



**Initiatives for Dialogue and Empowerment  
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**BACKGROUND**

Less than two months ago, Department of Agrarian Reform (DAR) Secretary Nasser Pangandaman declared that<sup>1</sup>, it is with alacrity that his department faces **“the reality that the land acquisition and distribution component of the program is yet to be completed in 1,077,538 hectares of private agricultural lands involving 633,846 potential agrarian reform beneficiaries.”** The said figure on LAD balance is not far removed from that stated in PARC Executive Committee Resolution No. 2007-102-01, i.e. that the net balance of lands that would still be covered by the department beyond 2008 measures 1,077,598 hectares.

Indeed, given the current administration’s target of distributing 100,000 hectares of private agricultural lands per year and its annual accomplishment average of a little more than the said target, the completion of the LAD transfer component of CARP is not forthcoming on or before 2008 – the oft-repeated funding deadline for the program. More particularly, by virtue of the funding provisions of RA No. 6657, as amended by RA 8532, the allocation for CARP is good only up to June 2008. “In fact, the total amount which has been obligated by the different CARP implementing agencies has already exceeded the authorized allocation of 100 billion provided under RA No. 6657 and RA 8532.”<sup>2</sup>

Apart from the LAD component of the agrarian reform, there is the undeniable shortfall in the area of Program Beneficiary Development or Support Services Delivery and a huge accumulation of unresolved agrarian reform-related cases. Clearly, the goals of CARP are far from being fully realized and advocates are anxious that the program could actually grind to a halt without the necessary funding support for the program’s implementation beyond the 2008 “deadline.” Still and all, there is the crucial matter of addressing other problems that plague the implementation of CARP – including those that stem from the gaps within the agrarian reform law, itself.

We at IDEALS believe that Congress is at a very critical juncture of legislation relative to CARP implementation beyond its directory “deadline” of June 2008. To be sure, further appropriations for the program and the necessary changes in the program’s enabling law could

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<sup>1</sup> Secretary Nasser Pangandaman, Keynote Address for the National Conference for the Presentation of Results of the Second Phase of the CARP Impact Assessment (CARP-IA) Studies, Quezon City, 28 September 2007.

<sup>2</sup> Ibid.

only come about through its authority. Accordingly, and as an organization deeply involved in the agrarian reform legal practice and advocacy, we respectfully advance our insights, comments, and positions on the proposed legislative measures on CARP extension, strengthening, and/or acceleration pending before this body.

Hence, please consider:

## **GENERAL INTERRELATED INSIGHTS / POSITIONS**

1. The fundamental premise of the discussion on CARP extension, strengthening, and/or acceleration is (and should be) the need to fulfill the Constitutional mandate on the State to undertake an agrarian reform program primarily as a social justice measure or to facilitate the realization of the country's goals for social, economic, and thus political equity. Due to the lofty principles that underlie the program and the high regard accorded to it by the State, the same requires the most vigilant promotion and support from all state actors and its civil society stakeholders.
2. Accordingly, it behooves this Congress to include the CARP agenda in the list of its priority measures. The fact that there is very little time left until the so-called deadline only amplifies this concern.
3. All discussions on CARP extension/ acceleration should include not only the completion of LAD, but also the matters of : (a) providing for enhanced support services to all agrarian reform beneficiaries; and (b) the resolution of all pending agrarian reform and related cases.

## **SPECIFIC POSITIONS**

### **4. On the "Extension" of the Period for CARP Implementation**

IDEALS fully supports the proposals for the "extension" of the implementation of the agrarian reform program. We believe, though, that the legislative stamp on period extension is required, not primarily for the continuation of the program -- as it is quite settled that the period for program implementation stated in the law (RA No. 6657, as amended by RA 8532) is merely directory<sup>3</sup> -- but by the need for financial appropriations so that program implementation may actually continue. Indeed, the state must ensure that the unfinished objectives are not discarded simply because of budgetary constraints.

