
The Comprehensive Agrarian Reform Program: Scenarios and Options for Future Development

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List of Acronyms

ACA	Agricultural Credit Administration
ADR	Alternative Dispute Resolution
AED	Agriculture and Enterprise Development
AFMA	Agriculture and Fisheries Modernization Act
AJD	Agrarian Justice Delivery
AJF	Agrarian Justice Fund
AIMS	ARB Information and Monitoring System
ALA	Agrarian Legal Assistance
ALDA	ARC Level of Development Assessment
ALI	Agrarian Law Implementation
AO	Administrative Order
APC	Agricultural Productivity Commission
APFU	Application to Purchase and Farmer's Undertaking
APRED	Agricultural Productivity and Rural Enterprise Development
APT	Asset Privatization Trust
AR	Agrarian Reform
ARB	Agrarian Reform Beneficiary
ARC	Agrarian Reform Community
ARCDP	Agrarian Reform Communities Development Project
ARISP	Agrarian Reform Infrastructure Support Project
ARF	Agrarian Reform Fund
ARMM	Autonomous Region of Muslim Mindanao
ARPT	Agrarian Reform Program Technologies
ARR	Agrarian Reform Receivables
ASP	Approved Subdivision/Survey Plan
AusAID	Australian Assistance for International Development
BALA	Bureau of Agrarian Legal Assistance
BDCD	Beneficiaries Development Coordination Division
BARBD	Bureau of Agrarian Reform Beneficiaries Development
BARIE	Bureau of Agrarian Reform Information and Education
BARC	Barangay Agrarian Reform Committee
BIARSP	Belgian Integrated Agrarian Reform Support Program
BIT	Barangay Implementing Team
BLAD	Bureau of Land Acquisition Distribution
BLD	Bureau of Land Development
BP	Batas Pambansa
BSP	Bangko Sentral ng Pilipinas
BSS	Basic Social Services
BWC	Barangay Workshop Consultation
CA	Compulsory Acquisition
CAP-PBD	Credit Assistance Program for Program Beneficiaries Development
CAR	Court of Agrarian Relations
CARL	Comprehensive Agrarian Reform Law
CARP	Comprehensive Agrarian Reform Program

CARPO	Chief Agrarian Reform Program Officer
CARP-IA	Comprehensive Agrarian Reform Program-Impact Assessment
CADP	Comprehensive Area Development Plan
CBC	CARP Beneficiary Certificate
CBU	Capital Build-Up
CDA	Cooperative Development Authority
CDD	Community-Driven Development
CD/TA	Community Development/Technical Assistance
CENRO	Community Environment and Natural Resources Office
CF	Claim Folder
CGFAL	CARP-Credit Guarantee Fund for Agricultural Landowners
CIDS	Community and Institutional Development Support
CIDSS	Comprehensive and Integrated Delivery of Support Services
CIS	Communal Irrigation System
CLOA	Certificate of Land Ownership Award
CLT	Certificate of Land Transfer
CLUP	Comprehensive Land Use Plan
CMARPRP	Community Managed Agrarian Reform and Poverty Reduction Project
COARRD	Community Organizing For Agrarian Reform-Rural Development
COD	Certificate of Deposit
CPVPD	Claims Processing, Valuation and Payment Division
CSC	Civil Service Commission
DA	Department of Agriculture
DAR	Department of Agrarian Reform
DARAB	Department of Agrarian Reform Adjudication Board
DARBCI	DOLE Agrarian Reform Beneficiaries Cooperative Inc.
DARCO	Department of Agrarian Reform Central Office
DARD	Department of Agriculture and Rural Development
DARMO	Department of Agrarian Reform Municipal Office
DARPO	Department of Agrarian Reform Provincial Office
DARRO	Department of Agrarian Reform Regional Office
DAR-LBP PPU	DAR-LBP Pre-Processing Unit
DBM	Department of Budget Management
DBP	Development Bank of the Philippine
DENR	Department of Environment and Natural Resources
DF	Development Facilitator
DLR	Department of Land Reform
DNYP	Lands Distributed but Not Yet Paid
DOE	Department of Energy
DOF	Department of Finance
DOJ	Department of Justice
DOLE	Department of Labor and Employment
DPWH	Department of Public Works and Highways
DRD	Department of Rural Development
DTI	Department of Trade and Industry
ECA	Environmentally Critical Area
ECOPISS	Economic and Physical Infrastructure Support Services

