

**Republic of the Philippines
Congress of the Philippines
Metro Manila**

**Fourteenth Congress
Third Regular Session**

Begun and held in Metro Manila, on Monday, the twenty-seventh day of July, two thousand nine.

Republic Act No. 9700 August 7, 2009

**AN ACT STRENGTHENING THE COMPREHENSIVE AGRARIAN REFORM PROGRAM (CARP),
EXTENDING THE ACQUISITION AND DISTRIBUTION OF ALL AGRICULTURAL LANDS,
INSTITUTING NECESSARY REFORMS, AMENDING FOR THE PURPOSE CERTAIN
PROVISIONS OF REPUBLIC ACT NO. 6657, OTHERWISE KNOWN AS THE COMPREHENSIVE
AGRARIAN REFORM LAW OF 1988, AS AMENDED, AND APPROPRIATING FUNDS
THEREFOR**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress
assembled::*

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

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

"The State shall promote industrialization and full employment based on sound agricultural development and agrarian reform, through industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets: *Provided*, That the conversion of agricultural lands into industrial, commercial or residential lands shall take into account, tillers' rights and national food security. *Further*, the State shall protect Filipino enterprises against unfair foreign competition and trade practices.

"The State recognizes that there is not enough agricultural land to be divided and distributed to each farmer and regular farmworker so that each one can own his/her economic-size family farm. This being the case, a meaningful agrarian reform program to uplift the lives and economic status of the farmer and his/her children can only be achieved through simultaneous industrialization aimed at developing a self-reliant and independent national economy effectively controlled by Filipinos.

"To this end, the State may, in the interest of national welfare or defense, establish and operate vital industries.

"A more equitable distribution and ownership of land, with due regard to the rights of landowners to just compensation, retention rights under Section 6 of Republic Act No. 6657, as amended, and to the ecological needs of the nation, shall be undertaken to provide farmers and farmworkers with the opportunity to enhance their dignity and improve the quality of their lives through greater productivity of agricultural lands.

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

"As much as practicable, the implementation of the program shall be community-based to assure, among others, that the farmers shall have greater control of farmgate prices, and easier access to credit.

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

"The State shall recognize and enforce, consistent with existing laws, the rights of rural women to own and control land, taking into consideration the substantive equality between men and women as qualified beneficiaries, to receive a just share of the fruits thereof, and to be represented in advisory or appropriate decision-making bodies. These rights shall be independent of their male relatives and of their civil status.

"The State shall apply the principles of agrarian reform, or stewardship, whenever applicable, in accordance with law, in the disposition or utilization of other natural resources, including lands of the public domain, under lease or concession, suitable to agriculture, subject to prior rights, homestead rights of small settlers and the rights of indigenous communities to their ancestral lands.

"The State may resettle landless farmers and farm workers in its own agricultural estates, which shall be distributed to them in the manner provided by law.

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

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

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

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

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

Section 2. Section 3 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 3. *Definitions.* - For the purpose of this Act, unless the context indicates otherwise:

"x x x

"(f) Farmer refers to a natural person whose primary livelihood is cultivation of land or the production of agricultural crops, livestock and/or fisheries either by himself/herself, or primarily with the assistance of his/her immediate farm household, whether the land is owned by him/her, or by another person under a leasehold or share tenancy agreement or arrangement with the owner thereof.

"x x x

"(1) Rural women refer to women who are engaged directly or indirectly in farming and/or fishing as their source of livelihood, whether paid or unpaid, regular or seasonal, or in food preparation, managing the household, caring for the children, and other similar activities."

Section 3. Section 4 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 4. *Scope.* -The Comprehensive Agrarian Reform Law of 1988 shall cover, regardless of tenurial arrangement and commodity produced, all public and private agricultural lands as provided in Proclamation No. 131 and Executive Order No. 229, including other lands of the public domain suitable for agriculture: *Provided*, That landholdings of landowners with a total area of five (5) hectares and below shall not be covered for acquisition and distribution to qualified beneficiaries.

"More specifically, the following lands are covered by the CARP:

"(a) All alienable and disposable lands of the public domain devoted to or suitable for agriculture. No reclassification of forest or mineral lands to agricultural lands shall be undertaken after the approval of this Act until Congress, taking into account ecological, developmental and equity considerations, shall have determined by law, the specific limits of the public domain;

"(b) All lands of the public domain in excess of the specific limits as determined by Congress in the preceding paragraph;

"(c) All other lands owned by the Government devoted to or suitable for agriculture; and

"(d) All private lands devoted to or suitable for agriculture regardless of the agricultural products raised or that can be raised thereon.

"A comprehensive inventory system in consonance with the national land use plan shall be instituted by the Department of Agrarian Reform (DAR), in accordance with the Local Government Code, for the purpose of properly identifying and classifying farmlands within one (1) year from effectivity of this Act, without prejudice to the implementation of the land acquisition and distribution."

Section 4. There shall be incorporated after Section 6 of Republic Act No. 6657, as amended, new sections to read as follows:

"SEC. 6-A. *Exception to Retention Limits.* - Provincial, city and municipal government units acquiring private agricultural lands by expropriation or other modes of acquisition to be used for actual, direct and exclusive public purposes, such as roads and bridges, public markets, school sites, resettlement sites, local government facilities, public parks and barangay plazas or squares, consistent with the approved local comprehensive land use plan, shall not be subject to the five (5)-hectare retention limit under this Section and Sections 70 and 73(a) of Republic Act No. 6657, as amended: Provided, That lands subject to CARP shall first undergo the land acquisition and distribution process of the program: Provided, further, That when these lands have been subjected to expropriation, the agrarian reform beneficiaries therein shall be paid just compensation."

