



Republic of the Philippines
DEPARTMENT of AGRARIAN REFORM

DAR Administrative Order **No. 01**
Series of 2002

SUBJECT: 2002 COMPREHENSIVE RULES ON LAND USE CONVERSION

Pursuant to Section 65 and 49 of Republic Act (RA) No. 6657 (Comprehensive Agrarian Reform Law of 1988), Section 4 (j) and 5 (l) of Executive Order (EO) No. 129-A (Reorganization Act of the Department of Agrarian Reform), the pertinent provisions of RA 8435 (Agriculture and Fisheries Modernization Act), EO-45-2001 [25 October 2001], and in order to provide effective means of evaluating applications for land use conversion, these Rules are hereby promulgated:

ARTICLE I
PRELIMINARY PROVISIONS

Section 1. *Statement of Policies* – The conversion of agricultural lands to non-agricultural uses shall be governed by the following policies:

- 1.1. The State shall preserve prime agricultural lands to ensure food security.
- 1.2. The State shall ensure that all sectors of the economy and all regions of the country are given optimum opportunity to develop, through the rational and sustainable use of resources peculiar to each area, in order to maximize agricultural productivity, to promote efficiency and equity, and to accelerate the modernization of the agriculture and fisheries sectors of the country.
- 1.3. Conversion of agricultural lands to non-agricultural uses shall be strictly regulated and may be allowed only when the conditions prescribed under RA 6657 and/or RA 8435 are present and complied with.

Section 2. *Definition of Terms* - All references in these Rules in the masculine gender form (he/him/his) shall interchangeably mean the feminine form (she/her/hers) or may refer to a group (it/it's/their). As used in this AO, the terms enumerated are defined as follows:

- 2.1. **Agricultural land** refers to land devoted to or suitable for the cultivation of the soil; planting of crops, growing of trees, raising of livestock, poultry, fish or aquaculture production, including the harvesting of such farm products and other farm activities and practices performed in conjunction with such farming operations by persons whether natural or juridical, and not classified by law as mineral land, forest or timber, or national park, or classified for residential, commercial, industrial or other non-agricultural uses before 15 June 1988.

- 2.2. **Area Highly Restricted from Conversion** refers to agro-industrial cropland, or land presently planted to industrial crops that support the economic viability of existing agricultural infrastructure and agro-based enterprises; highland or area located at an elevation of 500 meters or higher and have the potential for growing semi-temperate and/or high value crops; land covered by a notice of land valuation and acquisition; irrigable land not covered by irrigation projects with firm funding commitment; and Environmentally Critical Area and Environmentally Critical Projects as determined by the Department of Environment and Natural Resources (DENR).
- 2.3. **Area Non-Negotiable for Conversion** refers to agricultural land not eligible for conversion as enumerated in Section 4 hereof.
- 2.4. **Comprehensive Land Use Plan** refers to a document accompanied by maps and similar illustrations, which represent the community-desired pattern of population distribution and proposal for the future allocation of land for various land use activities. It identifies the allocation, character and extent of the area's land resources to be used for different purposes and includes the process and the criteria employed in the determination of the land's use.
- 2.5. **Conversion Moratorium** refers to the policy enunciated in RA 8435 which prohibits the conversion of irrigated lands, irrigable lands already covered by irrigation projects with firm funding commitments, and lands with existing or having the potential for growing high value crops so delineated and included within the Strategic Agriculture and Fisheries Development Zones for the period starting 10 February 1998 to 09 February 2003.
- 2.6. **Environmentally Critical Areas (ECA)** refer to areas that are ecologically, socially, or geologically sensitive as declared by law such as:
 - 2.6.1. Areas declared by law as national parks, watershed reserves, wildlife preserves and sanctuaries;
 - 2.6.2. Areas identified as potential tourist spots;
 - 2.6.3. Areas that are habitats of endangered or threatened species of indigenous Philippine plants and animals;
 - 2.6.4. Areas of unique historic, archeological or scientific interest;
 - 2.6.5. Areas traditionally occupied by indigenous people or cultural communities;
 - 2.6.6. Areas frequently hit by natural calamities (geologic hazards, floods, typhoons and volcanic activities);
 - 2.6.7. Areas with critical slopes of 18% and above;
 - 2.6.8. Areas classified as prime agricultural lands;
 - 2.6.9. Recharged areas of aquifer;

- 2.6.10. Water bodies used for domestic supply or to support fisheries and wildlife;
- 2.6.11. Mangrove areas with critical ecological functions or on which people depend for livelihood; or
- 2.6.12. Coral reefs.
- 2.7. **Environmentally Critical Project (ECP)** refers to a:
- 2.7.1. Heavy industry project involving ferrous metals, iron or steel mills; petroleum or petro-chemicals, oil, gas, or smelting plants;
- 2.7.2. Resource extractive project such as major mining and quarrying project, forestry logging project, major wood processing, introduction of fauna or exotic animals in public or private forests, forest occupancy, extraction of mangrove products, grazing, fishery dikes, or fishpond development;
- 2.7.3. Major infrastructure project such as dam, power plant (utilizing fossil-fuel, hydroelectric, geothermal, or nuclear power), reclamation, bridge, or a major road; or
- 2.7.4. Golf course project.
- 2.8. **Illegal Conversion** is the conversion by any landowner of his agricultural land into any non-agricultural use with intent to avoid the application of RA 6657 to his landholding and to dispossess his tenant farmers of the land tilled by them; or the change of nature of lands outside urban centers and city limits either in whole or in part after the effectivity of RA 6657, as provided in Section 73 (c) and (e), respectively, of the said Act.
- 2.9. **Irrigable Land** refers to land displaying marked characteristics justifying the operation of an irrigation system.
- 2.10. **Irrigated Land** refers to land serviced by natural irrigation or irrigation facilities. This includes lands where water is not readily available because existing irrigation facilities need rehabilitation or upgrading or where irrigation water is not available year-round.
- 2.11. **Land Use** refers to the manner of utilization of land, including its allocation, development and management.
- 2.12. **Land Use Conversion** refers to the act or process of changing the current physical use of a piece of agricultural land into some other use or for another agricultural use other than the cultivation of the soil, planting of crops, growing of trees, including harvesting of produce therefrom, as approved by DAR.
- 2.13. **National Integrated Protected Areas System (NIPAS)** refers to the classification and administration of all designated protected areas to maintain essential ecological processes and life support systems, to preserve genetic diversity, to ensure sustainable

use of resources found therein, and to maintain their natural conditions to the greatest extent possible. NIPAS includes areas designated as initial components of the system under Section 5 (a) of RA 7586 which include all areas or islands in the Philippines proclaimed, designated or set aside, pursuant to a law, presidential decree, presidential proclamation or executive order as national park, game refuge, bird and wildlife sanctuary, wilderness area, strict nature reserve, watershed, mangrove reserve, fish sanctuary, natural and historical landmark, protected and managed landscape/seascape as well as identified virgin forest before the effectivity of RA 7586; those proclaimed as part of the system in accordance with the procedure established under the said Act such as strict nature reserve, natural park, natural monument, wildlife sanctuary, protected landscapes and seascapes; resource reserve; natural biotic areas; and other categories established by law, conventions or international agreements wherein the Philippine Government is a signatory.

- 2.14. **Network of Protected Areas for Agricultural and Agro-Industrial Development (NPAAAD)** refers to agricultural areas identified by the Department of Agriculture (DA) through the Bureau of Soils and Water Management in coordination with the National Mapping and Resource Information Authority, in order to ensure the efficient utilization of land to agriculture and agro-industrial development and promote sustainable growth. The NPAAAD covers all irrigated areas, all irrigable lands already covered by irrigation projects with firm funding commitments; all alluvial plains highly suitable for agriculture, whether irrigated or not; agro-industrial croplands or lands presently planted to industrial crops that support the viability of existing agricultural infrastructure and agro-based enterprises; highland or areas located at an elevation of five hundred (500) meters or above, which have the potential for growing semi-temperate and high-value crops; all agricultural lands that are ecologically fragile, the conversion of which will result in serious environmental degradation, and mangrove areas and fish sanctuaries; and all fishery areas as defined pursuant to the Fisheries Code of 1998.
- 2.15. **Premature Conversion of Agricultural Land** refers to the undertaking of any development activity, the result of which may modify or alter the physical characteristics of the agricultural land as would render it suitable for non-agricultural purposes without an approved Conversion Order from the DAR.
- 2.16. **Prime Agricultural Land** refers to land that can be used for various or specific agricultural activities and can provide optimum and sustainable yield with minimum inputs and development costs as determined by the DA.
- 2.17. **Private Agricultural Land** refers to agricultural land as defined herein and owned by natural or juridical persons or by the government in its proprietary capacity.
- 2.18. **Project Feasibility Study** involves the investigation of the market, technical, financial, economic, and operational viability of the project. Specifically, it looks into the alternative technical schemes to attain the project's objectives including possible size, location, production process, and physical and financial resource requirements. The study also determines whether the project would generate sufficient benefits to offset estimated investment and operating costs. Similarly, it ascertains which of the alternatives would yield the largest positive return to the economy that would justify its use of resources. Finally, it seeks the most suitable legal, administrative and

organizational arrangements to ensure that implementation would proceed as planned and that completed facilities would be properly maintained and operated.