EO	Executive Order
EP	Emancipation Patent
EU-STARCM	European Union - Support to Agrarian Reform Communities in Central Mindanao
FAO	Food and Agriculture Organization
FAP	Foreign Assisted Project
FAPSO	Foreign Assisted Projects Office
FAR	Farmer's Advance Remittance
FB	Farmer Beneficiaries
FIR	Field Investigation Report
FSD	Farming System Development
FMR	Farm-to-market Road
FMS	Forest Management Services
GAA	General Appropriations Act
GAD	Gender and Development
GDP	Gross Domestic Price
GFI	Government Financial Institution
GMA	Gulayan ng Magsasakang Agraryo
GSP	Government Support Price
GTZ	German Technical Assistance
HLURB	Housing and Land Use Regulatory Board
IADA	Integrated Area Development Approach
IA	Implementing Agency
IAS	Internal Audit Staff
ICS	Inventory of CARP scope
IGP	Income Generating Project
IOMG	Infrastructure Operation and Maintenance Group
IP	Indigenous People
IPM	Integrated Pest Management
IRA	Internal Revenue Allotment
ISF	Integrated Social Forestry
IVAS	Inspection, Verification and Approval Surveys
JEE	Joint Economic Enterprises
JMC	Joint Memorandum Circular
KALAH I	Kapit-Bisig Laban sa Kahirapan
KARZones	KALAH I Agrarian Reform Zones
KKB	Kapangyarihan at Kaunlaran sa Barangay
KKK	Kilusang Kabuhayan para sa Kaunlaran
KFC	KALAH I Farmers' Center
LA	Land Acquisition
LAA	Land Administration Authority
LAD	Land Acquisition and Distribution
LAPD	Landowners Assistance and Policy Department
LBP	Land Bank of the Philippines
LBP-AOC	LBP Agrarian Operations Center
LBP CPVPD	LBP Claims Processing, Valuation and Payment Division
LCAP	Livelihood Credit Assistance Program
LDIS	Land Distribution Information Schedule

LDF	Land Distribution Folder
LDIS	Land Distribution Information Schedule
LEAP	Livelihood and Enterprise Assistance Program
LGU	Local Government Unit
LHO	Leasehold Operation
LMS	Land Management Services
LO	Landowner
LR	Land Reform
LRA	Land Registration Authority
LTi	Land Tenure Improvement
LUPA	Land Use Policy Administration
LVLCO	Land Valuation and Landowners Compensation Office
LVW	Land Valuation Worksheet
MAO	Municipal Agricultural Office
MAP	Marketing Assistance Program
MARO	Municipal Agrarian Reform Officer
MES	Monitoring and Evaluation System
MEX	Municipal Extension
MIS	Management Information System
MO	Municipal Office
MOE	Maintenance and Operating Expenses
MOV	Memorandum of Valuation
MTC	Municipal Trial Court
MTPDP	Medium Term Philippine Development Plan
NCA	Notice of Cash Allocation
NCIP	National Commission on Indigenous People
NDC	National Development Company
NG	National Government
NGO	Non Government Organization
NIA	National Irrigation Administration
NIPAS	National Integrated Protected Area System
NIT	National Implementing Team
NLRC	National Labor Relations Commission
NLSF	National Livelihood Support Fund
NLVA	Notice of Land Valuation and Acquisition
NOC	Notice of Coverage
NRM	Natural Resource Management
NSCB	National Statistics Coordination Board
OCI	Ocular Inspection
ODA	Official Development Assistance
ODC	Owner's Duplicate Copy
OM	Organizational Maturity
OLT	Operation Land Transfer
OS	Operational Support
PAO	Provincial Agricultural Office
PAP	Participatory Action Plan
PARAD	Provincial Agrarian Reform Adjudicator Division
PARC	Presidential Agrarian Reform Council

