



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

House Bill No. 3491



Introduced by Representative **GERALDINE B. ROMAN**

EXPLANATORY NOTE

The bill seeks to accelerate the implementation of agrarian reform program by commencing the second phase of program implementation in collaboration with rural development programs on Land Acquisition and Distribution (LAD) free areas. The legislative measure is premise on poverty alleviation thru asset reform, institutional and capacity building, establishment of linkages, and infrastructure projects in identified rural communities as part of the overall efforts to intensify total rural development with the end view of empowering and capacitating people in rural communities.

Preserving and sustaining the gains derived from the implementation of agrarian reform program is utilized as a launching pad in introducing rural development in LAD-free barangays or municipalities or a cluster thereof. The gains from agrarian reform will facilitate rural development implementation in view of the existing institutionally and strategically placed government agency, the DAR, which to further operationalize therefore shall be transformed into a body that shall implement the final completion of land acquisition and distribution aspect of agrarian reform program, and shall thereafter or hand-in-hand introduce rural development in identified areas.

Among others, the salient features of the proposed HB are the following:

1. Transforming the Department of Agrarian Reform into Department of Agrarian Reform and Rural Development, without emasculating its primary mandates as the lead agency in agrarian reform program implementation, strengthening and expanding the powers and functions as a transformed body that will introduce rural development programs;

2. Re-instituting the authority of the Department to issue Notices of Coverage to private agricultural lands which are qualified for agrarian reform coverage;
3. Expanding the scope of private agricultural lands to cover friar lands and those under Universities and colleges, and automatic coverage of lands issued with land use conversion order where the development plan was not complied;
4. Inclusion of Government Owned Lands, foreclosed lands by government financing institution, lands under proprietary holdings of LGUs and other government agencies;
5. Providing that the lands is awarded to qualified beneficiaries for free;
6. Expanding the support services component and inclusion of housing for ARBs as part of thereof;
7. Capacitating the farmland or Title of ownership as loan collateral;
8. Providing that the decision of the DAR Secretary on cases within its jurisdiction shall be final and executory except when an injunction is issued by Court of competent jurisdiction;
9. Vesting upon the quasi-judicial power of the DAR the authority to reconstitute lost or destroyed CLOAs/EPs and other Title issued under agrarian reform program as well as TCTs/OCTs of lands which are identified for coverage;
10. Reinstating PARC as Presidential Agrarian Reform and Rural Development Council (PARRDC), vesting upon thereof the authority to declare a particular area as LAD-free and renaming the BARC to BARRDC and providing funds for allowances/honoraria of its members;
11. Prohibition against land reclassification and land use conversion of awarded land; and
12. Creation of additional offices and staff complements in order to further carry-out its objectives, particularly on rural development implementation.

In view of the timely and laudable intentions of the proposed legislative measure, we earnestly seek support for its prompt approval.


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AN ACT
TRANSFORMING THE DEPARTMENT OF AGRARIAN REFORM INTO
“DEPARTMENT OF AGRARIAN REFORM AND RURAL DEVELOPMENT”
MANDATING ITS FUNCTIONS, OPERATIONALIZING THE 2ND PHASE OF CARP
IMPLEMENTATION, PROVIDING FUNDS THEREFOR AND FOR OTHER
PURPOSES

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

Section 1. – *Book IV, Title XI, of Executive Order No. 292, The Administrative Code of 1987* is hereby amended to read as “Rural Development”. All reference under this law pertaining to the Department of Agrarian Reform shall henceforth be transformed into the “Department of Rural Development” (DRD).

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

“Section 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 promotion of social justice in all phases of national development is the primordial responsibility of the State, which includes the commitment to create economic opportunities based on freedom of initiative and self-reliance.

The Comprehensive Agrarian Reform Program (CARP) has been the Philippine Government’s principal area-based rural development program. With CARP as both social justice and poverty alleviation program, the pursuit of rural development strategy through land tenure improvement and provision on

essential support services seeks the end goal of improving agricultural productivity and farm income of small farmers.

In line with this, the State recognizes that rural development is an effective tool for social equity strategy in ensuring participative and broad-based growth among the marginalized and rural sector. It promotes optimizing the productive potentials of the agricultural sector and in alleviating poverty and curtailing lawlessness in the countryside through equal access to productive assets like land, provisions for necessary support services packages to its beneficiaries and marketing assistance of produce from awarded lands.