- 2.19. **Reclassification of Agricultural Land** refers to the act of specifying how agricultural lands shall be utilized for non-agricultural uses such as, residential, industrial, commercial, as embodied in the land use plan, subject to the requirements and procedure for land use conversion, undertaken by a Local Government Unit (LGU) in accordance with Section 20 of RA 7160 and Joint Housing and Land Use Regulatory Board (HLURB), DAR, DA, and Department of Interior and Local Government (DILG) MC-54-1995. It also includes the reversion of non-agricultural lands to agricultural use.
- 2.20. **Socialized Housing** refers to housing programs and projects covering houses and lots or homelots undertaken by the government or the private sector for the underprivileged and homeless citizens where the maximum cost per unit does not exceed the maximum amount as prescribed by the Housing and Urban Development Coordinating Council (HUDCC) which shall include sites and services development, long-term financing, liberalized terms on interest payments, and such other benefits in accordance with RA 7279.
- 2.21. **Socio-Economic Benefit-Cost Study** involves the assessment of the project's net contribution to the national economic and social welfare, done through a comparison of the economic and social benefits expected to be generated from the project with the social and economic costs of its implementation and operation.
- 2.22. **Special Economic Zone or Eco Zone** refers to selected areas which are highly developed or which have the potential to be developed into agro-industrial, tourist, recreational, commercial, banking, investment and financial centers whose metes and bounds are delimited by Presidential Proclamation.
- 2.23. **Strategic Agriculture and Fisheries Development Zone (SAFDZ)** refer to the areas within the NPAAAD identified for production, agro-processing and marketing activities to help develop and modernize, with the support of the government, the agriculture and fisheries sectors in an environmentally and socio-culturally sound manner.
- 2.24. **Unauthorized Conversion** is the act of changing the current use of the land from agricultural (e.g. riceland) to another agricultural use, the effect of which is to exclude the land from CARP coverage (e.g. livestock) without a Conversion Order from the DAR, or changing the use of the land other than that allowed under the Conversion Order issued by the DAR.
- 2.25. **Watershed** refers to a catchment area or drainage basin from which the waters of a stream or stream system are drawn.
- 2.26. **Zoning** is the delineation/division of a city/municipality into functional zones where only specific land uses are allowed. It directs and regulates the use of all lands in the community in accordance with an approved or adopted land use plan for the city/municipality. It prescribes setback provisions, minimum lot sizes, building heights and bulk.

- 2.27. **Zoning Ordinance** refers to a local legislation approving the comprehensive land use plan and providing for the regulations and other conditions, on the uses of land including the limitation on the infrastructures that may be placed thereon within the territorial jurisdiction of a city or municipality.

ARTICLE II COVERAGE

Section 3. *Applicability of Rules* – These guidelines shall apply to all applications for conversion, from agricultural to non-agricultural uses or to another agricultural use, such as:

- 3.1. Conversions into residential, commercial, industrial, institutional and other non-agricultural purposes;
- 3.2. Development into other types of agricultural activities such as livestock, poultry, and fishpond, the effect of which is to exempt the land from CARP coverage;
- 3.3. Conversions into non-agricultural use other than that previously authorized; or
- 3.4. Conversion of agricultural lands or areas that have been reclassified by the LGU or by way of a Presidential Proclamation, to residential, commercial, industrial, or other non-agricultural uses on or after the effectivity of RA 6657 on 15 June 1988, pursuant to Section 20 of RA 7160, and other pertinent laws and regulations, and are to be converted to such uses. However, for those reclassified prior to 15 June 1988, the guidelines in securing an exemption clearance from the DAR shall apply.

Section. 4. *Areas Non-Negotiable for Conversion* - An application involving areas non-negotiable for conversion shall not be given due course even when some portions thereof are eligible for conversion. The following areas shall not be subject to conversion:

- 4.1. Lands within protected areas designated under the NIPAS, including mossy and virgin forests, riverbanks, and swamp forests or marshlands, as determined by the DENR;
- 4.2. All irrigated lands, as delineated by the DA and/or the National Irrigation Administration (NIA), where water is available to support rice and other crop production, and all irrigated lands where water is not available for rice and other crop production but are within areas programmed for irrigation facility rehabilitation by the government;
- 4.3. All irrigable lands already covered by irrigation projects with firm funding commitments, as delineated by the DA and/or NIA; and
- 4.4. All agricultural lands with irrigation facilities.

Section. 5. *Areas Highly Restricted from Conversion* – The following areas/projects are classified as highly restricted from conversion:

- 5.1. Irrigable lands not covered by irrigation projects with firm funding commitment;
- 5.2. Agro-industrial croplands, or lands presently planted to industrial crops that support the economic viability of existing agricultural infrastructure and agro-based enterprises;
- 5.3. Highlands or areas located in elevations of five hundred (500) meters or above and which have the potential for growing semi-temperate or high value crops;
- 5.4. Lands issued with notice of land valuation and acquisition, or subject of a perfected agreement between the landowner and the beneficiaries under the Voluntary Land Transfer (VLT)/Direct Payment Scheme (DPS) under the CARP; and
- 5.5. Lands within an Environmentally Critical Area (ECA) or those involving the establishment of an Environmentally Critical Project (ECP). Applications for conversion under this sub-section shall require, apart from the standard requirements, an Environmental Compliance Certificate (ECC) which the applicant must secure from the DENR prior to application (for ordinary applications) or prior to commencement of actual land development (for applications involving housing projects).

The Presidential Agrarian Reform Council (PARC) Land Use Technical Committee (PLUTC) shall participate in the deliberations when the application involves land that is highly restricted from conversion and with an area larger than five (5) hectares, except housing projects covered by EO-45-2001.

Section 6. *Priority Development Areas and Projects* –

- 6.1. In accordance with RA 7916, EO-124-1993, and EO-258-2000, the following are priority development areas for land conversion:
 - 6.1.1. Specific sites in Regional Agri-Industrial Centers / Regional Industrial Centers (RAIC/RIC) identified by the Department of Trade and Industry (DTI) and the DA pursuant to EO-124-1993.
 - 6.1.2. Tourism Development Areas (TDA) identified by the Department of Tourism (DOT) pursuant to EO-124-1993.
 - 6.1.3. Agricultural areas intended for Eco Zone Projects, endorsed by Philippine Economic Zone Authority (PEZA), pursuant to RA 7916.
 - 6.1.4. Agricultural land, owned by the government, to be converted for projects of national interest, as certified by proper government agency.
 - 6.1.5. Agricultural land proposed to be developed as sites for processing plants of agricultural products, as certified by the Department of Agriculture.

6.1.6. Sites intended for telecommunication facilities endorsed by the National Telecommunications Commission.

6.2. Housing projects are priority development projects for land conversion that shall follow the fast-tracking scheme prescribed under EO-45-2001. When the application involves a mixed use of housing and non-housing projects, the application shall not enjoy the privileges of housing projects unless at least eighty percent (80%) of the land applied for conversion shall be used directly and exclusively for housing.

Section 7. *Lands within SAFDZ* – In accordance with Section 9 of RA 8435, the following rules shall govern conversion of lands within SAFDZ:

7.1. All irrigated lands, irrigable lands already covered by irrigation projects with firm funding commitments, and lands with existing or having the potential for growing high-value crops included within the SAFDZ shall be subject to a conversion moratorium for a period of five (5) years from 10 February 1998 to 9 February 2003.

7.2. During the effectivity of the moratorium, conversion may be allowed with respect to only five percent (5%) of said lands within SAFDZ upon compliance with existing laws, rules and regulations.

7.3. The maximum of five percent (5%) of land(s) eligible for conversion to non-agricultural use from the total SAFDZ area shall be jointly determined by the DA and the DAR, upon the recommendation of the Regional and National SAFDZ Committees pursuant to Rule 9.5.2 of DA-AO-6-1998, or the implementing rules and regulations of RA 8435.

7.4. After the expiration of the conversion moratorium, conversion may be allowed on a case-to-case basis, subject to existing laws, rules and regulations on land use conversion.

ARTICLE III PROCEDURES

Section 8. *Criteria for Conversion* – The following criteria shall guide the resolution of application for conversion:

8.1. Conversion may be allowed if the land subject of application is not among those considered non-negotiable for conversion as provided in Section 4 hereof.

8.2. Conversion may be allowed, in accordance with Section 65 of RA 6657, when the land has ceased 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, industrial, or other non-agricultural purposes.

8.3. Conversion of lands within SAFDZ, as provided in Rule 9.5.2 of DA-AO-6-1998, shall take into account the following factors:

- 8.3.1. The conversion of land use is consistent with the natural expansion of the municipality or locality, as contained in the approved physical framework and land use plan.
 - 8.3.2. The area to be converted in use is not the only remaining food production area of the community.
 - 8.3.3. The land use conversion shall not hamper the availability of irrigation to nearby farmlands.
 - 8.3.4. The areas with low productivity will be accorded priority for land use conversion.
 - 8.3.5. Sufficient disturbance compensation shall be given to farmers whose livelihood are negatively affected by the land use conversion as provided for by existing laws and regulations.
- 8.4. When the agricultural land which is the subject of the application for conversion has been acquired under RA 6657, its conversion shall be allowed only if the applicant is the agrarian reform beneficiary thereof, and after he has fully paid his obligation as required under Section 65 of RA 6657.

Section 9. *Who May Apply for Conversion* – The following persons may apply for conversion:

- 9.1. Owners of private agricultural lands or other persons duly authorized by the landowner;
- 9.2. Beneficiaries of the agrarian reform program after the lapse of five (5) years from award, reckoned from the date of the issuance of the Certificate of Landownership Award (CLOA), and who have fully paid their obligations and are qualified under these Rules, or persons duly authorized by them; and
- 9.3. Government agencies, including government-owned or controlled corporations, and LGUs, which own agricultural lands as their patrimonial property.