"SEC. 6-B. *Review of Limits of Land Size.* - Within six (6) months from the effectivity of this Act, the DAR shall submit a comprehensive study on the land size appropriate for each type of crop to Congress for a possible review of limits of land sizes provided in this Act."

Section 5. Section 7 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 7. *Priorities.* - The DAR, in coordination with the Presidential Agrarian Reform Council (PARC) shall plan and program the final acquisition and distribution of all remaining unacquired and undistributed agricultural lands from the effectivity of this Act until June 30, 2014. Lands shall be acquired and distributed as follows:

"Phase One: During the five (5)-year extension period hereafter all remaining lands above fifty (50) hectares shall be covered for purposes of agrarian reform upon the effectivity of this Act. All private agricultural lands of landowners with aggregate landholdings in excess of fifty (50) hectares which have already been subjected to a notice of coverage issued on or before December 10, 2008; rice and corn lands under Presidential Decree No. 27; all idle or abandoned lands; all private lands voluntarily offered by the owners for agrarian reform: *Provided*, That with respect to voluntary land transfer, only those submitted by June 30, 2009 shall be allowed *Provided, further*, That after June 30, 2009, the modes of acquisition shall be limited to voluntary offer to sell and compulsory acquisition: *Provided, furthermore*, That all previously acquired lands wherein valuation is subject to challenge by landowners shall be completed and finally resolved pursuant to

Section 17 of Republic Act No. 6657, as amended: *Provided, finally*, as mandated by the Constitution, Republic Act No. 6657, as amended, and Republic Act No. 3844, as amended, only farmers (tenants or lessees) and regular farmworkers actually tilling the lands, as certified under oath by the Barangay Agrarian Reform Council (BARC) and attested under oath by the landowners, are the qualified beneficiaries. The intended beneficiary shall state under oath before the judge of the city or municipal court that he/she is willing to work on the land to make it productive and to assume the obligation of paying the amortization for the compensation of the land and the land taxes thereon; all lands foreclosed by government financial institutions; all lands acquired by the Presidential Commission on Good Government (PCGG); and all other lands owned by the government devoted to or suitable for agriculture, which shall be acquired and distributed immediately upon the effectivity of this Act, with the implementation to be completed by June 30, 2012;

"Phase Two: (a) Lands twenty-four (24) hectares up to fifty (50) hectares shall likewise be covered for purposes of agrarian reform upon the effectivity of this Act. All alienable and disposable public agricultural lands; all arable public agricultural lands under agro-forest, pasture and agricultural leases already cultivated and planted to crops in accordance with Section 6, Article XIII of the Constitution; all public agricultural lands which are to be opened for new development and resettlement: and all private agricultural lands of landowners with aggregate landholdings above twenty-four (24) hectares up to fifty (50) hectares which have already been subjected to a notice of coverage issued on or before December 10, 2008, to implement principally the rights of farmers and regular farmworkers, who are landless, to own directly or collectively the lands they till, which shall be distributed immediately upon the effectivity of this Act, with the implementation to be completed by June 30, 2012; and

"(b) All remaining private agricultural lands of landowners with aggregate landholdings in excess of twenty-four (24) hectares, regardless as to whether these have been subjected to notices of coverage or not, with the implementation to begin on July 1, 2012 and to be completed by June 30, 2013;

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

"(a) Lands of landowners with aggregate landholdings above ten (10) hectares up to twenty-four (24) hectares, insofar as the excess hectareage above ten (10) hectares is concerned, to begin on July 1, 2012 and to be completed by June 30, 2013; and

"(b) Lands of landowners with aggregate landholdings from the retention limit up to ten (10) hectares, to begin on July 1, 2013 and to be completed by June 30, 2014; to implement principally the right of farmers and regular farmworkers who are landless, to own directly or collectively the lands they till.

"The schedule of acquisition and redistribution of all agricultural lands covered by this program shall be made in accordance with the above order of priority, which shall be provided in the implementing rules to be prepared by the PARC, taking into consideration the following: the landholdings wherein the farmers are organized and understand the meaning and obligations of farmland ownership; the distribution of lands to the tillers at the earliest practicable time; the enhancement of agricultural productivity; and the availability of funds and resources to implement and support the program: *Provided*, That the PARC shall design and conduct seminars, symposia, information campaigns, and other similar programs for farmers who are not organized or not covered by any landholdings. Completion by these

farmers of the aforementioned seminars, symposia, and other similar programs shall be encouraged in the implementation of this Act particularly the provisions of this Section.

"Land acquisition and distribution shall be completed by June 30, 2014 on a province-by-province basis. In any case, the PARC or the PARC Executive Committee (PARC EXCOM), upon recommendation by the Provincial Agrarian Reform Coordinating Committee (PARCCOM), may declare certain provinces as priority land reform areas, in which case the acquisition and distribution of private agricultural lands therein under advanced phases may be implemented ahead of the above schedules on the condition that prior phases in these provinces have been completed: Provided, That notwithstanding the above schedules, phase three (b) shall not be implemented in a particular province until at least ninety percent (90%) of the provincial balance of that particular province as of January 1, 2009 under Phase One, Phase Two (a), Phase Two (b), and Phase Three (a), excluding lands under the jurisdiction of the Department of Environment and Natural Resources (DENR), have been successfully completed.