PARCCOM	Provincial Agrarian Reform Coordinating Committee
PARC	Excom PARC Executive Committee
PARFUND	People's Agrarian Reform Foundation for National Development
PARO	Provincial Agrarian Reform Officer
PAS	Public Affair Staff
PATSARRD	Philippine Australia Technical Support to Agrarian Reform and Rural Development
PBD	Program Beneficiaries Development
PCA	Philippine Coconut Authority
PCUP	Presidential Commission on the Urban Poor
PCGG	Presidential Commission on Good Government
PD	Presidential Decree
PDAP	Philippine Development Assistance Program
PDMS	Project Development Management Services
PEX	Provincial Extension
PHF	Post Harvest Facilities
PIT	Provincial Implementing Team
PLO	Paralegal Officer
PMME	Participatory Management, Monitoring and Evaluation
PMS	Performance Management System
PNB	Philippine National Bank
PO	People's Organization
PPLAO	Policy Planning and Legal Affairs Office
PS	Planning Service
PSRS	Policy and Strategic Research Service
RA	Republic Act
RARAD	Regional Agrarian Reform Adjudication Division
RD	Regional Director
ROD	Register of Deeds
RPEP	Rice Production Enhancement Program
RPSP	Rice Price Support Program
RTC	Regional Trial Court
SA	Sustainable Agriculture
SAC	Special Agrarian Court
SAFDZ	Strategic Agriculture and Fisheries Development Zone
SALT	Sloping Agricultural Land Technology
SARO	Special Allotment Release Order
SARDIC	Support to Asset Reform Through the Comprehensive Agrarian Reform Program Development of Indigenous Communities
SARED	Sustainable Agri-based Rural Enterprise Development
SARPT	Senior Agrarian Reform Program Technologist
SCS	Special Concerns Staff
SDO	Stock Distribution Option
SEC	Securities and Exchange Commission
SRA	Social Reform Agenda
SSCI	Support Services Coordination and Integration
STARCM	Support to Agrarian Reform Communities in Central Mindanao
SSD	Support Services Delivery

SWIP	Small Water Impounding Projects
TCT	Transfer Certificates of Title
TEV	Travel Expense Voucher
TSARRD	Technical Support to Agrarian Reform and Rural Development
TRO	Temporary Restraining Order
UTF	Universal Trust Fund
WFP	Work and Financial Plan
VLT	Voluntary Land Transfer
VLT/DPS	Voluntary Land Transfer/Direct Payment Scheme
VOS	Voluntary Offer to Sell
WB	World Bank

PREFACE

The Comprehensive Agrarian Reform Program (CARP) is now into its 18th year of implementation. Since the Comprehensive Agrarian Reform Law was passed in June of 1988, land asset reform in the Philippines has been going through full throttle implementation, with the program scope of land distribution already achieving 85% completion as of 31st December 2005. With an average annual funding of PhP5.47 billion from the Agrarian Reform Fund (ARF) and the General Appropriations Act, land acquisition and distribution has been going at a pace of 181,993 hectares per year on the average, currently hitting 3.639 million hectares of the program scope and benefiting 2.129 million farmer beneficiaries, at a total cost of PhP103.934 billion pesos thus far.

Given these statistics, the imminence of the completion of the land acquisition and distribution (LAD) phase of the Comprehensive Agrarian reform Program compels planning and scenario building for the post-LAD period. The extent of public investment on land asset reform and the findings of the Impact Assessment Studies on the CARP which show a differential impact on the lives of farmer beneficiaries lends imperative for government to continue its efforts to build on and sustain the gains that have so far been achieved in the area of agricultural growth through the distribution of assets and incomes under the agrarian reform program.