Section 10. *Documentary Requirements* – The applicant shall submit in sextuplicate the following documents in six (6) separate bound folders (one [1] original set and five [5] photocopy sets) with table of contents and page numbers of all documents including photographs, sequentially numbered, except for maps and development plans which shall likewise be in sextuplicate but shall be submitted in six separate envelopes with contents properly labeled on each envelope. Of the six (6) folders, two (2) will be transmitted to the Municipal Agrarian Reform Officer (MARO), containing therein only the filled-up application form and the documents specified in 10.4, 10.5 and 10.26 hereunder. The remaining four folders shall contain all the documents enumerated hereunder that are applicable. The arrangement thereof shall follow the sequence of the enumeration below, with the requirement referred to in Section 10.1 hereof being the first document after the table of contents:

- 10.1. Official receipt showing proof of payment of filing fee and inspection cost.
- 10.2. Official receipt showing proof of posting of bond in accordance with the terms and conditions set forth in Section 24 hereof.
- 10.3. Duly accomplished application for conversion subscribed and sworn to before a notary public or any person authorized to administer oaths.
- 10.4. True copy of the Original Certificate of Title (OCT) or Transfer Certificate of Title (TCT) of the subject land, certified by the Register of Deeds not earlier than thirty (30) days prior to application filing date.

In case of untitled land, the following shall be required in lieu of a title:

- 10.4.1. Certification from the DENR Community Environment and Natural Resources Officer (CENRO) that the landholding has been classified as alienable and disposable; and
 - 10.4.2. Certification from the DENR CENRO (for administrative confirmation of imperfect title) or the Clerk of Court (for judicial confirmation of imperfect title) that the titling process/proceedings has commenced and there are no adverse claimants;
- 10.5. True copy of the Certificate of Title of the subject land as of 15 June 1988, and all successor Titles until the present Title referred to in Section 10.4 hereof, if applicable.
 - 10.6. True copy of the current Tax Declaration covering the subject property.
 - 10.7. Project feasibility study.
 - 10.8. Joint venture agreement or any other business arrangement on the use of the land between the landowner and the developer (if the developer is other than the landowner) or between the EP/CLOA holders and the developer (if the land was awarded under the agrarian reform program).
 - 10.9. Narrative description of the development plan describing in detail the activities, program components, phasing, schedule, work and financial plan, all duly certified by a licensed engineer, architect, or land use planner.
 - 10.10. Proof of financial and organizational capability of the developer to develop land, including the following information:
 - 10.10.1. Statement of project cost and availability of potential funding source(s) for the development of the proposed project;
 - 10.10.2. Profile of the developer;
 - 10.10.3. Most recent financial statement, not later than the year before application, duly authenticated by a certified public accountant; and

- 10.10.4. If the developer is a corporation or partnership, a copy of its Certificate of Registration and recent General Information Sheet (GIS) for the immediately preceding year, certified by the Securities and Exchange Commission (SEC), or in lieu of the latter, a duly accomplished GIS sworn to before a notary public, provided, that if the land is to be used for socialized housing by the LGU under EO 124-1993, a Sanggunian Resolution appropriating funds for the project and authorizing the LGU to undertake the same shall be required: Provided, further, that if the socialized housing shall be undertaken by other government agencies such as the National Housing Authority and the like, a board resolution approving the project and appropriating funds therefor shall likewise be submitted.
- 10.11. Socio-Economic Benefit-Cost Study of the proposed project.
- 10.12. Photographs, size 5R (five [5] inches by seven [7] inches), using color film, and taken on the landholding under sunlight. The applicant shall attach the pictures to a paper background and the photographer who took said pictures shall sign on said paper background to certify the authenticity of the pictures. On each background paper shall be written a short description of each picture. The pictures shall consist of:
- 10.12.1. At least four (4) photographs taken from the center of the landholding: one (1) facing north, one (1) facing east, one (1) facing south, and one (1) facing west;
 - 10.12.2. At least one (1) photograph per corner, taken from each corner of the landholding's borders.
 - 10.12.3. At least two (2) photographs each for all distinct man-made structures existing on the land, taken from opposite angles;
 - 10.12.4. At least two (2) photographs each of the front view of the billboard(s) required in Section 11 hereof. The applicant shall set aside the second copy of said billboard photograph(s) for submission to the MARO; and
 - 10.12.5. Sufficient number of photographs of the most conspicuous landmarks from the nearest barangay center and leading to and from the ingress and egress routes at the subject landholding, for the purpose of assisting the ocular inspection team in locating the site.
- 10.13. Affidavit/Undertaking in a single document of the applicant stating:
- 10.13.1. The number and names of the farmers, agricultural lessees, share tenants, farmworkers, actual tillers, and/or occupants in the landholding; if there are no such persons, a statement attesting to such fact;

- 10.13.2. That the applicant has paid or shall pay disturbance compensation to the persons mentioned in Section 10.13.1 hereof, in accordance with the computation, and under the terms and conditions, in Section 28 hereof;
 - 10.13.3. That the applicant has erected the required number of billboards and undertakes not to remove, deface or destroy said billboard, and that he shall repair or replace the same when damaged, until after the approving authority disposes of the application with finality;
 - 10.13.4. That the applicant has not undertaken and shall not undertake premature development prior to issuance of a Conversion Order;
 - 10.13.5. That he authorizes the DAR to forfeit his bond when he undertakes any premature development within the area before or after filing of the application for conversion; and
 - 10.13.6. That he has not commenced any action or filed any claim involving the same land in any court, tribunal or quasi-judicial agency; to the best of his knowledge, no such other action or claim is pending therein; he has no knowledge of any controversy or proceeding involving the status of said parcel of land or the rights of person over its possession and entitlement to fruits or as beneficiary, the determination of which is filed before any tribunal, court, the DAR or any other agency; to his own knowledge, no such action or proceeding is pending in any court, tribunal, or quasi-judicial agency; and should there be any same or similar action or proceeding involving the property applied for conversion, which is either pending or may have been terminated, he shall report such fact within five (5) days from knowledge thereof to the approving authority where his aforesaid application has been filed.
- 10.14. Certification of the MARO in a single document attesting compliance with Section 14.1 hereof.
 - 10.15. Certification from the HLURB Regional Officer on the actual zoning or classification of the land subject of the application on the approved comprehensive land use plan citing: (a) the municipal or city zoning ordinance number; and (b) resolution number and date of approval by the HLURB or the Sangguniang Panlalawigan concerned, as the case may be.
 - 10.16. Certification from the authorized DA official stating, among others, the classification of the property under the NPAAAD/SAFDZ, whether or not the subject property is within the five percent (5%) limit of the SAFDZ allowed for conversion and whether the land has ceased to be economically feasible and sound for agricultural purposes. As provided for in DA-AO-2-2002, Article VI, Paragraph "4.2", the certification inventory must include the following information:

- 10.16.1. Location and accessibility;
- 10.16.2. Limitations to agricultural production, such as steep slope, unstable soil condition (landslide, etc.); inadequate land drainage; very shallow, stony, rocky soil; very serious boulder problem;
- 10.16.3. Existing land use;
- 10.16.4. Indication of premature development or alteration of land use (with picture);
- 10.16.5. Land use of adjoining area;
- 10.16.6. Indication of non-agricultural development; and
- 10.16.7. Potential for agricultural production.

In the event the land being applied for is within the 5% allowable limit under Section 9 of RA 8435, the investigation report accompanying the inventory should also include the following information:

- 10.16.8. Total area of the SAFDZ;
 - 10.16.9. Allowable 5% limit;
 - 10.16.10. Total area already approved for reclassification by the DA;
 - 10.16.11. Balance of the 5% allowable area; and
 - 10.16.12. Balance of the 5% allowable area if the application is approved.
- 10.17. Certification from the authorized DENR official stating, among others, whether or not the subject land is within the NIPAS, mossy and virgin forests, riverbanks, or swamp forests and marshlands; within an ECA, or will involve the establishment of an ECP.
 - 10.18. Environmental Compliance Certificate (ECC) when the subject land is within an ECA or will involve the establishment of an ECP.
 - 10.19. If applicable, Special Power of Attorney (SPA), when the applicant is not the registered owner.
 - 10.20. If applicable, notarized secretary's certificate of a corporate/cooperative board resolution authorizing the representative, when the applicant is a corporation or cooperative.
 - 10.21. If applicable, concurrence letter of the mortgagee or of the individual or entity in whose favor the encumbrance was constituted, when the property is encumbered.
 - 10.22. If applicable, endorsement from the concerned government agency, when the application involves a priority development area or project.
 - 10.23. If applicable, Land Bank of the Philippines (LBP) certification attesting that the applicant-landowner has fully paid his obligations to the LBP, when the applicant-landowner is a beneficiary of the agrarian reform program.
 - 10.24. If applicable, Provincial Agrarian Reform Officer (PARO) certification attesting that the applicant-landowner acquired the subject land from a landed-estate or under the Voluntary Land Transfer / Direct Payment Scheme (VLT/DPS) and he has already fully paid his obligation thereunder, when the applicant-landowner is a beneficiary of the agrarian reform program.

- 10.25. Vicinity map and a lot plan prepared by a duly-licensed geodetic engineer indicating the lots being applied for and their technical descriptions, name of owner/s, lot number and area. The map shall highlight the specific area applied for conversion if the application covers less than the total lot area.
- 10.26. Directional sketch map showing the orientation of the subject property in relation to adjoining lands and nearest provincial and/or national and/or feeder roads, to facilitate and determine the location of the property for the purpose of ocular inspection. The map shall: indicate the existing infrastructure and/or improvements thereon including any house or tillage thereupon of any occupant therein; landmarks within a one (1) kilometer radius; and owners of adjacent properties. The map need not be drawn to scale.
- 10.27. Map of the development plan. For socialized housing projects, blueprint copy of the development plan submitted and certified by the HLURB as basis for its certification that the project conforms with the minimum standards of Batas Pambansa Bilang 220.
- 10.28. Topographic Map if the subject property is within an upland, hilly or mountainous area.

As a general rule, the applicant shall submit all the foregoing applicable requirements from Sections 10.1 to 10.28 hereof at the time of application filing. However, for applications involving housing projects under EO-45-2001, he may defer the submission of the requirements mentioned in Sections 10.15 to 10.18 hereof and follow the alternative timetable in Sections 22.9.2 and 22.21 hereof.

