circular seeks to address the issues and concerns and to ensure the expeditious acquisition and distribution of 451-hectare property of former Congressman Ledesma in San Carlos City, Negros Occidental. It mandates the creation of a special team called “Operation: San Carlos Management and Implementing Team”. It also provides for the functions of each team to ensure the efficient and effective coverage of the property under CARP.

5. Memorandum Circular No. 5, Series of 2005 - Implementing Policies and Guidelines on the “ARB Agribusiness Entrepreneurship Development Program (AREDP)”

- The guidelines introduce the Agribusiness Entrepreneurship Development Program (ARED) as a strategy of the Department

to help agrarian reform beneficiaries develop their entrepreneurial skills as well as contribute to the achievement of the 10-point agenda of President Gloria Macapagal-Arroyo and the Medium-Term Philippine Development Plan (MTPDP). The ARED aims to enhance the capability of the agrarian sector to further increase the agricultural sector's contribution to the country's gross value-added (GVA) and gross domestic product (GDP), increase incomes of the rural populace and hasten the peace process through sustained economic development and distribution of lands under CARP. A program document which shall introduce innovative and drastic interventions on value-adding enterprise development, adoption of integrated agribusiness systems, development of local and global market linkages and professional management system shall be developed after consultations with various stakeholders.

5. Greater Medical Access (GMA) sa Bayan-Anihan (Table 15)

Greater Medical Assistance is a program of President GMA to provide medical assistance to indigent Filipinos. In support to this project, DAR initiated GMA sa Bayan-Anihan which aims to provide medical assistance to ARBs and their household; to enhance the ability of ARBs to be more economically productive and defray cost of hospitalization expenses. This is through social health insurance and Philippine Health Insurance (Philhealth) with the collaboration of LGUs, PCSO, and the ARB Organization. A feature of this program is a community health care delivery and self-financing system.

Models of health insurance program espoused by DAR

- *DAR –Agraryong Pangkalusugan (DAR-AP)* is a community-based initiative of developing and maintaining a social health insurance system in AR areas that will make quality health service available, accessible, affordable to the ARBs. There are 17 cooperatives that operate their own health insurance with 3,169 enrollees representing 32 percent of the total cooperative members.

The amount of contribution stood at Php648,274.00 or an average of Php205.00 per member. Meanwhile the cooperatives collectively disbursed Php236,789.00 for health financial assistance and Php132,106.00 for administrative and other expenses.

- *Advocacy for the enrolment of ARBs under PhilHealth Sponsored Program (SP)*. The intention is to achieve universal coverage through active participation of the LGUs in the enrollment of their indigent constituents especially in AR areas. For the period, 229,651 or 54 percent of ARBs were already Philhealth members.

Recently, GlaxoSmithKline Inc. (GSKF) and Philhealth signed a Memorandum of Agreement for the project “ARC Savings for Health Micro-Insurance (ARCS-HMI)” to pilot-test a community-managed social health insurance known as graduated enrollment scheme. This scheme shall tap the cooperatives with the collaboration of LGU, Philhealth and other indigent organizations to manage their own social health insurance service. Indigent ARBs who are cooperative members can enroll in the program to sustain their re-enrolment in the succeeding years. The cooperatives shall be capacitated to install and strengthen their savings mobilization that will form part of the counterpart fund for the health care services once they graduated to Individually Paying Program (IPP) and move towards managing community-based social health insurance (CBSHI) or PhilHealth’s Organized Group Interface (POGI).


Based on the program design, ARB enrollees of the project for the first three years shall be under the PhilHealth’s Sponsorship Program wherein the LGU shall provide a maximum of 50 percent or Php600.00 annual premium counterpart depending on the classification of the municipality, while Year 4 shall be either under IPP, POGI or CBSHI. A feature of this project is that GSKF shoulders the premium counterpart of the LGU and Philhealth shall shoulder 50 percent of the premium. The LGU shall manage the capacitation fund, provide access to out-patient benefits, and certify the list of indigent cooperative members for enrolment. The DAR, PhilHealth and GSKF shall join together in educating the farm communities on the importance of social health insurance.





In Region I, 88 percent of the ARBs in the ARCs have already been issued with Philhealth ID, the highest among the regions. However, in terms of absolute figure Region XII has the highest number of IDs issued with 68,912. Far second and third are regions IV-A and III with 22,601 and 22,532 respectively.