Agrarian reform being among the component elements of rural development, the State acknowledges that the provision of support services to agrarian reform beneficiaries is critical to the success and sustainability of the purposes for which agrarian reform has been institutionalized. The incorporation in the mandate on the provision of housing facilities to qualified agrarian reform beneficiaries is identified as among the highlighted component in the provision of support services to ARBs beneficiaries.

The success and sustainability of the agrarian reform program is determined by the increased productivity and economic growth of beneficiaries, and the maintenance of awarded land ownership within the beneficiaries or its immediate family members subject to qualification criteria set forth under applicable laws. The transferability of awarded lands outside of the immediate family members of the beneficiary, is restricted.

It is further the mandate of the State to sustain rural development along with the attainment of the purposes of the agrarian reform program. Corollary therefor, the mandate of the DRD needs parallel track geared towards rural development, particularly on areas where land distribution is completed.

Incorporating rural development on Land Acquisition and Distribution (LAD) free area is primarily the key component in preserving the gains that were derived in the implementation of agrarian reform program. Towards this end, the State shall utilize such tangible gains as platform to rural development.

The State is cognizant of the indispensable role of the Barangay Agrarian Reform Council (BARC) which shall henceforth be named Barangay Rural Development Council (BRDC) as the basic unit equipped with institutional information at the grassroots or local level. The role of the BRDC in the entire process of the implementation of this Act as well as in the alternative resolution of agrarian-related conflict is imperative to accelerate the commencement and completion of the second phase of agrarian reform program. Hence, there is a need to revitalize and strengthen the BRDC by enabling it with corresponding organizational role, function and authority and the provision of budgetary allocation for its operation, as may be determined by the Presidential Agrarian Reform Council (PARC), which shall henceforth be named as the Presidential Rural Development Council (PRDC).

The State moreover recognizes the indispensable role of the private sector, encouragement of private enterprise, provision of incentives for necessary investments requirements, and trade policies that serves the general welfare and utilization. In pursuance therefore, all forms of agribusiness arrangements or agreements of exchange with private enterprises, investors, Provided, it is based on equality and reciprocity that is aimed for increased

agricultural productivity and income of all stakeholders of agrarian reform program, as may be approved and determined by the DRD, are sanctioned by the State. The potential produce of the lands awarded to beneficiaries of agrarian reform program or the Title of ownership may be the subject of collateral for loans with private financing institution subject to certain limitations as may be provided by law.

In realization, the DAR shall be transformed into a body that shall lead in the fulfillment of the sound rural development in conjunction with LAD-free declared areas.

The State furthermore recognizes the manpower resources required to fully attain the objectives of the rural development program.

Thus, it is imperative to transform the Department of Agrarian Reform into the “**Department of Rural Development**”.

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

“**Section 4. Scope** – The rural development program shall cover all private agricultural lands and public agricultural lands with actual cultivators. It shall include:

4.1 GOVERNMENT OWNED LANDS

- (a) All alienable and disposable lands of public domain devoted to or suitable for agriculture.
- (b) All lands of the public domain in excess of the specific limits granted by this Act.
- (c) All lands or portions thereof reserved by virtue of Presidential Decrees and Proclamations, other laws and issuances for specific public uses by the government, its agencies and instrumentalities, including government-owned or controlled corporations suitable for agriculture and no longer actually, directly and exclusively used or necessary for the purposes for which they have been reserved, as determined by the DAR in coordination with the government agency or instrumentality concerned in whose favor the reservation was established.

In the case of military reservations, the determination of areas suitable for agriculture and no longer actually, directly and exclusively used or necessary for the purposes for which they have been reserved shall be based on the actual use for the military installations or facilities.

In the case of lands affected by public sector development projects located in the reservations of special economic zones, where such development projects have not started within the period of five (5) years from the grant of its use, such land or portion thereof not developed shall be covered by this Act.