Section 11. *Public Notice* – The applicant shall post, in a conspicuous place(s) within the subject property, a public notice contained in a billboard made of strong weather-resistant material such as plywood, galvanized iron, tin, panaflex, or other similar durable material, measuring 1.22 meters by 2.44 meters (4 feet by 8 feet). If the landholding has an area of more than twenty (20) hectares, the applicant shall erect one (1) billboard for every twenty (20) hectares, on strategic and visible points in the landholding, preferably along a road. The billboard shall be written in the local dialect and shall display all the information mentioned below, to wit:

- 11.1. Statement that the applicant is proposing to convert the subject landholding from agricultural to non-agricultural use;
- 11.2. Complete name of the landowner(s) and applicant(s) and developer(s);
- 11.3. Total area and exact location of the conversion proposal;
- 11.4. Filing date of application for conversion;
- 11.5. Date of posting of billboard;
- 11.6. Schedule of ocular inspection;

- 11.7. Deadline for filing protest;
- 11.8. Address of the CLUPPI and RCLUPPI and PARO where oppositors may formally file their protest;
- 11.9. Address of the approving authority; and
- 11.10. Date of approval or denial of the application, which shall be left blank, and which the applicant shall fill up upon approval or denial of the application.

Section 12. *Where to file application and Approving Authority –*

- 12.1. Duly accomplished and notarized application forms and the complete documentary requirements set forth in Section 10 hereof shall be filed with the following offices:
 - 12.1.1. Regional Center for Land Use Policy Planning and Implementation (RCLUPPI), located at the DAR Regional Office, for applications involving lands with an area less than or equal to five (5) hectares, or a fraction above five (5) hectares. The Regional Director shall be the approving authority for such applications; and
 - 12.1.2. Center for Land Use Policy Planning and Implementation (CLUPPI), located at the DAR Central Office, for applications involving lands with an area larger than five (5) hectares. The Secretary shall be the approving authority for such applications and may delegate the same authority to any Undersecretary.
- 12.2. When the application concerns a parcel of land that is adjacent to another parcel of land that was previously granted a Conversion Order, and the sum of the areas of both adjoining parcels of land exceeds five (5) hectares, the approving authority for the present application shall be the Secretary, acting upon the recommendation of the CLUPPI.
- 12.3. When the applicant owns or represents the owner(s) of two (2) or more parcels of land within the same barangay or within two (2) or more barangays that are adjacent to each other, and the sum of the areas of said parcels of land exceeds five (5) hectares, the approving authority for an application involving any of said parcels of land shall be the Secretary, acting upon the recommendation of the CLUPPI.
- 12.4. When a single project proposes the conversion of two (2) or more parcels of land with different owners but within the same barangay or within two (2) or more barangays that are adjacent to each other, and the sum of the areas of said parcels of land exceeds five (5) hectares, the approving authority for an application involving any of said parcels of land shall be the Secretary, acting upon the recommendation of the CLUPPI.
- 12.5. When the applicant or any oppositor challenges the jurisdiction of the approving authority on the ground of error in computation of jurisdictional area, and a higher authority takes cognizance of the dispute, the DAR approving authority shall hold in

abeyance the application for conversion until said higher authority determines with finality the correct jurisdictional area.

- 12.6. Except in housing projects, the PLUTC shall act as the recommending body when the application involves lands with an area larger than five (5) hectares and which is highly restricted from conversion as per Section 5 hereof, or when, in the opinion of the Secretary, the application requires inter-agency inputs that are crucial for its judicious disposition.
- 12.7. The CLUPPI shall organize a Secretariat that shall be responsible for processing all land use conversion applications and shall be the repository of all records pertaining thereto. The CLUPPI/RCLUPPI shall be a one-stop processing center for conversion applications undertaken in line with housing projects under EO-45-2001. The RCLUPPI shall adopt the standard docketing system, and adopt its own document-tracing system, and shall forward to the CLUPPI all its decisions / resolutions / final orders, together with its quarterly statistic report on land use conversion applications, for monitoring and consolidation of status reports by the CLUPPI and safekeeping of the decisions / resolutions / final orders by the Records Division. The CLUPPI shall be responsible for the centralized printing of all applications for land use conversion.

Section 13. *Filing Fee and Inspection Cost* –

13.1. Filing Fee:

13.1.1. One thousand (1,000) pesos for applications involving lands with an area less than or equal to five (5) hectares; or

13.1.2. Two thousand (2,000) pesos for applications involving lands with an area larger than five (5) hectares.

13.2. Inspection Cost:

13.2.1. For applications involving lands with an area less than or equal to five (5) hectares:

13.2.1.1. Ten thousand (10,000) pesos if the subject landholding is within the same island as that of the Office of the Regional Director; or

13.2.1.2. Fifteen thousand (15,000) pesos if the subject landholding is not within the same island as that of the Office of the Regional Director.

13.2.2. For applications involving lands with an area larger than five (5) hectares:

- 13.2.2.1. Ten thousand (10,000) pesos if the subject landholding is within the main island of Luzon (except Bicol peninsula);
- 13.2.2.2. Fifteen thousand (15,000) pesos if the subject landholding is within Regions I to IV but is not located within the main island of Luzon;
- 13.2.2.3. Fifteen thousand (15,000) pesos if the subject landholding is in Bicol Peninsula or Visayas group of islands; or
- 13.2.2.4. Twenty thousand (20,000) pesos if the subject landholding is in the Mindanao group of islands.

Section 14. *MARO Certification* –

14.1. Upon accomplishing the application form, the applicant shall furnish the MARO with a photocopy of the same, together with a photocopy of the title(s) in Sections 10.4 and/or 10.5 hereof and directional sketch map in Section 10.26 hereof. Upon receipt thereof, the MARO shall:

14.1.1. check the status of CARP coverage on and around the subject land;

14.1.2. inspect the applicant's billboard posting;

14.1.3. check the presence of any farmer, agricultural lessee, share tenant, farm worker, actual tiller, or occupant; and

14.1.4. post the notices of application in a conspicuous place in the municipality and a conspicuous place in the barangay covering the subject land (or a larger portion of the subject land for properties that overlap on more than one barangay).

Thereafter, the MARO shall accomplish a certification of his findings thereon, furnishing the applicant with the original copy of the certificate, as required under Section 10.14 hereof.

14.2. For housing projects under EO-45-2001, if the MARO fails to act upon the request for certification within ten (10) days from receipt of request, the applicant shall notify the RCLUPPI/CLUPPI of such failure by personally filing an affidavit reporting such inaction. The RCLUPPI/CLUPPI shall investigate the reason for the non-issuance and take the steps necessary for the judicious resolution of the pending application for conversion. Simultaneously, the disciplining authority of the DAR shall, after proper investigation, impose upon the erring MARO the proper administrative sanction(s).

Section 15. *Ocular Inspection* –

- 15.1. The ocular inspection shall be conducted on the property by the RCLUPPI/CLUPPI.
- 15.2. The team designated to conduct ocular inspection shall verify and evaluate the following:
 - 15.2.1. Veracity of information contained in the application for land use conversion;
 - 15.2.2. Description of the property(ies) applied for conversion, including among others the location, terrain/topography, land cover and dominant land use of the subject land and the surrounding areas;
 - 15.2.3. Status of the coverage under CARP of the land applied for conversion;
 - 15.2.4. Whether or not the land applied for conversion falls within the appropriate zone in the land use plan of the city or municipality;
 - 15.2.5. Existence of farmers, agricultural lessees, share tenants, farmworkers, actual tillers, and/or occupants on the subject land;
 - 15.2.6. Whether or not the farmers, agricultural lessees, share tenants, farmworkers, actual tillers, and/or occupants have been paid or have agreed to the terms of the disturbance compensation due them; and
 - 15.2.7. Other information, relevant and useful in deciding whether to approve/disapprove the application for conversion.
- 15.3. The Barangay Agrarian Reform Council (BARC) and Barangay Chairman shall be notified of the ocular inspection but their presence is not mandatory.

Section 16. *Protest* – Persons affected by the proposed land use conversion, such as identified beneficiaries, farmers, agricultural lessees, share tenants, actual tillers, occupants, or residents of adjoining properties or communities, may file a written protest against the application for conversion within thirty (30) days from posting of the requisite billboard(s) under Section 11 hereof, or within fifteen (15) days from conduct of ocular inspection, whichever is later. For applications involving housing projects under EO-45-2001, the protest period shall be within seventeen (17) days from posting of the requisite billboard(s) under Section 11 hereof, or within five (5) days from conduct of ocular inspection, whichever is later. Thereafter, the RCLUPPI/CLUPPI shall furnish all oppositors with copies of all orders or actions taken relative to the subject application. An oppositor who is an identified Agrarian Reform Beneficiary (ARB) of the land applied for conversion, and who failed to file a written protest within the protest period due to fraud, accident, mistake, or excusable neglect, may intervene at any time during the pendency of the application. The filing of any protest shall interrupt any running period for processing applications for conversion, and shall lift the deadline for approving or disapproving the application.

Section 17. *Where to file protest* – Protests against the application for conversion shall be filed with the PARO and/or RCLUPPI and/or CLUPPI, as the case may be, by personal service, if feasible. An oppositor who files a protest before the PARO shall do so by personal

service, not by mail. Upon receipt of a protest by personal service, the PARO shall, before the end of the next working day, communicate with the RCLUPPI/CLUPPI by telephone or text message, to inform the members thereof of such protest, and send a corresponding telegram and/or radiogram which shall serve as written proof of compliance with the protest notification requirement herein. Within four (4) working days from receipt of the protest, the PARO shall transmit, by courier or speed delivery, to the RCLUPPI/CLUPPI the original copy of the protest itself, and keep a photocopy thereof in his custody. Failure of the PARO to comply with the directive under this Section shall subject him to the appropriate disciplinary action.