In this connection, we recommend the adoption of a definite provision that would ensure the **continuation of funding support** for the CARP for 7 years or any other reasonable period to be based on final DAR data as regards LAD balances. The period to be imposed must not, in any way be interpreted as a timeline for the program itself; rather, it is a period within which the DAR must finish the LAD component of the

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<sup>3</sup> Also see Department of Justice Opinion No. 9, S. 1997

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

### **Significant balance of lands to be distributed**

The agrarian reform Department's Inventory of CARP Scope (ICS) shows a net balance of 1,077,598 hectares of land which remains to be distributed beyond 2008. The ICS results have been approved in PARC Executive Resolution No. 2006-101-102. While this figure on net balance is invariably lower or higher than the figures released by senior DAR officials through media interviews, budget hearings in both Houses of Congress, press releases and dialogues with civil society organizations, accounts on the net LAD balance point to a significant area of agricultural lands.

### **CARP has positive impact**

Some sectors may question the relevance and impact of CARP but studies show that the Program has, among others "positive impact in the social, economic, and political well being of farmer beneficiaries."<sup>4</sup>

This body is invited to consider the encouraging findings in the recently concluded CARP Impact Assessment (Phase II), which is a package of three integrated studies, namely:

- a) A micro level study of the University of the Philippines Los Banos (UPLB) Foundation, Inc., College of Economics and Management (CEM) of the UPLB and College of Public Affairs (CPAF) of the UPLB;
- b) A meso level study by the University of the Philippines Los Banos (UPLB) Foundation, Inc., College of Economics and Management (CEM) of the UPLB and College of Public Affairs (CPAF) of the UPLB;
- c) A STUDY BY THE Asia-Pacific Policy Center (APPC) on the macro and poverty reduction impact of CARP.

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<sup>4</sup> An Assessment of the Comprehensive Agrarian Reform Program and its Impacts on Rural Communities II: Micro Perspective, Final Report, 09.13.07, Prudenciano U. Gordoncillo, et al

These are some of the more significant findings of the Impact Assessment:

- There was a considerable increase in real income per capita of agrarian reform beneficiaries (ARBs) within the period parameters of the study. Within said period, too, the ARBs accumulated more assets than non-ARBs and invested more on their farms relative to non-ARBs (it was found that the value of farm assets of ARBs is 60 percent higher than that of the non-ARBs).
- The ARBs quality of living had improved and the amenities available to them are better than that of the non-ARBs. The ARBs enjoy greater access to electrical power and potable water compared to non-ARBs. Sanitary conditions among ARBs have improved. The satisfaction level to peace and order had also increased among ARBs from 79 percent in 1990 to 87 percent in 2007.
- Etc.

## 5. On the Amount of Further Appropriations for CARP and Funding Sources

The bills under consideration all propose additional appropriations for CARP implementation even as the amounts sought for this purpose significantly vary.

It is the fundamental that the budgetary appropriations requested should be sufficient for all the needs of the program.

The Presidential Agrarian Reform Committee (PARC) Executive Committee has already made a projection on how much is needed to “complete CARP.” In a Resolution dated February 5, 2007 (Resolution No. 2007-107-01)<sup>5</sup>, the committee certified that Three Hundred Twenty Seven Billion Two Hundred Ninety Five Billion Sixty Nine Million Three Hundred Eighty Eight Pesos PhP 327,295,069,388.00 budgetary allocation<sup>6</sup> for the CARP is required to complete the program. While none of the pending bills has adopted said budget estimates of the PARC Executive Committee, we recommend that the said figures be given great weight, if not adopted by Congress. Definitely, these estimates should be the starting point of the discussions relative to further appropriations for the agrarian reform program – considering that the PARC (which includes the President) is the highest executive policy making body as far as CARP implementation is concerned.

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<sup>5</sup> Resolution Approving the General Policies, Proposed Plans and Budgetary Projections for the Implementation of the Comprehensive Agrarian Reform Program Beyond CY 2008.