- (d) All agricultural land acquired by Government Financial Institution (GFI) through sale or foreclosure proceedings which have been occupied and cultivated by tillers and not have been used or remained idle for a period of more than ten (10) years or abandoned as such.
- (e) All public agricultural lands granted by Congress to natural or juridical persons for specific purposes and which are no longer being used for the purposes for which it was granted and when the same are occupied and cultivated by tillers and/or when the same have remained idle for a period of more than ten (10) years or abandoned as such.
- (f) All agricultural lands held by the government in a proprietary capacity and which are no longer used for the proprietary purposes for which it is being held and which are occupied and cultivated by tillers.
- (g) All agricultural lands acquired by the government thru donation from private individuals, where the terms and/or conditions of the donation have not been complied by the government, when the ownership and possession thereof still remain with the government.
- (h) All government lands devoted to or suitable for agriculture which are in the possession of government departments, agencies, bureaus, offices and other instrumentalities, and which are no longer actually, directly and exclusively used or necessary for the purpose for which they have been reserved or acquired and have remained idle for a period of more than ten (10) years or abandoned as such
- (i) All lands of public schools, state university and colleges, presently occupied and cultivated by tillers, which are no longer actually, directly and exclusively used for educational purposes and have remained undeveloped or idle for a period of more than ten (10) years and/or abandoned as such.
- (j) All other lands owned by government devoted to or suitable for agriculture.

4.2 PRIVATE AGRICULTURAL LANDS

- (a) All private agricultural lands in excess of the five (5) hectares ownership as provided for by RA 6657.
- (b) All private agricultural lands identified by PD 27 and RA 6657, as amended by RA 9700, but was not covered and distributed to farmer-beneficiaries in accordance with said laws.
- (c) All private agricultural lands that have been reclassified as commercial, industrial or residential lands by local government units or other agencies of government but remained undeveloped according to their reclassification program or when such reclassification is in violation of RA 6657, as amended.
- (d) All private agricultural lands with approved land use conversion Order, but which lands was never used for the purposes for which

conversion was granted or that such conversion was in violation of RA 6657, as amended.

In case of the foregoing, this Act hereby declares the revocation of their Conversion Order. If the development of the land has not started, the entire landholding shall be covered by this Act; otherwise only the undeveloped portion shall be covered.

- (e) All lands covered by collective CLOAs, Stock Distribution Option (SDOs) or Production Sharing scheme shall be distributed individually to the farmer-beneficiaries except those lands that are not feasible for distribution because of the physical constraints of the land or by the majority vote of the farmer-beneficiary in favor of maintaining the CLOAs, Stock Distribution Option or Production Sharing scheme.
- (f) Ancestral lands of Indigenous Cultural Communities/Indigenous Peoples (ICCs/IPs) shall be covered by this Act, Provided, that their rights will be protected to ensure their economic, social and cultural well-being.
- (g) All lands of private schools colleges and universities as well as Friar lands or lands owned by religious or charitable institutions, presently occupied and cultivated by tillers, which are no longer actually, directly and exclusively used for educational, religious or charitable purposes and have remained undeveloped or idle for a period of more than ten (10) years and/or abandoned as such.
- (h) All private lands devoted to or suitable for agriculture regardless of the agricultural products raised or that can be raised thereon.

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

“SECTION 6-A. *Identification of Private Agricultural Lands.*

– The DRD shall identify all covered private agricultural lands after the effectivity of this Act and shall ascertain the following:

- (a) The description and location of the land;
- (b) Proof of ownership;
- (c) The names of the tenants/farmworkers therein; and
- (d) The latest market value of the land as determined by the municipal or provincial assessor.

SECTION 6-B. *Identification and Inventory of Government-Owned Agricultural Lands.* – All department, bureaus, offices and instrumentalities of the government shall identify their lands devoted to or suitable for agriculture and no longer actually, directly and exclusively used or necessary for the purpose which they have been reserved or acquired, and thereafter submit a list thereof to the DARRD, indicating the location and area of the said lands, actual use and legal basis of ownership.

Section 5. - Additional Section after Section 35 of Republic Act No. 6657, as amended, is hereby added to read:

“Section 35-A. – Expanded Support Services Component – The provisions of support services shall not be limited to agrarian reform beneficiaries (ARBs), it shall also extend to the small-farmers in the Agrarian Reform Communities (ARCs) and non-ARCs where the LAD component is almost completed, by providing the ARBs therein the support services needed to ensure that the lands awarded to them become as productive as possible. For this purpose, the Agrarian Reform Community Connectivity and Economic Support Services (ARCESS) is hereby institutionalized. Along this thrust, the ARCESS shall be operationalized to address the support services needed by the ARBs, strengthen their organizations, enable them to consolidate their production, post-harvest, processing, logistics and marketing activities, and address problems of economies of scale through the provision of rural infrastructure, innovative financing and investment and credit support, value-adding agri-extension and agri-technology services, business development services, and common service facilities or farm equipment, and deployment of community-based enterprise organizers.