"The PARC shall establish guidelines to implement the above priorities and distribution scheme, including the determination of who are qualified beneficiaries: Provided, That an owner-tiller may be a beneficiary of the land he/she does not own but is actually cultivating to the extent of the difference between the area of the land he/she owns and the award ceiling of three (3) hectares: Provided, further, That collective ownership by the farmer beneficiaries shall be subject to Section 25 of Republic Act No. 6657, as amended: Provided, furthermore, That rural women shall be given the opportunity to participate in the development planning and implementation of this Act: Provided, finally, That in no case should the agrarian reform beneficiaries' sex, economic, religious, social, cultural and political attributes adversely affect the distribution of lands."

Section 6. The title of Section 16 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 16. *Procedure for Acquisition and Distribution of Private Lands.*"

Section 7. Section 17 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 17. *Determination of Just Compensation.* - In determining just compensation, the cost of acquisition of the land, the value of the standing crop, the current value of like properties, its nature, actual use and income, the sworn valuation by the owner, the tax declarations, the assessment made by government assessors, and seventy percent (70%) of the zonal valuation of the Bureau of Internal Revenue (BIR), translated into a basic formula by the DAR shall be considered, subject to the final decision of the proper court. The social and economic benefits contributed by the farmers and the farmworkers and by the Government to the property as well as the nonpayment of taxes or loans secured from any government financing institution on the said land shall be considered as additional factors to determine its valuation."

Section 8. There shall be incorporated after Section 22 of Republic Act No. 6657, as amended, a new section to read as follows:

"SEC. 22-A. *Order of Priority.* - A landholding of a landowner shall be distributed first to qualified beneficiaries under Section 22, subparagraphs (a) and (b) of that same landholding up to a maximum of three (3) hectares each. Only when these beneficiaries have all received

three (3) hectares each, shall the remaining portion of the landholding, if any, be distributed to other beneficiaries under Section 22, subparagraphs (c), (d), (e), (f), and (g)."

Section 9. Section 24 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 24. *Award to Beneficiaries.* - The rights and responsibilities of the beneficiaries shall commence from their receipt of a duly registered emancipation patent or certificate of land ownership award and their actual physical possession of the awarded land. Such award shall be completed in not more than one hundred eighty (180) days from the date of registration of the title in the name of the Republic of the Philippines: *Provided,* That the emancipation patents, the certificates of land ownership award, and other titles issued under any agrarian reform program shall be indefeasible and imprescriptible after one (1) year from its registration with the Office of the Registry of Deeds, subject to the conditions, limitations and qualifications of this Act, the property registration decree, and other pertinent laws. The emancipation patents or the certificates of land ownership award being titles brought under the operation of the torrens system, are conferred with the same indefeasibility and security afforded to all titles under the said system, as provided for by Presidential Decree No. 1529, as amended by Republic Act No. 6732.

"It is the ministerial duty of the Registry of Deeds to register the title of the land in the name of the Republic of the Philippines, after the Land Bank of the Philippines (LBP) has certified that the necessary deposit in the name of the landowner constituting full payment in cash or in bond with due notice to the landowner and the registration of the certificate of land ownership award issued to the beneficiaries, and to cancel previous titles pertaining thereto.

"Identified and qualified agrarian reform beneficiaries, based on Section 22 of Republic Act No. 6657, as amended, shall have usufructuary rights over the awarded land as soon as the DAR takes possession of such land, and such right shall not be diminished even pending the awarding of the emancipation patent or the certificate of land ownership award.

"All cases involving the cancellation of registered emancipation patents, certificates of land ownership award, and other titles issued under any agrarian reform program are within the exclusive and original jurisdiction of the Secretary of the DAR."

Section 10. Section 25 of Republic Act So. 6657, as amended, is hereby further amended to read as follows:

"SEC.25. *Award Ceilings for Beneficiaries.* - Beneficiaries shall be awarded an area not exceeding three (3) hectares, which may cover a contiguous tract of land or several parcels of land cumulated up to the prescribed award limits. The determination of the size of the land for distribution shall consider crop type, soil type, weather patterns and other pertinent variables or factors which are deemed critical for the success of the beneficiaries.

"For purposes of this Act, a landless beneficiary is one who owns less than three (3) hectares of agricultural land.

"Whenever appropriate, the DAR shall encourage the agrarian reform beneficiaries to form or join farmers' cooperatives for purposes of affiliating with existing cooperative banks in their respective provinces or localities, as well as forming blocs of agrarian reform beneficiaries, corporations, and partnerships and joining other farmers' collective organizations, including irrigators' associations: *Provided,* That the agrarian reform beneficiaries shall be assured of

corresponding shares in the corporation, seats in the board of directors, and an equitable share in the profit.

"In general, the land awarded to a farmer- beneficiary should be in the form of an individual title, covering one (1) contiguous tract or several parcels of land cumulated up to a maximum of three (3) hectares.

"The beneficiaries may opt for collective ownership, such as co-workers or farmers cooperative or some other form of collective organization and for the issuance of collective ownership titles: Provided, That the total area that may be awarded shall not exceed the total number of co-owners or members of the cooperative or collective organization multiplied by the award limit above prescribed, except in meritorious cases as determined by the PARC.