Section 18. *Examination of Records* – Any interested person or his duly authorized representative or counsel may request from the CLUPPI/RCLUPPI or PARO/MARO a copy of the application, including the attachments thereto, but not the DAR inter-office endorsement/recommendation and other documents as set forth in DAR MC-25-1995. The CLUPPI/RCLUPPI shall not divulge its recommendation so as not to pre-empt the final decision of the proper approving authority.

Section 19. *Resolution of Protest* – The approving authority shall resolve the protest simultaneously with the application for conversion. Whenever necessary, the approving authority may, motu proprio or upon motion by any oppositor, issue a Cease and Desist Order (CDO).

Section 20. *Grounds for Protest/Denial of Conversion* – Protests against the application and denial of the application may be instituted or founded on any of the following grounds:

- 20.1. The area under application is non-negotiable for conversion;
- 20.2. The adverse effects of the displacement to be caused by the proposed conversion far outweigh the social and economic benefits to the affected communities;
- 20.3. Misrepresentation or concealment of facts material to the application for conversion;
- 20.4. Illegal or premature conversion;
- 20.5. Existence of proof that conversion was resorted to as a means to evade CARP coverage and to dispossess the tenant farmers of the land tilled by them.
- 20.6. The land applied for conversion has not ceased to be economically feasible and sound for agricultural purposes, or the locality where it is found has not become urbanized and the land will not have a greater economic value for residential, commercial or industrial purposes. (Section 65 of RA 6657)
- 20.7. The applicant has violated, or the application for conversion is violative, of agrarian laws, rules and regulations as well as other applicable statutes and other administrative issuances.

Section 21. *Processing of Applications* – The following steps are the procedure for ordinary conversions that do not involve “priority development areas and projects” nor housing projects under Section 6 hereof.

- 21.1. The applicant shall first secure an Application Form from the RCLUPPI or CLUPPI.
- 21.2. Following the instructions that accompany the Application Form, the applicant shall install the public notice billboard(s) required under Section 11 hereof.
- 21.3. Immediately thereafter, the applicant shall fill up the Application Form with all the necessary data. He shall reproduce at least five (5) clear photocopies of the accomplished Application Form and place them in five (5) separate folders (plus a sixth folder for the original set), the distribution of which shall be as follows:
 - 21.3.1. The original copy for the RCLUPPI/CLUPPI (the receiving clerk must rubberstamp the words “ORIGINAL” on the original copy);
 - 21.3.2. Three (3) photocopies for the RCLUPPI/CLUPPI; and
 - 21.3.3. Two (2) photocopies which the applicant shall furnish to the MARO as advance copies.
- 21.4. When furnishing the MARO with folders of the application, the applicant shall attach to the filled-up application form, clear photocopies of the:
 - 21.4.1. Title(s) required under either Section 10.4 and/or Section 10.5 hereof; and
 - 21.4.2. Directional sketch map required under Section 10.26 hereof.
- 21.5. Within five (5) days from receipt of the folders containing the documents in Section 21.4 hereof, the MARO shall keep one folder for himself and transmit the other folder to the PARO.
- 21.6. Within twenty (20) days from receipt of the above folder, the MARO shall: check the status of CARP coverage on the subject land; inspect the billboard; check presence of farmers, agricultural lessees, share tenants, farm workers, actual tillers, or occupants; post notices of the application in a conspicuous place in the municipality and a conspicuous place in the barangay covering the subject land (or a larger portion of the subject land for properties that overlap on more than one barangay); prepare a single-document MARO certification reporting the result of all the foregoing tasks; and make available to the applicant the original copy of said MARO certification.
- 21.7. If the MARO fails to act upon the request for issuance of the above certification within twenty (20) days from receipt of the request, the applicant shall notify the PARO and RCLUPPI/CLUPPI of such failure by personally filing an affidavit reporting such inaction. Within five (5) days from receipt of the affidavit of inaction, the PARO shall compel the MARO to act upon the request. If the MARO still refuses to act for no justifiable reason, the PARO shall, within twenty (20) days from receipt of the affidavit of inaction, perform by himself the duties abandoned by the MARO.

Meantime, the disciplining authority of the DAR shall, after proper investigation, impose upon said MARO the appropriate administrative sanction(s).

- 21.8. At this juncture, the applicant has four (4) application forms left after furnishing two (2) advance copies for the MARO and PARO. The applicant shall place said application forms in the remaining four (4) folders and all the applicable documentary requirements set forth in Section 10 hereof, all the originals being in one (1) folder, and the photocopies thereof being in the three (3) other folders. These four (4) folders shall be the initiatory pleading of the application for conversion.
- 21.9. The applicant shall submit to the RCLUPPI/CLUPPI the four (4) folders. The RCLUPPI/CLUPPI shall then review the completeness of the folders. If found complete, the applicant shall pay the filing fees and inspection cost (in accordance with Section 13 hereof) and post the necessary bond (in accordance with Section 24 hereof), after which the RCLUPPI/CLUPPI may accept the application. Acceptance date of the folders shall be the "Filing Date" of the application.
- 21.10. The distribution of the four (4) folders shall be as follows: The RCLUPPI/CLUPPI shall keep a folder containing the originals and a folder containing photocopies. At the same time, the RCLUPPI/CLUPPI Secretariat shall transmit the remaining two (2) folders to the PARO and MARO respectively. Immediate transmittal of said folders is important because the PARO shall utilize the information therein when acting upon any protest against the application, or when issuing any comment that he may wish to submit to the RCLUPPI/CLUPPI in connection with the application.
- 21.11. Within ten (10) days from Filing Date, the RCLUPPI/CLUPPI shall issue to the applicant a Notice of Conduct of Ocular Inspection, indicating the date thereof. The ocular inspection shall be held not earlier than ten (10) days nor later than twenty (20) days from issuance date of the Notice of Conduct of Ocular Inspection. The RCLUPPI/CLUPPI shall inform the MARO by the fastest means of communication of the date of ocular inspection with instructions to ensure dissemination of the Notice to all farmers, agricultural lessees, share tenants, farmworkers, actual tillers, or occupants in the subject landholding.
- 21.12. The applicant shall transmit said Notice to the MARO and indicate the ocular inspection date on the billboard(s) at least five (5) days before conduct of ocular inspection. On or before ocular inspection date, the applicant shall submit to the RCLUPPI/CLUPPI a proof that the MARO was able to receive a copy of said Notice.
- 21.13. The RCLUPPI/CLUPPI shall then conduct ocular inspection, and if possible, hold a dialogue with the farmers, agricultural lessees, share tenants, farmworkers, actual tillers, or occupants found in the subject landholding.
- 21.14. The RCLUPPI/CLUPPI ocular inspection team shall, within five (5) days from conduct of ocular inspection, accomplish an Investigation Report which shall include the result of its dialogue.
- 21.15. The RCLUPPI/CLUPPI shall deliberate on the merits of the application and may call the applicant and/or oppositor(s), if any, for clarificatory questioning, to judiciously resolve any dispute arising from the application. The RCLUPPI shall invite the PARO

to participate in the deliberations. Upon his discretion, the PARO may submit a written comment to the RCLUPPI/CLUPPI.

- 21.16. Within sixty (60) days from issuance of the MARO certification, but not later than eighty (80) days from Filing Date, the RCLUPPI/CLUPPI shall forward its recommendation, together with the records, to the approving authority.
- 21.17. Within thirty (30) days from submission of the recommendation, the approving authority shall resolve the application and furnish copies of the decision to the applicant and oppositor(s), if any.
- 21.18. The filing of any protest shall interrupt any running period for processing applications for conversion and shall lift the deadline for approving or disapproving the application. Upon receipt of a protest, the RCLUPPI/CLUPPI shall order the filing of a comment, reply, rejoinder, and such other pleadings that may aid in a judicious resolution of the protest issues, and thereafter schedule hearings where the parties may present their respective evidence. After conclusion of the hearings, the RCLUPPI/CLUPPI shall submit its recommendation to the approving authority which shall resolve the protest simultaneously with the application.

Section 22. Processing of Applications Involving Priority Development Areas and Projects – Applications involving “priority development areas and projects” under Section 6.1 hereof, and housing projects under Section 6.2 hereof, shall follow the following steps:

- 22.1. The applicant shall first secure an Application Form from the RCLUPPI or CLUPPI.
- 22.2. Following the instructions that accompany the Application Form, the applicant shall install the public notice billboard(s) required under Section 11 hereof.
- 22.3. Immediately thereafter, the applicant shall fill up the Application Form with all the necessary data. He shall reproduce at least five (5) clear photocopies of the accomplished Application Form and place them in five (5) separate folders (plus a sixth folder for the original set), the distribution of which shall be as follows:
 - 22.3.1. The original copy for the RCLUPPI/CLUPPI (the receiving clerk must rubberstamp the words “ORIGINAL” on the original copy);
 - 22.3.2. Three (3) photocopies for the RCLUPPI/CLUPPI; and
 - 22.3.3. Two (2) photocopies which the applicant shall furnish to the MARO as advance copies.
- 22.4. When furnishing the MARO with folders of the application, the applicant shall attach to the filled-up application form, clear photocopies of the:
 - 22.4.1. Title(s) required under either Section 10.4 and/or Section 10.5 hereof; and
 - 22.4.2. Directional sketch map required under Section 10.26 hereof.

22.5. Within five (5) days from receipt of the folders containing the documents in Section 22.4 hereof, the MARO shall keep one folder for himself and transmit the other folder to the PARO.