Government continues to advocate for improved rural welfare through the reduction of poverty in the countryside induced by a continuing growth of the agricultural sector and its resulting impact on the non-farm sector. It has been postulated that there is a direct link between agricultural growth and the development of the non-farm sector. Sustained rural poverty reduction hinges on the response of the rural non-farm sector to the stimulus provided by agricultural productivity that may be brought about by the distribution of assets and incomes, the macroeconomic and political environment, and public investment in infrastructure and human capital. The CARP has, hitherto, worked along these requisites of agricultural growth through land acquisition and distribution and the provision of support services to the country's landless farmers, providing programs for social infrastructure and local capability building, sustainable agribusiness and rural enterprise development, efficient technology transfer, rural infrastructure such as farmer to market roads, communal irrigation projects, bridges and pre/post harvest facilities. As of the end of the year 2005, PhP 24.02 billion has been invested in rural infrastructure alone to boost agricultural growth.

The Philippines has been implementing agrarian reform and its corollary support services for program beneficiaries under the Comprehensive Agrarian Reform Law of 1988 for 18 years now, with government pouring in massive investments. Beyond the directory 10-year period of its funding and implementation under R.A. No 8532, CARP after 2008 is envisaged to transcend land distribution to landless tillers of agricultural lands and serve as the foundation for the continuing impetus for agricultural growth that is in turn envisaged to facilitate and serve as the springboard for industrialization and economic development. The Comprehensive Agrarian Reform Program was made the centerpiece of government in 1987 by the administration of then President Aquino. It was a gigantic move that broadened the coverage of land reform from that limited to rice and corn lands to a more comprehensive scope that now includes all public and private agricultural lands regardless of tenurial arrangement and commodity produced. Beneficiary qualifications under the CARP are no longer limited to share tenants and agricultural lessees as in previous agrarian reform programs in

the Philippines, but currently span the entire spectrum of agricultural workers or tillers of the land, whether they be regular or seasonal farmworkers, actual tillers or occupants of public lands, or other farmhands working the land.

The Department of Agrarian Reform is currently laying the groundwork for maintaining the role and input of asset reform in the continuum of agricultural growth and poverty reduction towards the end goal of industrialization and economic development. Through the funding assistance of the German Technical Cooperation (GTZ), the conduct of the Post LAD study is one of the undertakings of the DAR geared towards using past experience and projected scenarios in charting the course that government is to take in ensuring that progress will continue along the lines of the gains of land distribution and the provision of support services to agrarian reform beneficiaries. These post LAD scenarios are an effort to provide options that may address the changing rural landscape and the emerging issues and policy requirements of the post land acquisition and distribution period. Unequivocally, there is much to be done in accelerating the completion of land reform and thereafter, addressing the second generation developments and needs which the agrarian reform beneficiaries will face in time.

The Post LAD study partakes of the various initiatives of government to preface the completion of the land tenure improvement phase of the agrarian reform program and that of the continuing efforts to transform the rural areas into the situs for the country's economic development through agricultural growth.

MARTHA CARMEL C. SALCEDO

Director for Policy and Research

Department of Agrarian Reform

MESSAGES



The Post-Land Acquisition and Distribution (LAD) study is a significant undertaking between the Department of Agrarian Reform (DAR) and the German Technical Cooperation (GTZ). This study commenced in June 2005 after the management of the DAR saw the need for a study that would explore various options on actions to be taken after the projected completion of land acquisition and distribution (LAD) in 2008.

The implementation of CARP under the 2004-2010 Medium-Term Philippine Development Plan (MTPDP) has been repackaged to contribute significantly to the achievement of the President Gloria Macapagal-Arroyo's priority agenda, particularly in job creation and the delivery of social justice and basic needs for the rural poor. Government's goal under the MTPDP is to "transform landless farmers and farmworkers into a new class of responsible, progressive, asset-owning farmer-rural entrepreneurs, creating millions of jobs for the rapidly growing rural labor force, trail-blazing the equitable distribution of income, and contributing significantly to national economic growth."

In preparation for the completion of LAD under the CARP, the DAR considers it an urgent need to plan for the post-LAD agenda in terms of the policy framework, legislative amendments, institutional changes and programs that must be put in place to ensure the sustainability of the gains of asset reform and the support interventions that have already been extended to ARBs. At present, there are specific areas in the country where LAD has already been completed, and second generation problems are being experienced and this trend is expected to snowball after the total CARP scope is achieved.