"The conditions for the issuance of collective titles are as follows:

"(a) The current farm management system of the land covered by CARP will not be appropriate for individual farming of farm parcels;

"(b) The farm labor system is specialized, where the farmworkers are organized by functions and not by specific parcels such as spraying, weeding, packing and other similar functions;

"(c) The potential beneficiaries are currently not farming individual parcels but collectively work on large contiguous areas; and

"(d) The farm consists of multiple crops being farmed in an integrated manner or includes non- crop production areas that are necessary for the viability of farm operations, such as packing plants, storage areas, dikes, and other similar facilities that cannot be subdivided or assigned to individual farmers.

"For idle and abandoned lands or underdeveloped agricultural lands to be covered by CARP, collective ownership shall be allowed only if the beneficiaries opt for it and there is a clear development plan that would require collective farming or integrated farm operations exhibiting the conditions described above. Otherwise, the land awarded to a farmer-beneficiary should be in the form of an individual title, covering one (1) contiguous tract or several parcels of land cumulated up to a maximum of three (3) hectares.

"In case of collective ownership, title to the property shall be issued in the name of the co-owners or the cooperative or collective organization as the case may be. If the certificates of land ownership award are given to cooperatives then the names of the beneficiaries must also be listed in the same certificate of land ownership award.

"With regard to existing collective certificates of land ownership award, the DAR should immediately undertake the parcelization of said certificates of land ownership award, particularly those that do not exhibit the conditions for collective ownership outlined above. The DAR shall conduct a review and redocumentation of all the collective certificates of land ownership award. The DAR shall prepare a prioritized list of certificates of land ownership award to be parcelized. The parcelization shall commence immediately upon approval of this Act and shall not exceed a period of three (3) years. Only those existing certificates of land ownership award that are collectively farmed or are operated in an integrated manner shall remain as collective."

Section 11. Section 26 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 26. *Payment by Beneficiaries.* - Lands awarded pursuant to this Act shall be paid for by the beneficiaries to the LBP in thirty (30) annual amortizations at six percent (6%) interest per annum. The annual amortization shall start one (1) year from the date of the certificate of land ownership award registration. However, if the occupancy took place after the certificate of land ownership award registration, the amortization shall start one (1) year from actual occupancy. The payments for the first three (3) years after the award shall be at reduced amounts as established by the PARC: Provided, That the first five (5) annual payments may not be more than five percent (5%) of the value of the annual gross production as established by the DAR. Should the scheduled annual payments after the fifth (5th) year exceed ten percent (10%) of the annual gross production and the failure to produce accordingly is not due to the beneficiary's fault, the LBP shall reduce the interest rate and/or reduce the principal obligation to make the repayment affordable.

"The LBP shall have a lien by way of mortgage on the land awarded to the beneficiary; and this mortgage may be foreclosed by the LBP for non-payment of an aggregate of three (3) annual amortizations. The LBP shall advise the DAR of such proceedings and the latter shall subsequently award the forfeited landholding to other qualified beneficiaries. A beneficiary whose land, as provided herein, has been foreclosed shall thereafter be permanently disqualified from becoming a beneficiary under this Act."

Section 12. Section 27 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 27. *Transferability of Awarded Lands.* - Lands acquired by beneficiaries under this Act or other agrarian reform laws shall not be sold, transferred or conveyed except through hereditary succession, or to the government, or to the LBP, or to other qualified beneficiaries through the DAR for a period of ten (10) years: *Provided, however,* That the children or the spouse of the transferor shall have a right to repurchase the land from the government or LBP within a period of two (2) years. Due notice of the availability of the land shall be given by the LBP to the BARC of the barangay where the land is situated. The PARCCOM, as herein provided, shall, in turn, be given due notice thereof by the BARC.

"The title of the land awarded under the agrarian reform must indicate that it is an emancipation patent or a certificate of land ownership award and the subsequent transfer title must also indicate that it is an emancipation patent or a certificate of land ownership award.

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

"In the event of such transfer to the LBP, the latter shall compensate the beneficiary in one lump sum for the amounts the latter has already paid, together with the value of improvements he/she has made on the land."

Section 13. Section 36 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 36. *Funding for Support Services.* - In order to cover the expenses and cost of support services, at least forty percent (40%) of all appropriations for agrarian reform during the five (5) year extension period shall be immediately set aside and made available for this purpose: *Provided,* That the DAR shall pursue integrated land acquisition and distribution and support services strategy requiring a plan to be developed parallel to the land acquisition and distribution process. The planning and implementation for land acquisition and distribution shall be hand-in-hand with support services delivery: *Provided, further,* That for the next five (5) years, as far as practicable, a minimum of two (2) Agrarian Reform Communities (ARCs) shall be established by the DAR, in coordination with the local government units, non-governmental organizations, 'community-based cooperatives and people's organizations in each legislative district with a predominant agricultural population: *Provided, furthermore,* That the areas in which the ARCs are to be established shall have been substantially covered under the provisions of this Act and other agrarian or land reform laws: *Provided, finally,* That a complementary support services delivery strategy for existing agrarian reform beneficiaries that are not in barangays within the ARCs shall be adopted by the DAR.