Section 6. - Section 37 of Republic Act No. 6657, as amended, is hereby further amended to read:

“SECTION 17. Additional Support Services for the Beneficiaries
— The DRD and program implementing agencies shall ensure that support services to farmers-beneficiaries are provided, and shall include:

17.1 Provisions of socialized housing projects at reasonable cost for agrarian reform beneficiaries;

17.2. The DRD shall establish and institutionalize parallel linkages and intermediaries with private financing institution allowing or accepting the produce or Title of ownership of awarded lands as the subject of collateral to secure a loan. Provided that, the proceeds from loan shall be utilized for farming and production inputs on the awarded land.”

Section 7. - Section 37 of Republic Act No. 6657, as amended, is hereby further amended to read:

“Section 41. - Presidential Rural Development Council - The Presidential Agrarian Reform Council (PARC) is hereby renamed as Presidential Rural Development Council (PRDC). The PRDC shall continue to perform and exercise its mandate and powers pursuant to the provisions of Republic Act No. 6657, as amended by Republic Act No. 9700, and shall further be vested with additional function as hereinafter provided.

Section 41-A. – **Power to Declare LAD-Free Area** – The PRDC shall have the exclusive authority to declare thru a Resolution a certain barangay, municipality or a cluster thereof as LAD-free. A particular barangay, municipality or cluster thereof shall be considered LAD-free if all agricultural land which are qualified for coverage by the agrarian reform program have been fully and completely issued with Titles under agrarian reform program and the land distributed to Agrarian Reform Beneficiaries, notwithstanding any post LAD issues attending thereof.

Section 8. - Section 50 of Republic Act No. 6657, as amended, is hereby further amended to read:

“Section 50. Quasi-Judicial Powers of the DRD – The DRD is vested with primary and exclusive 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 and the Department of Environment and Natural Resources.

The rules of procedure and evidence in courts of law and equity shall not be controlling and the DRD shall use every and all reasonable means to ascertain facts speedily and objectively, hear and decide all cases, disputes and controversies in accordance with justice and equity and the merits of the case, all in the interest of due process. 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 writs through sheriffs and other deputized officers. It shall likewise have the power to punish direct and indirect contempt in the same manner and subject to the same penalties provided for the Rules of Court.

Responsible farmer leaders shall be allowed to represent themselves or their fellow farmers or organization of farmers, if duly authorized as such by the farmer/s-organization/s in any proceedings before the DRD: 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 DAR proceedings.

Motion for reconsideration of any decision, resolution or order of the DRD Secretary shall not be entertained except when based on palpable or patent errors; provided that the motion is filed within **Ten (10)** calendar days from receipt of decision, resolution or order, with proof of service that a copy of the same has been furnished, within the reglementary period, the adverse party; and provided further, that only one such motion from the same party shall be entertained.

Any order, ruling or decision shall be final after the lapse of **ten (10) days** from receipt of a copy thereof by all of the parties to the case or their representatives.

The Decision of the DRD is final and immediately executory, except when an injunction is issued by Court the Court of Appeals”

“Section 50-A. Reconstitution of Titles – The reconstitution of lost or destroyed registered owner’s duplicate copy of Original Certificate of Title/Transfer Certificate of Title (OCT/TCT) of lands which are identified for coverage under this Act, as well as Certificate of Land Ownership Award (CLOA) or Emancipation Patent (EP), and other titles of ownership issued under the agrarian reform program, shall be vested under the exclusive and primary jurisdiction of the DRD Adjudication Board (**DRDAB**) formerly the DARAB.