The Post-LAD study is one of the preparatory undertakings of the DAR to address the current implementation issues on the imperatives for accelerating land acquisition distribution and the emerging issues and concerns on CARP lands already distributed to farmer beneficiaries. The study provides specific recommendations on how to accelerate the coverage of lands under the compulsory acquisition (CA) and the options that the DAR may consider in charting the directions of CARP in the post-LAD period, to include the participative role of the CARP implementing agencies, local government units, civil society, and the private sector in this phase of asset reform.

I would like to express our appreciation to the Federal Republic of Germany and the German Technical Cooperation (GTZ) for funding the conduct of this study and the technical expertise they have provided. Likewise, I wish to commend the members of the study team in the fields of institutional development, land tenure improvement, program beneficiary development and agrarian justice for their in-depth analysis of the various components of CARP.

I believe that the study results will provide significant inputs to the Department and other CARP stakeholders in charting the post-LAD agenda and policy directions towards sustaining of the gains in asset reform and support service interventions extended to the ARBs.

NASSER C. PANGANDAMAN
Secretary

In recent years the German Technical Cooperation has steadily intensified its activities, programs, projects and studies that aim at improving access to land of landless rural people. It has organized in regular intervals national fora and international conferences to review the experiences in land tenure changes in developing countries and in countries in transition. In view of the importance of land policies for the alleviation of rural poverty which is one of its main priorities, GTZ responded favourably to the request of the Department of Agrarian Reform to provide logistical, advisory and funding support for the present study.

The implementation of the Comprehensive Agrarian Reform Program which started in 1988 has now, 18 years later reached a phase during which a major component, land acquisition and distribution, will in the near future be completed. The reform has made a positive impact on the rural society. It has improved the well being of the rural population and contributed to socio-economic stability in the country side. Some two million formerly landless peasants have received a piece of land of their own and about one million tenants were provided with secure tenure conditions.

The reform covered a wide spectrum of activities: identification of land owners and beneficiaries, land survey and registration, land valuation and compensation, land distribution, legal advice and the provision of supporting services. As more than 80 percent of the acquisition and distribution targets have been achieved, the time has come to reflect whether the Department of Agrarian Reform should continue to operate, and if so, for which tasks, or whether other agencies are better suited to assist the beneficiaries and the farming community as a whole.

The present study explores various scenarios of different institutional arrangements for a post land acquisition and distribution period. It was conducted by five agrarian reform specialists who were supported by a project manager and a steering committee. They reviewed the process of implementation of the reform, identified bottlenecks and constraints and appraised the strengths and opportunities of reform beneficiaries and communities. Their findings constitute the first part of the report. It provides a critical, but honest analysis of the implementation of the reform.

The second part contains a number of workable approaches that could be undertaken to safeguard the gains of the reform and at the same time contribute to sustainable development of the whole farming community.

The initial findings of the consultants and their recommendations were presented at five regional conferences and one national workshop. They were attended by some 280 representatives of government and civil society. The consultants considered the views expressed at these meetings and incorporated them to the extent feasible in the final version. Director Martha Carmel Salcedo of the Policy and Strategic Research Service of DAR and her staff followed the various stages of report preparation and offered valuable comments on earlier drafts, without, however, interfering in the conceptual work of the consultants.

The options proposed will require legislative and institutional changes. They may also imply the reduction of staff of DAR and the implementing agencies, but whatever decision will finally be taken, the government would be well advised to make full use of the experience of the motivated agrarian reform specialists and administrators at headquarters and in the field.

GTZ wishes to express its gratitude for the willing and friendly cooperation of all colleagues who contributed to the preparation of this study. It is hoped that this analysis of the Comprehensive Agrarian Reform Program and the options proposed for future development will facilitate the decision-making process to arrive at a conclusion which will sustain the gains of the reform and lead to sustainable rural development in the Philippines.

ANDREAS KANZLER
Country Director

More than 18 years ago, in June 1988 President Corazon Aquino signed the Comprehensive Agrarian Reform Law and thus laid the foundation for the implementation of the Comprehensive Agrarian Reform Program. The law was passed after nearly a year of heated discussions in Congress. It was passed after the killing of 19 peasants who were members of a demonstration of 15 000 peasants asking for a meeting with the President and under the subsequent pressure of a coalition of 13 major farmers' organizations who had formed a powerful umbrella group, the Congress for a People's Agrarian Reform, consisting of one and a half million members.