"For this purpose, an Agrarian Reform Community is composed and managed by agrarian reform beneficiaries who shall be willing to be organized and to undertake the integrated development of an area and/or their organizations/ cooperatives. In each community, the DAR, together with the agencies and organizations abovementioned, shall identify the farmers' association, cooperative or their respective federations approved by the farmers-beneficiaries that shall take the lead in the agricultural development of the area. In addition, the DAR, in close coordination with the congressional oversight committee created herein, with due notice to the concerned representative of the legislative district prior to implementation shall be authorized to package proposals and receive grants, aids and other forms of financial assistance from any source"

Section 14. Section 37 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 37. *Support Services for the Agrarian Reform Beneficiaries.* - The State shall adopt the integrated policy of support services delivery to agrarian reform beneficiaries. To this end, the DAR, the Department of Finance, and the Bangko Sentral ng Pilipinas (BSP) shall institute reforms to liberalize access to credit by agrarian reform beneficiaries. The PARC shall ensure that support services for agrarian reform beneficiaries are provided, such as:

"(a) Land surveys and titling;

"(b) Socialized terms on agricultural credit facilities;

"Thirty percent (30%) of all appropriations for support services referred to in Section 36 of Republic Act No. 6657, as amended, shall be immediately set aside and made available for agricultural credit facilities: *Provided,* That one-third (1/3) of this segregated appropriation shall be specifically allocated for subsidies to support the initial capitalization for agricultural production to new agrarian reform beneficiaries upon the awarding of the emancipation patent or the certificate of land ownership award and the remaining two-thirds (2/3) shall be allocated to provide access to socialized credit to existing agrarian reform beneficiaries, including the

leaseholders: *Provided, further*, the LBP and other concerned government financial institutions, accredited savings and credit cooperatives, financial service cooperatives and accredited cooperative banks shall provide the delivery system for disbursement of the above financial assistance to individual agrarian reform beneficiaries, holders of collective titles and cooperatives.

"For this purpose, all financing institutions may accept as collateral for loans the purchase orders, marketing agreements or expected harvests: *Provided*, That loans obtained shall be used in the improvement or development of the farm holding of the agrarian reform beneficiary or the establishment of facilities which shall enhance production or marketing of agricultural products of increase farm income therefrom: *Provided, further*, That of the remaining seventy percent (70%) for the support services, fifteen percent (15%) shall be earmarked for farm inputs as requested by the duly accredited agrarian reform beneficiaries' organizations, such as, but not limited to: (1) seeds, seedlings and/or planting materials; (2) organic fertilizers; (3) pesticides; (4) herbicides; and (5) farm animals, implements/'machineries; and five percent (5%) for seminars, trainings and the like to help empower agrarian reform beneficiaries.

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

"(d) Infrastructure such as, but not limited to, access trails, mini-dams, public utilities, marketing and storage facilities;

"(e) Research, production and use of organic fertilizers and other local substances necessary in farming and cultivation; and

"(f) Direct and active DAR assistance in the education and organization of actual and potential agrarian reform beneficiaries, at the barangay, municipal, city, provincial, and national levels, towards helping them understand their rights and responsibilities as owner-cultivators developing farm-related trust relationships among themselves and their neighbors, and increasing farm production and profitability with the ultimate end of empowering them to chart their own destiny. The representatives of the agrarian reform beneficiaries to the PARC shall be chosen from the 'nominees of the duly accredited agrarian reform beneficiaries' organizations, or in its absence, from organizations of actual and potential agrarian reform beneficiaries as forwarded to and processed by the PARC EXCOM.

"The PARC shall formulate policies to ensure that support services for agrarian reform beneficiaries shall be provided at all stages of the program implementation with the concurrence of the concerned agrarian reform beneficiaries.

"The PARC shall likewise adopt, implement, and monitor policies and programs to ensure the fundamental equality of women and men in the agrarian reform program as well as respect for the human rights, social protection, and decent working conditions of both paid and unpaid men and women farmer-beneficiaries.

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

"Misuse or diversion of the financial and support services herein provided shall result in sanctions against the beneficiary guilty thereof, including the forfeiture of the land transferred to him/her or lesser sanctions as may be provided by the PARC, without prejudice to criminal prosecution."

Section 15. There shall be incorporated after Section 37 of Republic Act No. 6657, as amended, a new section to read as follows:

"SEC. 37-A. *Equal Support Services for Rural Women.* - Support services shall be extended equally to women and men agrarian reform beneficiaries.

"The PARC shall ensure that these support services, as provided for in this Act, integrate the specific needs and well-being of women farmer- beneficiaries taking into account the specific requirements of female family members of farmer- beneficiaries.

"The PARC shall also ensure that rural women will be able to participate in all community activities. To this effect, rural women are entitled to self-organization in order to obtain equal access to economic opportunities and to have access to agricultural credit and loans, marketing facilities and technology, and other support services, and equal treatment in land reform and resettlement schemes.

"The DAR shall establish and maintain a women's desk, which will be primarily responsible for formulating and implementing programs and activities related to the protection and promotion of women's rights, as well as providing an avenue where women can register their complaints and grievances principally related to their rural activities."

Section 16. Section 38 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 38. *Support Services for Landowners.* - The PARC, with the assistance of such other government agencies and instrumentalities as it may direct, shall provide landowners affected by the CARP and prior agrarian reform programs with the following services:

"(a) Investment information, financial and counseling assistance, particularly investment information on government-owned and/or -controlled corporations and disposable assets of the government in pursuit of national industrialization and economic independence:

"(b) Facilities, programs and schemes for the conversion or exchange of bonds issued for payment of the lands acquired with stocks and bonds issued by the National Government, the BSP and other government institutions and instrumentalities;

"(c) Marketing of agrarian reform bonds, as well as promoting the marketability of said bonds in traditional and non-traditional financial markets and stock exchanges: and/or

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

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

"The LBP shall redeem a landowner's agrarian reform bonds at face value as an incentive: Provided, That at least fifty percent (50%) of the proceeds thereof shall be invested in a Board of Investments (BOI)-registered company or in any agri-business or agro-industrial enterprise in the region where the CARP-covered landholding is located. An additional incentive of two percent (2%) in cash shall be paid to a landowner who maintains his/her enterprise as a going concern for five (5) years or keeps his/her investments in a BOI-registered firm for the same period: Provided, further, That the rights of the agrarian reform beneficiaries are not, in any way, prejudiced or impaired thereby.