Section 9. - Section 53 of Republic Act No. 6657, as amended, is hereby further amended to read:

“Section 53. *Re-institutionalization of the Barangay Agrarian Reform Council* – The PRDC and the DRD shall re-institutionalize the BARDC into the Barangay Rural Development Council (BRDC) by establishing operational structure that would provide its role and functions in initial identification of potential and qualified beneficiaries and vesting upon the primary jurisdiction in settlement of agrarian disputes within Barangay level. It shall likewise institutionalize the provision of incentives to the BRDC officers in a form of honoraria or allowances, as may be determined accordingly. As such, provisions for major implementing mechanism for the program and appropriate funding for its members and regular operations shall be provided by the DRD. The BRDC shall assist in the full implementation of this Act.

Section 53-A. - *Certification of the BRDC* – The DRD shall not take cognizance of any agrarian dispute or controversy unless a certification has been issued by the Barangay Rural Development Council that the dispute has been submitted to it for mediation and conciliation without any success of settlement. Provided, however, that if no certification is issued by the BRDC within thirty (30) days after a matter or issue is submitted to it for mediation or conciliation, the proper DRD office may take cognizance on the issue or dispute.”

Section 10. - Section 54 of Republic Act No. 6657, as amended, is hereby further amended to read:

“Section 54. *Special Civil Action on Certiorari* – Any decision, order, award or ruling of the DRD on any agrarian dispute or any matter pertaining to the application, implementation, enforcement, or interpretation of this Act and other pertinent laws on agrarian reform may be brought to the Court of Appeals by way of Certiorari under Rule 65 of the Rules of Court.

The findings of fact of the DRD shall be final and conclusive if based on substantial evidence.”

Section 11. - Section 65 of Republic Act No. 6657, as amended, is hereby further amended to read:

“SECTION 65. *Prohibition Against Land Reclassification and Land Use Conversion.* – The lands covered by this Act shall not be subjected to conversion and reclassification by any government unit, agency, institutions or instrumentality.”

Section 12. - Sections 30 of Republic Act No. 9700, is hereby further amended to read:

“Section 30. *Resolution of Cases* – Any case and/or proceeding involving the implementation of the provisions of Republic Act No. 6657, as amended, which remains pending until the approval of this Act shall be allowed to proceed to its final determination and executed even beyond such date.”

Section 13. - *The Powers and Mandates of the Department of Rural Development* – The powers, functions and mandates of the Department of Agrarian Reform (DAR) under Executive Order No. 292, and other laws shall henceforth be vested upon the DRD which shall maintain and continue to perform its mandates, powers, functions as provided by laws for purposes of carrying out the objectives and purposes of this Act.

Section 14. – *The Department of Rural Development* - The Department shall be headed by a Secretary who shall be appointed by the President with the confirmation of the Commission on Appointments. In correlation with the existing functions and mandates in agrarian reform implementation, it shall lead, along with line agencies, in infusing rural development programs, specifically prioritizing in LAD-free declared areas. The rural development program hereinafter referred to is a post-LAD program which shall include, but not limited, to the following projects and service facilities:

- (a) Infrastructure development, which includes the construction and maintenance of barangay roads and farm-to-market roads, bridges and culverts, multi-purpose pavements, irrigation and drainage, village water supply and sanitation, post-harvest storage facilities, food processing plants, and buildings and community facilities;
- (b) Agricultural development, which includes farmers' training, farm extension services, and the establishment of rural market centers;
- (c) Agricultural credit and cooperative development, which includes credit extension program and the promotion of farmers' cooperatives;
- (d) Rural electrification, which calls for the intensification of barangay electrification;
- (e) Rural health service facilities, which includes the establishment of barangay health centers;
- (f) Barangay education and information disseminations facilities;
- (g) Land and forest development, which includes soil conversion and reforestation; and
- (h) Land settlement.

Section 15 – *Office of Undersecretary for Support Services Development* - There is hereby created an Office of Undersecretary for Support Services Development with staff complement. The office shall be headed by an Undersecretary who shall assist the Secretary in implementing the mandates and functions of the Department of Rural Development. The Undersecretary shall be appointed by the President upon the recommendation of the Secretary. The Secretary is hereby authorized to delineate, assign and/or reassign the respective functional areas of responsibility of the Undersecretaries, provided, That such responsibility shall be with respect to the mandate and objectives of the Department; and provided, Further, that the Undersecretary assigned to rural development shall possess the competence and technical expertise relevant to the mandates and functions required by the office. Furthermore, that no Undersecretary shall be assigned primarily administrative responsibilities.