The implementation of the reform did not go smoothly and met, as in other countries implementing an agrarian reform, strong resistance from large landowners. Some used their political influence to prevent confiscation, while others tried to circumvent the reform by illegal land transfers, land use conversion and other illegal means. Furthermore, the landlord dominated Congress delayed persistently the allocation of funds for the implementation of the program.

Yet, despite many obstacles the Department of Agrarian Reform (DAR) and its cooperating agencies have accomplished many of their objectives. Some 2 million landless farmers have received a plot of land of their own and about 1 million tenants were given secure tenancy conditions. The reform has improved the wellbeing of the rural society and contributed to socio-economic stability in the countryside. With a coverage of about 40 percent of the rural population and 75 percent of all cultivable land the reform can be considered as one of the most successful in recent times. While some large latifundia are still to be covered, the time has come to reflect about the future role of the Department and its staff once the land acquisition and distribution component of the reform has been completed, i.e. in the post land acquisition and distribution (post LAD) period.

As the experience in the Philippines and in other countries has shown the mere allocation of land to reform beneficiaries is not sufficient. In order to become successful they have to be provided with supporting services. In the past they were, to a large extent, supplied by the Department of Agrarian Reform. However, if a main part of its activities comes to an end, the question arises whether there is still need for DAR and if so, for which tasks, or whether other actors are better suited to carry out the remaining activities. In this state of affairs the Department became aware of the need for a study which would review various institutional options for supporting reform beneficiaries and the rural community as a whole.

The Department approached the German Technical Cooperation (GTZ) to assist in the preparation of such a study. GTZ has, for more than 30 years, cooperated with the Government of the Philippines in implementing its development programs. It has given special emphasis to economic reforms and poverty alleviation. In recognition of the importance of maintaining the gains of the reform for the alleviation of rural poverty GTZ responded favourably to the request.

In consultation with the Director of the Policy and Strategic Research Service, Mrs. Martha Carmel Salcedo, GTZ commissioned five agrarian reform specialists and a project manager to conduct the study. A steering committee composed of DAR and GTZ was responsible for the coordination of the study.

The consultants prepared an analysis of the various components of the program and made proposals for agricultural and rural development in a period after land acquisition and distribution. In order to validate their preliminary findings and conclusions GTZ organized regional consultations in Davao, Cebu, Zamboanga, Baguio and San Fernando and a national workshop in Metro Manila. The meetings provided an open forum for discussions among representatives of government and civil society about the future of CARP, DAR and its cooperating agencies. The views expressed in these meetings were considered by the consultants and as far as feasible incorporated in the study. Director Salcedo and her staff followed the various stages of report preparation and offered valuable comments on earlier drafts, without, however, interfering in the conceptual work of the consultants.

In order to provide necessary background information which is needed for the understanding and justification of the various options proposed, the book traces in its first part the events that characterized the implementation of the program and describes in several sub-chapters its main components. It appraises program accomplishments and impact. It analyses shortcomings and constraints in its implementation. Each sub-chapter pinpoints lessons learned and identifies components which require further interventions.

In the second part of the book the consultants provide several options for institutional change for the future development of the rural community and give special emphasis to the role of the Department of Agrarian Reform and its specialized units. On the basis of their analysis in the first part of the study they propose a number of recommendations which the government may consider in order to safeguard the achievements of the reform. In this context it is proposed that full use should be made of the experience of the able and motivated staff of DAR, both in the field and in headquarters.

On the other hand it is important to realize that agrarian reform and rural development cannot be achieved by government interventions alone. While the government can provide the general legal framework, sustainable rural development requires the active participation of local level self-help groups, autonomous peasant organizations and NGOs.

GTZ hopes that the present book will be a useful contribution to the ongoing process of identifying appropriate institutional structures that are suited to create a prosperous and harmonious rural society.

PETER KELLER
Senior Advisor and Team Leader
Environment and Rural Development (EnRD) Program
GTZ