22.6. MARO certification:

22.6.1. *Priority development areas and projects under Section 6.1 hereof.* Within twenty (20) days from receipt of the above folder, the MARO shall: check the status of CARP coverage on the subject land; inspect the billboard; check presence of farmers, agricultural lessees, share tenants, farm workers, actual tillers, or occupants; post notices of the application in a conspicuous place in the municipality and a conspicuous place in the barangay covering the subject land (or a larger portion of the subject land for properties that overlap on more than one barangay); prepare a single-document MARO certification reporting the result of all the foregoing tasks; and make available to the applicant the original copy of said MARO certification.

22.6.2. *Housing projects under Section 6.2 hereof (EO-45-2001).* Within ten (10) days from receipt of the above folder, the MARO shall: check the status of CARP coverage on the subject land; inspect the billboard; check presence of farmers, agricultural lessees, share tenants, farm workers, actual tillers, or occupants; post notices of the application in a conspicuous place in the municipality and a conspicuous place in the barangay covering the subject land (or a larger portion of the subject land for properties that overlap on more than one barangay); prepare a single-document MARO certification reporting the result of all the foregoing tasks; and make available to the applicant the original copy of said MARO certification.

22.7. MARO inaction:

22.7.1. *Priority development areas and projects under Section 6.1 hereof.* If the MARO fails to act upon the request for issuance of the above certification within twenty (20) days from receipt of the request, the applicant shall notify the PARO and RCLUPPI/CLUPPI of such failure by personally filing an affidavit reporting such inaction. Within five (5) days from receipt of the affidavit of inaction, the PARO shall compel the MARO to act upon the request. If the MARO still refuses to act for no justifiable reason, the PARO shall, within twenty (20) days from receipt of the affidavit of inaction, perform by himself the duties abandoned by the MARO. Meantime, the disciplining authority of the DAR shall, after proper investigation, impose upon said MARO the appropriate administrative sanction(s).

22.7.2. *Housing projects under Section 6.2 hereof (EO-45-2001).* If the MARO fails to act upon the request for said certification within ten (10) days from receipt of the request, the applicant shall notify the RCLUPPI/CLUPPI of such failure by personally filing an affidavit reporting such inaction. The RCLUPPI/CLUPPI shall investigate the reason for the non-issuance and take the steps necessary for the judicious resolution of the pending application for conversion. Simultaneously, the disciplining authority of the DAR shall, after

to all farmers, agricultural lessees, share tenants, farmworkers, actual tillers, or occupants in the subject landholding.

- 22.12. The applicant shall transmit said Notice to the MARO and indicate the ocular inspection date on the billboard(s) at least five (5) days before conduct of ocular inspection. On or before ocular inspection date, the applicant shall submit to the RCLUPPI/CLUPPI a proof that the MARO was able to receive a copy of said Notice.
- 22.13. The RCLUPPI/CLUPPI shall then conduct ocular inspection, and if possible, hold a dialogue with the farmers, agricultural lessees, share tenants, farmworkers, actual tillers, and/or occupants found in the subject landholding.
- 22.14. The RCLUPPI/CLUPPI ocular inspection team shall, within five (5) days from conduct of ocular inspection, accomplish an Investigation Report which shall include the result of its dialogue.
- 22.15. The RCLUPPI/CLUPPI shall deliberate on the merits of the application and may call the applicant and/or oppositor(s), if any, for clarificatory questioning to judiciously resolve any dispute arising from the application. The RCLUPPI shall invite the PARO to participate in the deliberations. Upon his discretion, the PARO may submit a written comment to the RCLUPPI/CLUPPI.
- 22.16. RCLUPPI/CLUPPI recommendation:
 - 22.16.1. *Priority development areas and projects under Section 6.1 hereof.* Within forty (40) days from issuance of the MARO certification, but not later than sixty (60) days from Filing Date, the RCLUPPI/CLUPPI shall forward its recommendation, together with the records, to the approving authority.
 - 22.16.2. *Housing projects under Section 6.2 hereof (EO-45-2001).* Within thirty (30) days from issuance of the MARO certification or filing of affidavit of MARO inaction, but not later than forty (40) days from Filing Date, the RCLUPPI/CLUPPI shall forward its recommendation, together with the records, to the approving authority.
- 22.17. The filing of any protest shall interrupt the running period for processing applications for conversion and shall lift the deadline for approving or disapproving the application. Upon receipt of a protest, the RCLUPPI/CLUPPI shall order the filing of a comment, reply, rejoinder, and such other pleadings that may aid in a judicious resolution of the protest issues, and thereafter schedule hearings where the parties may present their respective evidence. After conclusion of the hearings, the RCLUPPI/CLUPPI shall submit its recommendation to the approving authority which shall resolve the protest simultaneously with the application.
- 22.18. Protests against applications involving housing projects shall likewise interrupt the running period and lift the deadline for approving or disapproving the application. In line with Section 4 (c) of EO 45-2001, the RCLUPPI/CLUPPI shall make a preliminary determination on whether or not the protest stands on valid grounds. When the protest is prima facie meritorious, the RCLUPPI/CLUPPI shall order the

filing of a comment, reply, rejoinder, and such other pleadings that may aid in a judicious resolution of the protest issues, and thereafter schedule hearings where the parties may present their respective evidence. After conclusion of the hearings, the RCLUPPI/CLUPPI shall submit its recommendation to the approving authority which shall resolve the protest simultaneously with the application.

22.19. Approving Authority Decision:

- 22.19.1. *Priority development areas and projects under Section 6.1 hereof.* Within thirty (30) days from submission of the recommendation, the approving authority shall resolve the application and furnish copies of the decision to the applicant and oppositor(s), if any.
- 22.19.2. *Housing projects under Section 6.2 hereof (EO-45-2001).* Within thirty (30) days from submission of the recommendation, the approving authority shall resolve the application and furnish copies of the decision to the applicant and oppositor(s), if any. The thirty (30) day period herein shall not run unless the applicant submits to the approving authority the requirements set forth in Sections 10.15 and 10.16 (certifications from the HLURB and DA).
- 22.20. In housing projects under EO-45-2001, when the approving authority finds the application meritorious, but the applicant has not yet submitted the necessary DENR certifications referred to in Sections 10.17 and 10.18 hereof, the approving authority shall not issue any Conversion Order, but may, in lieu thereof, issue a Provisional Conversion Order. A Provisional Conversion Order does not allow the applicant to undertake any development activity on the subject land. No reglementary period for filing a motion for reconsideration or appeal shall run upon the issuance of a Provisional Conversion Order. The issuance of the final Conversion Order or its denial shall be done only after the approving authority has received from the DENR: a certification that the subject land is not within the NIPAS; and an ECC or a certification that the same is not necessary.

Section 23. *Bond* – To guarantee that the applicant shall not undertake premature conversion pending consideration of the application, and ensure faithful compliance with the conditions of the Conversion Order by the applicant/developer, cash or surety bonds shall be required pursuant to Section 35, Chapter 6, Book IV of the Administrative Code of 1987.

- 23.1. No surety bond shall be acceptable except that issued by the Government Service Insurance System (GSIS), in line with the Office of the President (OP) Administrative Order (AO) No. 33 [25 August 1987], as amended by OP-AO-141 [12 August 1994], "Prescribing Guidelines for the Insurance of All Properties, Contracts, Rights of Action and other Insurance Risks of the Government, Including Those in Which the Government Has an Insurable Interest, with the General Insurance Fund of the Government Service Insurance System". This Guidelines expressly repeals all provisions in DAR-MC-9-1999 relating to posting of bond.

- 23.2. The PARO shall be the recommending authority in resolving all motions for withdrawal or refund of bond.

Section 24. *Bond To Guarantee Against Premature Conversion* –

- 24.1. The applicant shall, upon filing of the application, post a cash bond equivalent to at least two point five percent (2.5%) of the zonal value of the land per latest issuance of the Department of Finance, in the form of cash or manager's/cashier's check posted in favor of the DAR.
- 24.2. In lieu of a cash bond, the applicant may post a surety bond, issued by the GSIS, equivalent to at least fifteen percent (15%) of the total zonal value of the land per latest issuance of the Department of Finance, indicating the following conditions at the minimum that:
 - 24.2.1. The bond is callable on demand;
 - 24.2.2. The DAR shall forfeit the bond in favor of the Agrarian Reform Fund when it finds the applicant carrying out any premature conversion activity; and
 - 24.2.3. The validity of the bond shall be for a period of one (1) year, renewable by not more than one (1) year when necessary.
- 24.3. The DAR shall forfeit the bond in favor of the Agrarian Reform Fund when the applicant, or any person acting in his behalf, carries out any actual conversion activity on the land prior to the application's approval. Forfeiture shall be without prejudice to the filing of criminal charges against those responsible for premature conversion.
- 24.4. After faithful compliance with the terms and conditions of the bond, the applicant may opt to refund or convert the same into a performance bond after issuance of the Conversion Order.
- 24.5. The following projects shall be exempt from posting a “bond to guarantee against premature conversion”:
 - 24.5.1. Socialized housing projects as certified by the HLURB;
 - 24.5.2. Resettlement projects for families displaced by development of government projects as certified by the National Housing Authority (NHA); and
 - 24.5.3. Community Mortgage Program (CMP) projects as certified by the National Home Mortgage Finance Corporation (NHMFC).

When the application involves a mixed use of socialized and non-socialized housing projects, the application shall not enjoy any bond exemption for socialized housing unless at least eighty (80) percent of the land applied for conversion shall be used directly and exclusively for socialized housing.

proper investigation, impose upon the erring MARO the proper administrative sanction(s).

22.8. At this juncture, the applicant has four (4) application forms left after furnishing two (2) advance copies for the MARO and PARO. The applicant shall place said application forms in the remaining four (4) folders and all the applicable documentary requirements set forth in Section 10 hereof, all the originals being in one (1) folder, and the photocopies thereof being in the three (3) other folders. These four (4) folders shall be the initiatory pleading of the application for conversion.