6. President Diosdado Macapagal Scholarship Program (Table 16)

This program grants college scholarship to qualified ARB children for them to pursue agri-agra course in any state college or university. The major objective of the program is to develop and educate qualified children of ARBs, who in the future would assume and act as agents of change in agriculture and rural development, a responsibility that would necessarily apply for the transformation of rural communities to progressive countryside in general and improved socio-economic status of farmers and their households in particular.





The following are the criteria for an ARB children to avail of the scholarship grant:

-  Must be a direct descendant of an agrarian reform beneficiary

-  High School graduate during the time of application
-  Over all weighted average is not lower than 80%
-  Passed the university/college admission test
-  Single and not more than 25 years of age

Each grantee is entitled to P1,500 tuition fee per semester, P500 book allowance, and P800 monthly stipend.

As of December 2005, there are 2,056 grantees/scholarship under this program. One-third of these are in Region VI, V and ARMM. During the year, 22 scholars graduated with the following courses:

-  Diploma in Agricultural Technology
-  BS in Agriculture
-  BS in Veterinary Technology
-  BS in Food Technology

7. Human Resources Development (Tables 17)

The DAR invests on continuing education of its personnel to sustain their professional growth and to enhance their capability to effectively implement the different program components of CARP. Likewise, DAR taps other institutions with expertise on special topics such as microfinance and legal education to boost DAR's service delivery along these concerns.

From January to December 2005, 3,584 participants from the central and field offices attended a total of 202 training classes. These training classes were conducted by DAR and other agencies in support to managing the bureaucracy, program beneficiaries development, delivery of agrarian justice, and land tenure improvement.

In addition to trainings, there are also opportunities for DAR employees to pursue short-term and graduate courses either here or abroad. For this year, thirteen employees were sent abroad for foreign scholarship grants. Ten have already completed their trainings and three are still in Australia, India and Netherlands. The completed trainings attended were: Information Technology for Rural Development; 96th Regular Session on Land Tenure and Rural Development; Taiwan Horticulture Educational Tour 2005; and Regional Training Programme on Geographical Information System and Information Technology. Also, 11 DAR employees were granted local scholarship, five from the regional offices and six from the central office.

Below are the trainings/briefings/orientations conducted and attended for the semester:

A. Managing the Bureaucracy

- ✚ Joint Department of Agrarian Reform-National Commission on Indigenous People (NCIP) Orientation and Planning Workshop
- ✚ Formulation of the Ancestral Domain Sustainable Development Protection Plan
- ✚ APEC Information Technology Basic Training Course
- ✚ Basic Computer Literacy
- ✚ Strategic Management and Planning Workshop
- ✚ Seminar on Auditing and Internal Control
- ✚ Orientation/Briefing on Women's Rights and their Role in Development and Governance
- ✚ Launching of Special Operations on CARP Implementation in critical provinces
- ✚ Computer Enhancement for MAROs and DFs
- ✚ Trainer's Training for Inventory of CARP Scope Project Implementation
- ✚ Provincial Congress of Human Resource Management Practitioners

B. Program Beneficiaries Development

- ✚ Competency-Based Economics Through the Formation of Entrepreneurs (CEFE)
- ✚ Trainers Training for CEFE Business Planning Course for Farmers
- ✚ Basic Leadership Development Course for ARBs
- ✚ Participatory Area Planning Approach
- ✚ Rice Technology and Pottery Project
- ✚ Gender and Development on Mainstreaming to Land Reform
- ✚ Food Processing
- ✚ Seminar on Agriculture and Fisheries Products Standard
- ✚ Microfinance Appreciation and Technical Training Course
- ✚ Product Assessment and Dressing for Enterprise Based Cooperative Strengthening Program

C. Agrarian Justice Delivery

- ✚ ARB Paralegal Clinic/Workshop
- ✚ Training of ARB Paralegal for KASAKA-TK

D. Land Tenure Improvement

- ✚ Briefing on LAD with Problematic Landholding
- ✚ Orientation on Land Use Conversion
- ✚ Assessment and Evaluation on Untitled Private Agricultural Lands (UPALs) and KKK-NLSF Lands
- ✚ Geodetic Engineering Technology Updating Seminar
- ✚ Briefing on Operation Land Transfer/Distributed Not Yet Paid Lands Report Preparation