The Undersecretary for Support Services Development shall be responsible for the overall direction in the implementation of support services and shall ensure that all policy directives of the Secretary are fully implemented.

Section 16 – Rural Development Support Services Office – There is hereby created a Rural Development Service Office (RDSO) with staff complement, which shall be headed by a Director III, who shall assist the Undersecretary in rural development program implementation. The Director III shall be appointed by the President upon the recommendation of the Secretary. Provided that, the Director III for RDSO shall possess the required competence and technical skills in the field of rural development. The RDSO shall be responsible in planning, policy development, coordination, implementation, and monitoring in order to carry-out rural development in identified areas.

The RDSO shall be complemented by two (2) Divisions, the Program Implementation Division and the Monitoring and Evaluation Division, which shall be headed each by a Division Chief (SG 24). The respective Divisions shall be complemented each by one (1) Supervising Rural Development Officer (SG 22), two (2) Senior Rural Development Officers (18), three (3) Rural Development Officers II (SG 15), and two (2) Administrative Assistants (SG 8). Provided that, the two (2) Division Chiefs and respective technical staff shall possess the required competence and relevant qualification standard as prescribed in the implementing guidelines of this Act.

Section 17– Policy Development, Research and Legislative Liaison Service – There is hereby created a Policy Development, Research and Legislative Liaison Service (PDRLLS) which shall be headed by Director IV and assisted by Director III, both shall be appointed by the President upon the recommendation of the Secretary. The PDRLLS shall be complimented by three (3) Divisions, the Policy Division, Research Division, and Legislative Liaison and External Affairs Division, with respective staff complements. The PDRLLS shall be responsible for policy formulation and monitoring, conduct of research, studies, and coordination with legislative bodies and stakeholders on all matters pertaining to the mandates and objectives of the Department.

Section 18. – Section 63 of Republic Act No. 6657, as amended, is hereby further amended to read:

“Section 63. *Funding Source* – The initial amount needed to implement this Act shall be funded from the Agrarian Reform Fund created under Sections 20 and 21 of Executive Order No. 229.

Additional amounts are hereby authorized to be appropriated as and when the needed to augment the Agrarian Reform Fund in order to fully implement the provisions of this Act.

Sources of funding or appropriations shall include the following:

- a) Proceeds of the sales of the Privatization and Management Office (PMO);
- b) All receipts from assets recovered and from sale of ill-gotten wealth recovered through the Presidential Commission on Good Government excluding the amount appropriated for human rights violations under applicable law;

- c) Proceeds of the disposition and development of 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 agrarian reform 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 production credits, infrastructures, and other support services required by this Act;
- f) Yearly appropriations of no less than Billion pesos 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 the Act shall be considered continuing appropriations; 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 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 this Act, the yearly appropriation shall be allocated fully to support services, agrarian justice delivery and operational requirements of the DAR and other agrarian reform implementing agencies.”

Section 19. -Section 64 of Republic Act No. 6657, as amended, is hereby further amended to read:

“Section 64. *Financial Intermediary for Rural Development* – The Land Bank of the Philippines shall continue to be the financial intermediary for the agrarian reform program and rural development in the Philippines, and shall insure that the social justice objectives of this Act shall enjoy preference among its priorities.”

Section 20. - Sections 31 of Republic Act No. 9700, is hereby further amended to read:

“Section 31. *Implementing Rules and Regulations* – The PRDC and the DRD shall formulate and provide the necessary implementing rules and regulations within One Hundred and Eighty (180) days from approval of this Act. Such rules and regulations shall take effect ten (10) days after its publication in a newspaper of general circulation.”

Section 21. - *Repealing Clause* - Republic Act No. 3844, as amended and Republic Act No. 6657, as amended, and all laws, decrees, executive orders, issuances, rules and regulations, or parts thereof inconsistent with this Act are hereby repealed or amended accordingly.

Section 22. - *Separability clause* – If for any reason any section or provision of this Act is declared unconstitutional or invalid, the other sections or provision hereof not affected thereby shall remain in full force and effect.

Section 25.- *Effectivity clause* - This Act shall take effect upon approval hereof and shall be published in at least two (2) newspapers of general circulation.

Approved,