22.9. Filing Date:

22.9.1. *Priority development areas and projects under Section 6.1 hereof.* The applicant shall submit to the RCLUPPI/CLUPPI the four (4) folders containing all the applicable documentary requirements set forth in Section 10 hereof. The RCLUPPI/CLUPPI shall then review the completeness of the application. If found complete, the applicant shall pay the filing fee and inspection cost (in accordance with Section 13 hereof) and post the necessary bond (in accordance with Section 24 hereof), after which the RCLUPPI/CLUPPI may accept the application. Acceptance date of the folders shall be the "Filing Date" of the application.

22.9.2. *Housing projects under Section 6.2 hereof (EO-45-2001).* The applicant shall submit to the RCLUPPI/CLUPPI the four (4) folders containing all the applicable requirements set forth in Section 10 hereof except those in Sections 10.15 to 10.18 (certifications from the HLURB, DA, and DENR) which the applicant may submit at a later time. The RCLUPPI/CLUPPI shall then review the completeness of the application. If found complete, the applicant shall pay the filing fee and inspection cost (in accordance with Section 13 hereof) and post the necessary bond (in accordance with Section 24 hereof), after which the RCLUPPI/CLUPPI may accept the application. Acceptance date of the folders shall be the "Filing Date" of the application.

22.10. The distribution of the four (4) folders shall be as follows: The RCLUPPI/CLUPPI shall keep a folder containing the originals and a folder containing photocopies. At the same time, the RCLUPPI/CLUPPI Secretariat shall transmit the remaining two (2) folders to the PARO and MARO respectively. Immediate transmittal of said folders is important because the PARO shall utilize the information therein when acting upon any protest against the application, or when issuing any comment that he may wish to submit to the RCLUPPI/CLUPPI in connection with the application.

22.11. Within five (5) days from Filing Date, the RCLUPPI/CLUPPI shall issue to the applicant a Notice of Conduct of Ocular Inspection, indicating the date thereof. The ocular inspection shall be held not earlier than ten (10) days nor later than fifteen (15) days from issuance date of the Notice of Conduct of Ocular Inspection. The RCLUPPI/CLUPPI shall inform the MARO by the fastest means of communication of the date of ocular inspection with instructions to ensure dissemination of the Notice

Section 25. *Convertibility of Bond* – An applicant who posted a “bond to guarantee against premature conversion” using a GSIS surety bond may thereafter opt to convert said surety bond into a performance bond after securing the consent of the GSIS, in line with Article 2079 of the Civil Code.

Section 26. *Performance Bond* – Within five (5) days from receipt of a copy of the Conversion Order, the applicant shall post a performance bond in the form of either of the following:

- 26.1. Cash or manager's/cashier's check equivalent to at least two point five percent (2.5%) of the total zonal value of the land per latest issuance of the Department of Finance; or
- 26.2. GSIS surety bond equivalent to at least fifteen percent (15%) of the total zonal value of the land per latest issuance of the Department of Finance, indicating the following conditions at the minimum that:
 - 26.2.1. The bond is callable on demand;
 - 26.2.2. A photocopy of the approved Conversion Order is attached and forms part of the bond;
 - 26.2.3. The DAR shall forfeit the bond in favor of the Agrarian Reform Fund when it finds the applicant in default of his obligation to complete development of the land and/or comply with any of the conditions in the Conversion Order; and
 - 26.2.4. The validity of the bond shall be equivalent to the prescribed period of development of the area under the Conversion Order.

Section 27. *Reimbursement for Government Investment* – Pursuant to DA-AO-6-1998, in case of approved conversion of land within SAFDZ, the registered owner shall pay the government, through the Treasurer of the Philippines, the amount equivalent to the government's investment cost, including inflation, estimated to include all expenditures for capital goods expended by any and all agencies, financed from public, national or local budget resources, whether sourced from domestic or foreign, on the land applied for land use conversion, provided, that:

- 27.1. The valuation of such investments will be equivalent to the total government expenditure made on the land in question, adjusted for average inflation over the period starting from the beginning of investment up to the month of approval of conversion;
- 27.2. The valuation shall be determined jointly by the Municipal Assessor and Municipal Treasurer, in consultation with those agencies which have made public investments in the area; and
- 27.3. The payment of the landowner shall be made in a single, lump sum payment to the Treasurer of the Philippines through the Municipal Treasurer of the Municipality where the farmland concerned is located.

Section 28. *Disturbance Compensation* –

- 28.1 The applicant and/or landowner and/or developer shall pay disturbance compensation in cash or kind or combination of cash and kind to the farmers, agricultural lessees, share tenants, farmworkers, actual tillers, and/or occupants affected by the conversion, in such amounts or under such terms as the parties may mutually agree upon.
- 28.2 The amount of disturbance compensation shall not be less than five (5) times the average of the gross harvests on the target landholding during the last five (5) preceding calendar years, pursuant to Section 36 of RA 3844, as amended by Section 7 of RA 6389.
- 28.3 Compensation in kind may consist of some or all or mixture of housing, homelots, employment, and/or other benefits. The DAR shall approve the terms of any agreement for the payment of disturbance compensation and monitor compliance therewith. In no case shall compliance with the terms and conditions thereof extend beyond sixty (60) days from the date of approval of the application for conversion.
- 28.4 If the parties fail to agree on the amount of disturbance compensation, or raise an issue questioning the lease or tenancy relationship or any other prejudicial issue that tends to justify non-payment of disturbance compensation, either or both parties may refer the issue to the Provincial Agrarian Reform Adjudicator (PARAD) for resolution. While the case is pending before the Adjudicating Authority, the landowner(s)/applicant(s) may not evict said farmers, agricultural lessees, share tenants, farmworkers, actual tillers, or occupants, until such time when the Adjudicating Authority resolves the prejudicial issue(s) with finality.
- 28.5 The applicant shall furnish the RCLUPPI/CLUPPI with proof of payment of disturbance compensation within five (5) days from receipt of payment.

ARTICLE IV
CONVERSION TO HOMELOT

Section 29. *Criteria* – Conversion to a homelot is allowable when: the applicant owns the lot that he proposes to convert; he intends to establish a dwelling place for himself on said lot; the lot has an area not exceeding five hundred (500) square meters; and the conversion shall be from agricultural to purely residential use.

Section 30. *Documentary Requirements* –

- 30.1 Official receipt showing proof of payment of filing fee and inspection cost;
- 30.2 Duly accomplished application for conversion subscribed and sworn to before a notary public or any person authorized to administer oaths;
- 30.3 True copy of the Original Certificate of Title (OCT) or Transfer Certificate of Title (TCT) of the subject land, certified by the Register of Deeds not earlier than thirty (30) days prior to application filing date.

In case of untitled land, the following shall be required in lieu of a title:

- 30.3.1. Certification from the DENR Community Environment and Natural Resources Officer (CENRO) that the landholding has been classified as alienable and disposable; and
- 30.3.2. Certification from the DENR CENRO (for administrative confirmation of imperfect title) or the Clerk of Court (for judicial confirmation of imperfect title) that the titling process/proceedings has commenced and there are no adverse claimants;
- 30.4. True copy of the Certificate of Title of the subject land as of 15 June 1988, and all successor Titles until the present Title referred to in Section 10.4 hereof, if applicable.
- 30.5. Directional sketch map to guide the ocular inspection team in locating the homelot.

Section 31. *Procedure* –

- 31.1. The applicant shall first secure an Application Form from the RCLUPPI.
- 31.2. Following the instructions that accompany the Application Form, the applicant shall fill up the same with all the necessary data, and thereafter, reproduce at least three (3) clear photocopies of the accomplished Application Form which he shall place in three (3) separate folders (plus a fourth folder for the original set), the distribution of which shall be as follows:
 - 31.2.1. The original copy for the RCLUPPI (the receiving clerk must rubberstamp the words “ORIGINAL” on the original copy);
 - 31.2.2. One (1) photocopy for the RCLUPPI;
 - 31.2.3. One (1) photocopy for the PARO; and
 - 31.2.4. One (1) photocopy for the MARO.
- 31.3. The RCLUPPI shall then review the completeness of the application folders. If found complete, the applicant shall pay a filing fee amounting to Five Hundred Pesos (P500) and the inspection cost amounting to One Thousand Pesos (P1,000). Acceptance date of the application folders shall be the “Filing Date” of the application.
- 31.4. Within five (5) days from Filing Date, the RCLUPPI shall transmit two (2) of the above folders, containing photocopies, to the PARO and MARO, respectively.
- 31.5. Within thirty (30) days from receipt of the folder, the MARO shall: check the status of CARP coverage on the subject landholding; post notices of the application in a conspicuous place in the municipality and a conspicuous place in the barangay covering the subject landholding; and submit a report thereon to the PARO.
- 31.6. Within thirty (30) days from receipt of the MARO report, the PARO shall issue to the applicant a Notice of Conduct of Ocular Inspection indicating the date thereof. The

ocular inspection shall be held not earlier than fifteen (15) days nor later than thirty (30) days from issuance date of the Notice of Conduct of Ocular Inspection.

- 31.7. The PARO and MARO or their representatives shall conduct ocular inspection in the presence of the applicant and oppositor(s), if any.
- 31.8. Within thirty (30) days from conduct of ocular inspection, the PARO shall submit a report and forward the records to the RCLUPPI.
- 31.9. The RCLUPPI shall deliberate on the merits of the application and may call the applicant and/or oppositor(s), if any, for clarificatory questioning, to judiciously resolve any dispute arising from the application.
- 31.10. Within thirty (30) days from receipt of the PARO report, the RCLUPPI shall submit its recommendation to the Regional Director.
- 31.11. Within thirty (30) days from receipt of the RCLUPPI recommendation, the Regional Director shall promulgate his decision on whether to grant or deny conversion.
- 31.12. The filing of a protest shall interrupt the running of any of the foregoing deadline periods. The RCLUPPI shall thereupon proceed to hear the protest and thereafter submit its recommendation to the Regional Director who shall resolve the protest simultaneously with the application.