"The DAR, the LBP and the Department of Trade and Industry shall jointly formulate the program to carry out these provisions under the supervision of the PARC: Provided, That in no case shall the landowners' sex, economic, religious, social, cultural and political attributes exclude them from accessing these support services."

Section 17. Section 41 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 41. *The Presidential Agrarian Reform Council.* - The Presidential Agrarian Reform Council (PARC) shall be composed of the President of the Philippines as Chairperson, the Secretary of Agrarian Reform as Vice-Chairperson and the following as members: Secretaries of the Departments of Agriculture; Environment and Natural Resources; Budget and Management; Interior and Local Government; Public Works and Highways; Trade and Industry; Finance; and Labor and Employment; Director-General of the National Economic and Development Authority; President, Land Bank of the Philippines; Administrator, National Irrigation Administration; Administrator, Land Registration Authority; and six (6) representatives of affected landowners to represent Luzon, Visayas and Mindanao; six (6) representatives of agrarian reform beneficiaries, two (2) each from Luzon, Visayas and Mindanao: *Provided*, That at least one (1) of them shall be from the indigenous peoples: *Provided, further*, That at least one (1) of them shall come from a duly recognized national organization of rural women or a national organization of agrarian reform beneficiaries with a substantial number of women members: *Provided, finally*, That at least twenty percent (20%) of the members of the PARC shall be women but in no case shall they be less than two (2)."

Section 18. Section 50 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 50. *Quasi-Judicial Powers of the DAR.* - The DAR is hereby vested with primary jurisdiction to determine and adjudicate agrarian reform matters and shall have exclusive original jurisdiction over all matters involving the implementation of agrarian reform, except those falling under the exclusive jurisdiction of the Department of Agriculture (DA) and the DENR.

"It shall not be bound by technical rules of procedure and evidence but shall proceed to hear and decide all cases, disputes or controversies in a most expeditious manner, employing all reasonable means to ascertain the facts of every case in accordance with justice and equity and the merits of the case. Toward this end, it shall adopt a uniform rule of procedure to

achieve a just, expeditious and inexpensive determination of every action or proceeding before it.

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

"Responsible farmer leaders shall be allowed to represent themselves, their fellow farmers, or their organizations in any proceedings before the DAR Provided, however, That when there are two or more representatives for any individual or group, the representatives should choose only one among themselves to represent such party or group before any DAB proceedings.

"Notwithstanding an appeal to the Court of Appeals, the decision of the DAR shall be immediately executory except a decision or a portion thereof involving solely the issue of just compensation."

Section 19. Section 50 of Republic Act No. 6657, as amended, is hereby further amended by adding Section 50-A to read as follows:

"SEC. 50-A. *Exclusive Jurisdiction on Agrarian Dispute.* - No court or prosecutor's office shall take cognizance of cases pertaining to the implementation of the CARP except those provided under Section 57 of Republic Act No. 6657, as amended. If there is an allegation from any of the parties that the case is agrarian in nature and one of the parties is a farmer, farmworker, or tenant, the case shall be automatically referred by the judge or the prosecutor to the DAR which shall determine and certify within fifteen (15) days from referral whether an agrarian dispute exists: Provided, That from the determination of the DAR, an aggrieved party shall have judicial recourse. In cases referred by the municipal trial court and the prosecutor's office, the appeal shall be with the proper regional trial court, and in cases referred by the regional trial court, the appeal shall be to the Court of Appeals.

"In cases where regular courts or quasi-judicial bodies have competent jurisdiction, agrarian reform beneficiaries or identified beneficiaries and/or their associations shall have legal standing and interest to intervene concerning their individual or collective rights and/or interests under the CARP.

"The fact of non-registration of such associations with the Securities and Exchange Commission, or Cooperative Development Authority, or any concerned government agency shall not be used against them to deny the existence of their legal standing and interest in a case filed before such courts and quasi-judicial bodies."

Section 20. Section 55 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 55. *No Restraining Order or Preliminary Injunction.* -Except for the Supreme Court, no court in the Philippines shall have jurisdiction to issue any restraining order or writ of preliminary injunction against the PARC, the DAR, or any of its duly authorized or designated agencies in any case, dispute or controversy arising from, necessary to, or in connection with

the application, implementation, enforcement, or interpretation of this Act and other pertinent laws on agrarian reform."

Section 21. Section 63 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 63. *Funding Source.* - The amount needed to further implement the CARP as provided in this Act, until June 30, 2014, upon expiration of funding under Republic Act No. 8532 and other pertinent laws, shall be funded from the Agrarian Reform Fund and other funding sources in the amount of at least One hundred fifty billion pesos (P150,000,000,000.00).

"Additional amounts are hereby authorized to be appropriated as and when needed to augment the Agrarian Reform Fund in order to fully implement the provisions of this Act during the five (5)-year extension period.