<sup>6</sup> Breakdown:

Land Tenure Improvement	=	PhP 241,099,609,420.00
Agrarian Justice Delivery	=	PhP 8,153,626,861.00
Program Beneficiaries Development	=	PhP 78,041,833,107
Total	=	PhP327,295,069,388.00

Ultimately, the **appropriation provision** of the “CARP beyond 2008 law” must indicate an amount that would be **truly reflective of the needs of the program and its stakeholders**. The Committee on Agrarian Reform must vigilantly coordinate with the PARC, so that the amount to be appropriated will be sufficient to sustain the program and improve the lives of its stakeholders.

## 6. **On the proposals for an Increased Share of CARP in the GAA**

We support specific proposals that call for increasing the share of CARP in the annual general appropriations of government. As we have consistently asserted, increasing the share of the CARP in the annual general appropriations (through the General Appropriations Act) is both desirable and justified. In fact, due to the critical value of the program, and given the “end-game” stage of its implementation, it would be best if all of CARP’s funding requirements be assured through the GAA. This would truly guard against funding instabilities that have all too often been cited by CARP implementers as a one of the major culprits for the low performance, principally in the land acquisition and distribution component, of the agrarian reform program. If this is not possible, then a substantial increase in the share in the annual general appropriations must be asserted and defended.

## 7. **On the proposals for Increased Funding for Support Services and Establishment of More ARCs**

From the outset of the discussions on the post-2008 CARP question, IDEALS has been consistent in clamoring for enhanced delivery of support and other services for our agrarian reform beneficiaries (ARBs). The fundamental considerations for this are as follows: (1) the insufficiency of the quality and quantity of beneficiary and support services given to ARBs; (2) the fact that there are ARBs who have lost the lands awarded to them and many are still in danger of losing their lands, with the general lack of support and other services for making their lands productive and/or economically viable, being a major contributory cause to such loss (as such, CARP reversals are not merely due to CLOA cancellations and exemptions); and (3) the fact that, despite the shortcomings of the program, the number of ARBs in the country is significant and increasing. **These engender our agreement to the proposals for the increase in the allocation for ARB support services from the total CARP appropriation.**

Support service delivery to ARBs is an essential component of the country’s agrarian reform program. The concept is that it is not enough for the State to distribute lands; the State must ensure that these lands continue to be productive and/or economically viable and that the beneficiaries are given access to the

support mechanism that can make this possible in order for the gains of CARP to be sustained.

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

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

As to the establishment of more agrarian reform communities (ARCs), we endorse the same for as long as that sufficient and efficient support services and beneficiary development programs are respectively provided and implemented in non-ARC areas. Insofar as the merits of the ARC program/ model is concerned, the pertinent results of the CARP I-A II are very encouraging. The Congress is invited to give substantial consideration to the same.

## **8. Creation of an Oversight Committee**

One or two bills propose the creation of an Oversight Committee composed of three (3) representatives each from the Senate and the House of Representatives and 3 each from the DAR, the Department of Agriculture (DA), and the Department of Environment and Natural Resources (DENR) to ensure the sustainability of the agrarian reform program. We support the proposal even as one should not lose sight of the fact, that regardless of an enabling law, Congress

has inherent oversight functions over agencies of government in relation to how pieces of legislation have been or are being implemented. Budget deliberations, hearings, congressional investigations, approval of presidential appointments, are among the venues for this purpose.

In any case, the call for the creation of a joint executive-legislative committee is a welcome proposal. Among the reasons for this view are: (1) In general, it gives due emphasis to the significance of agrarian reform and the need to ensure its sustainability; and (2) on a technical level, it will better ensure the flow of information on the efficiency and quality of implementation of agrarian laws -- to include the matter of fund expenditure for the same -- from the concerned executive bodies.

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

**IDEALS will be submitting additional Position Papers tackling other specific proposals in the bills pending before Congress.**