"Sources of funding or appropriations shall include the following:

"(a) Proceeds of the sales of the Privatization and Management Office (PMO);

"e) All receipts from assets recovered and from sales of ill-gotten wealth recovered through the PCGG excluding the amount appropriated for compensation to victims of human rights violations under the applicable law;

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

"(d) All income and, collections of whatever form and nature arising from the agrarian reform operations, projects and programs of the DAR and other CARP implementing agencies;

"(e) Portion of amounts accruing to the Philippines from all sources of official foreign aid grants and concessional financing from all countries, to be used for the specific purposes of financing productions, credits, infrastructures, and other support services required by this Act:

"(f) Yearly appropriations of no less than Five billion pesos (P5,000,000,000.00) from the General Appropriations Act;

"(g) Gratuitous financial assistance from legitimate sources; and

"(h) Other government funds not otherwise appropriated.

"All funds appropriated to implement the provisions of this Act shall be considered continuing appropriations during the period of its implementation: *Provided*, That if the need arises, specific amounts for bond redemptions, interest payments and other existing obligations arising from the implementation of the program shall be included in the annual General Appropriations Act: *Provided, further*, That all just compensation payments to landowners, including execution of judgments therefore, shall only be sourced from the Agrarian Reform Fund: *Provided, however*, That just compensation payments that cannot be covered within

the approved annual budget of the program shall be chargeable against the debt service program of the national government, or any unprogrammed item in the General Appropriations Act: *Provided, finally*, That after the completion of the land acquisition and distribution component of the CARP, the yearly appropriation shall be allocated fully to support services, agrarian justice delivery and operational requirements of the DAR and the other CARP implementing agencies."

Section 22. Section 65 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 65. *Conversion of Lands.* - After the lapse of five (5) years from its award, when the land ceases to be economically feasible and sound for agricultural purposes, or the locality has become urbanized and the land will have a greater economic value for residential, commercial or industrial purposes, the DAR, upon application of the beneficiary or the landowner with respect only to his/her retained area which is tenanted, with due notice to the affected parties, and subject to existing laws, may authorize the reclassification or conversion of the land and its disposition: *Provided*, That if the applicant is a beneficiary under agrarian laws and the land sought to be converted is the land awarded to him/her or any portion thereof, the applicant, after the conversion is granted, shall invest at least ten percent (10%) of the proceeds coming from the conversion in government securities: *Provided, further*, That the applicant upon conversion shall fully pay the price of the land: *Provided, furthermore*, That irrigated and irrigable lands, shall not be subject to conversion: *Provided, finally*, That the National Irrigation Administration shall submit a consolidated data on the location nationwide of all irrigable lands within one (1) year from the effectivity of this Act.

"Failure to implement the conversion plan within five (5) years from the approval of such conversion plan or any violation of the conditions of the conversion order due to the fault of the applicant shall cause the land to automatically be covered by CARP."

Section 23. Section 68 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 68. *Immunity of Government Agencies from Undue Interference.* - In cases falling within their jurisdiction, no injunction, restraining order, prohibition or mandamus shall be issued by the regional trial courts, municipal trial courts, municipal circuit trial courts, and metropolitan trial courts against the DAR, the DA, the DENR, and the Department of Justice in their implementation of the program."

Section 24. Section 73 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 73. *Prohibited Acts and Omissions.* - The following are prohibited:

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

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

"(c) Any conversion by , any landowner of his/her agricultural' land into any non-agricultural use with intent to avoid the application of this Act to his/her landholdings and to dispossess his/her bonafide tenant farmers:

"(d) The malicious and willful prevention or obstruction by any person, association or entity of the implementation of the CARP;

"(e) The sale, transfer, conveyance or change of the nature of lands outside of urban centers and city limits either in whole or in part after the effectivity of this Act, except after final completion of the appropriate conversion under Section 65 of Republic Act No. 6657, as amended. The date of the registration of the deed of conveyance in the Register of Deeds with respect to titled lands and the date of the issuance of the tax declaration to the transferee of the property with respect to unregistered lands, as the case may be, shall be conclusive for the purpose of this Act;

"(f) The sale, transfer or conveyance by a beneficiary of the right to use or any other usufructuary right over the land he/she acquired by virtue of being a beneficiary, in order to circumvent the provisions of this Act;

"(g) The unjustified, willful, and malicious act by a responsible officer or officers of the government through the following:

"(1) The denial of notice and/or reply to landowners;

"(2) The deprivation of retention rights;

"(3) The undue or inordinate delay in the preparation of claim folders; or

"(4) Any undue delay, refusal or failure in the payment of just compensation;

"(h) The undue delay or unjustified failure of the DAR, the LBP, the PARC, the PARCCOM, and any concerned government agency or any government official or employee to submit the required report, data and/or other official document involving the implementation of the provisions of this Act, as required by the parties or the government, including the House of Representatives and the Senate of the Philippines as well as their respective committees, and the congressional oversight committee created herein;

"(i) The undue delay in the compliance with the obligation to certify or attest and/or falsification of the certification or attestation as required under Section 7 of Republic Act No. 6657, as amended; and

"(j) Any other culpable neglect or willful violations of the provisions of this Act.

"In the case of government officials and employees, a conviction under this Act is without prejudice to any civil case and/or appropriate administrative proceedings under civil service law, rules and regulations. "Any person convicted under this Act shall not be entitled to any benefit provided for in any agrarian reform law or program."

Section 25. Section 74 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 74. *Penalties.* - Any person who knowingly or willfully violates the provisions of this Act shall be punished by imprisonment of not less than one (1) month to not more than three (3) years or a fine of not less than One thousand pesos (P1,000.00) and not more than Fifteen thousand pesos (P15,000.00), or both, at the discretion of the court: Provided, That the following corresponding penalties shall be imposed for the specific violations hereunder:

"(a) Imprisonment of three (3) years and one (1) day to six (6) years or a fine of not less than Fifty thousand pesos (P50,000.00) and not more than One hundred fifty thousand pesos (P150,000.00), or both, at the discretion of the court upon any person who violates Section 73, subparagraphs (a), (b), (f), (g), and (h) of Republic Act No. 6657, as amended; and

"(b) Imprisonment of six (6) years and one (1) day to twelve (12) years or a fine of not less than Two hundred thousand pesos (P200,000.00) and not more than One million pesos (P1,000,000.00), or both, at the discretion of the court upon any person who violates Section 73, subparagraphs (c), (d), (e), and (i) of Republic Act No. 6657, as amended.

"If the offender is a corporation or association, the officer responsible therefor shall be criminally liable."

Section 26. *Congressional Oversight Committee.* - A Congressional Oversight Committee on Agrarian Reform (COCAR) is hereby created to oversee and monitor the implementation of this Act. It shall be composed of the Chairpersons of the Committee on Agrarian Reform of both Houses of Congress, three (3) Members of the House of Representatives, and three (3) Members of the Senate of the Philippines, to be designated respectively by the Speaker of the House of Representatives and the President of the Senate of the Philippines.

The Chairpersons of the Committees on Agrarian Reform of the House of Representatives and of the Senate of the Philippines shall be the Chairpersons of the COCAR. The Members shall receive no compensation; however, traveling and other necessary expenses shall be allowed.

In order to carry out the objectives of this Act, the COCAR shall be provided with the necessary appropriations for its operation. An initial amount of Twenty-five million pesos (P25,000,000.00) is hereby appropriated for the COCAR for the first year of its operation and the same amount shall be appropriated every year thereafter.

The term of the COCAR shall end six (6) months after the expiration of the extended period of five (5) years.

Section 27. *Powers and Functions of the COCAR.* - The COCAR shall have the following powers and functions:

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

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

(c) Secure from any department, bureau, office or instrumentality of the government such assistance as may be needed, including technical information, preparation and production of reports and submission of recommendations or plans as it may require, particularly a yearly

report of the record or performance of each agrarian reform beneficiary as provided under Section 22 of Republic Act No. 6657, as amended;

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

(e) Secure from the DAR or the LBP quarterly reports on the disbursement of funds for the agrarian reform program;

(f) Oversee and monitor, in such a manner as it may deem necessary, the actual implementation of the program and projects by the DAR;

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

(h) Engage the services of resource persons from the public and private sectors as well as civil society including the various agrarian reform groups or organizations in the different regions of the country as may be needed;

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

(j) Organize its staff and hire and appoint such employees and personnel whether temporary, contractual or on constancy subject to applicable rules; and

(k) Exercise all the powers necessary and incidental to attain the purposes for which it is created.

Section 28. *Periodic Reports.* - The COCAR shall submit to the Speaker of the House of Representatives and to the President of the Senate of the Philippines periodic reports on its findings and recommendations on actions to be undertaken by both Houses of Congress, the DAR, and the PARC.

Section 29. *Access to Information.* - Notwithstanding the provisions of Republic Act No. 1405 and other pertinent laws, information on the amount of just compensation paid to any landowner under Republic Act No. 6657, as amended, and other agrarian reform laws shall be deemed public information.

Section 30. *Resolution of Case.* - Any case and/or proceeding involving the implementation of the provisions of Republic Act No. 6657, as amended, which may remain pending on June 30, 2014 shall be allowed to proceed to its finality and be executed even beyond such date.

Section 31. *Implementing Rules and Regulations.* - The PARC and the DAR shall provide the necessary implementing rules and regulations within thirty (30) days upon the approval of this Act. Such rules and regulations shall take effect on July 1, 2009 and it shall be published in at least two (2) newspapers of general circulation.

Section 32. *Repealing Clause.* - Section 53 of Republic Act No. 3844, otherwise known as the Agricultural Land Reform Code, is hereby repealed and all other laws, decrees, executive orders,

issuances, rules and regulations, or parts thereof inconsistent with this Act are hereby likewise repealed or amended accordingly.

Section 33. Separability Clause. - If, for any reason, any section or provision of this Act is declared unconstitutional or invalid, the other sections or provisions not affected thereby shall remain in full force and effect.

Section 34. Effectivity Clause. - This Act shall take effect on July 1, 2009 and it shall be published in at least two (2) newspapers of general circulation.

Approved,

(Sgd.) **PROSPERO C. NOGRALES**
Speaker of the House of
Representatives

(Sgd.) **JUAN PONCE ENRILE**
President of the Senate

This Act which is a consolidation of Senate Bill No. 2666 and, House Bill No. 4077 was finally passed by the Senate and the House of Representatives on August 3, 2009 and July 29, 2009, respectively.

(Sgd.) **MARILYN B. BARUA-YAP**
Secretary General
House of Representatives

(Sgd.) **EMMA LIRIO-REYES**
Secretary of Senate

Approved: **August 7, 2009**

(Sgd.) **GLORIA MACAPAGAL-ARROYO**
President of the Philippines