ARTICLE V ISSUANCE OF CONVERSION ORDER AND ITS EFFECTS

Section 32. *Issuance of Order* – No Conversion Order (or its denial) shall be valid without the following information:

- 32.1. Conversion case number.
- 32.2. OCT/TCT numbers and corresponding lot numbers. In case of untitled lands, the lot numbers and corresponding survey plan numbers.
- 32.3. Names of all registered landowners for each parcel of land.
- 32.4. Name of applicant or representative, if the applicant is not the landowner.
- 32.5. Name of developer.
- 32.6. Proposed use of the land.
- 32.7. Total area applied for conversion.
- 32.8. Total area approved or disapproved for conversion; and
- 32.9. Date of approval or denial of the order.

Section 33. *Conditions of Conversion Order* – The approval of the application for conversion shall be subject to the following conditions:

- 33.1. The applicant shall not undertake any development until all the applicable permits and clearances from the other concerned government agencies have been granted.
- 33.2. Within fifteen (15) days from receipt of the Conversion Order, the landowner shall post a performance bond in accordance with Sections 25 or 26 hereof.
- 33.3. Within thirty (30) days from receipt of the Conversion Order, the landowner shall request the Register of Deeds to annotate on the property's title the land use allowed under the Conversion Order.
- 33.4. Within sixty (60) days from receipt of the Conversion Order, the landowner shall return to the CLUPPI or RCLUPPI a certified true copy of the title that already contains the annotation indicating the land use allowed under the Conversion Order.
- 33.5. Within sixty (60) days from receipt of the Conversion Order, the landowner, solidarily with his co-owner(s) and developer(s), shall pay disturbance compensation to the affected farmers, agricultural lessees, share tenants, farmworkers, actual tillers, or occupants, in such amounts or kinds as the parties may mutually agree upon, subject to the approval of the DAR.
- 33.6. Within one (1) year from issuance of the Conversion Order, the landowner and/or developer shall commence development on the property approved for conversion, and shall complete development not later than the deadline(s) set forth in its site development plan schedule, but in no case shall development extend beyond five (5) years from issuance of the Conversion Order.
- 33.7. For housing projects, the landowner shall secure an ECC, if applicable, prior to undertaking any development therein.
- 33.8. The landowner and his representatives shall allow DAR officials free and unhampered access into the property approved for conversion for the purpose of monitoring compliance with the terms and conditions thereof.
- 33.9. The landowner and future landowner(s) of the property approved for conversion shall not change its use to another use not authorized under the Conversion Order without prior consent from the DAR. This prohibition extends to changes in housing standards, changes in selling schemes, changes from social housing to open market housing or vice-versa, and all other similar changes.
- 33.10. The landowner and/or developer shall submit quarterly reports on the status of development to the MARO, PARO, and DAR Regional Office covering the subject property.
- 33.11. The grant of a Conversion Order alone shall not be a ground for eviction. Any person who desires to evict occupants on the basis of the Conversion Order shall invoke other meritorious grounds and file the proper action.

33.12. The DAR reserves the right to revoke the Conversion Order upon valid grounds and after proper investigation.

Section 34. *Effects of approval of conversion* – The approval of an application for conversion shall have, but shall not be limited to, the following effects:

- 34.1. It shall be limited to the specific use of the land authorized in the Conversion Order;
- 34.2. It shall be subject to the schedule indicated in the detailed site development, work and financial plans, but in no case shall the period of development extend beyond five (5) years from issuance of the Conversion Order except as authorized by the Secretary or the approving official on meritorious grounds, provided that, if the development cannot be accomplished within five (5) years, the grantee of the Conversion Order shall submit a written request for extension within the six (6) months before the lapse of the five (5) year period, and provided further, that the extended development period shall be one (1) year for every five (5) hectares, but in no case shall the extension exceed five (5) years.
- 34.3. The conditions thereof shall be binding upon successors-in-interest of the property;
- 34.4. The applicant shall allow duly authorized representatives of DAR free and unhampered access to the property subject of the Conversion Order to monitor compliance with the terms and conditions thereof;
- 34.5. The use authorized in the Conversion Order shall be annotated on the title of the subject property; and
- 34.6. It shall be without prejudice to the ancestral domain claims of indigenous peoples, if any, pursuant to RA 8371 or the "Indigenous Peoples Rights Act".

Section 35. *Distribution of copy of Conversion Order* –

- 35.1. For monitoring purposes, the RCLUPPI shall furnish the CLUPPI with copies of all Conversion Orders issued at the regional level.
- 35.2. The RCLUPPI/CLUPPI shall be responsible and liable for giving a copy of the Conversion Order (or its denial) to all parties listed in the Conversion Order.
- 35.3. The Registry of Deeds of the locality wherein the area applied for conversion is located, among others, shall be given a copy of the Conversion Order. The applicant, upon filing of the application for conversion, shall give the complete address of the local Registry of Deeds to the RCLUPPI/CLUPPI Secretariat.
- 35.4. The DENR's Environmental Management Bureau (EMB), and all other concerned agencies and parties, shall be given a copy of the Conversion Order or its denial.

ARTICLE VI
MOTION FOR RECONSIDERATION

Section 36. *Motion for Reconsideration* – A party may file only one (1) motion for reconsideration of the decision, resolution, or final order of the Regional Director or Secretary, and may do so only within a non-extendible period of fifteen (15) calendar days from receipt of the challenged decision, resolution, or final order. The pendency of a timely motion for reconsideration by the proper party shall stay execution of the challenged decision, resolution, or final order.

- 36.1. At the Regional Director's level, if the motion for reconsideration is denied, the movant may perfect an appeal before the Secretary within only the remainder of said non-extendible period of fifteen (15) calendar days. If the motion for reconsideration is granted, resulting to the reversal of the original decision, the aggrieved party may perfect an appeal before the Secretary within a full but non-extendible period of fifteen (15) calendar days from receipt of the reversed resolution.
- 36.2. At the Office of the Secretary's level, if the motion for reconsideration is denied, the movant may perfect an appeal before the Office of the President (OP) within fifteen (15) calendar days from receipt of the resolution denying the motion for reconsideration.

ARTICLE VII
APPEALS

Section 37. *Who May Appeal* – Only the aggrieved party or parties who is/are either the applicant(s) or protestor(s)/oppositor(s), or both, or their successor(s)-in-interest, may appeal the decision, resolution, or final order of the Regional Director or Secretary within the periods prescribed in Section 33 hereof. The appellant(s) shall furnish copies of the appeal pleadings to all parties and to the RCLUPPI, Regional Director, CLUPPI, and Secretary.

Section 38. *When to Appeal* – The appellant(s) may perfect his/their appeal within a non-extendible period of fifteen (15) calendar days from receipt of the decision, resolution, or final order of the approving authority. The moment the DAR loses jurisdiction over a case by reason of an appeal to the OP, the applicable rules of the OP shall then govern the appeal.

Section 39. *Where to File an Appeal* –

- 39.1. Appeal from the decision, resolution, or final order of the Regional Director to the Secretary shall be made by filing a Notice of Appeal before the Office of the Regional Director of origin, furnishing copies thereof to all adverse parties, if any, together with payment of the requisite appeal fees to the cashier of the regional office of origin.
- 39.2. Appeal from the decision, resolution, or final order of the Secretary shall be made by filing a Notice of Appeal before either the Office of the Bureau of Agrarian Legal Assistance (BALA) Director, or directly at the OP, furnishing copies thereof to all adverse parties, if any, together with payment of the requisite appeal fees to the cashier of either the DAR or OP.

39.3. Appeal from the decision, resolution, or final order of the Secretary may be taken to the Court of Appeals by certiorari in accordance with Section 54 of RA 6657.

Section 40. *Appeal by a Pauper Litigant* – A party opposing an application for conversion, who is a farmer, agricultural lessee, share tenant, farmworker, actual tiller, occupant, member of a farmers' collective or cooperative, or any other person directly working on the land may allege that he is a pauper litigant without need for further proof. He shall enjoy pauper litigant privileges such as exemption from payment of appeal fees.

Section 41. *Appeal Pleadings* – For appeals from the Regional Director to the Secretary, the appellant shall submit an appeal brief with the BALA within fifteen (15) days from perfection of the appeal, furnishing a copy thereof to all parties and to the RCLUPPI, Regional Director and CLUPPI. The appellee may submit a comment (not motion to dismiss) within ten (10) days from receipt of the appeal brief, furnishing a copy thereof to the appellant and to the RCLUPPI, Regional Director and CLUPPI. Within fifteen (15) days from filing of appellee's comment, the BALA shall issue a preliminary order stating either that:

- 41.1. The pleadings on record need further clarification and the conduct of a clarificatory hearing is necessary. Ten (10) days after the termination thereof, the parties may be ordered to simultaneously file their respective appeal memorandum.
- 41.2. The pleadings on record are insufficient for a proper determination of the issues raised and so the parties shall simultaneously file their respective appeal memorandum within ten (10) days from receipt of order for simultaneous filing.
- 41.3. The pleadings on record are sufficient for deciding the appeal and henceforth the deciding authority shall promulgate its decision.

Upon submission of sufficient pleadings, the BALA Director shall submit his recommendation to the deciding authority.

Section 42. *Perfection of Appeal* –

- 42.1. The filing of a proper notice of appeal and payment of requisite appeal fees in due time perfects the appeal with respect to the subject matter thereof.
- 42.2. The office that rendered the challenged decision, resolution, or final order loses jurisdiction over the case after perfection of the appeal and expiration of the period to appeal by all other parties.

Section 43. *DAR Representation on Appeal* –

- 43.1. The Secretary shall represent the DAR in all appeals to the OP.
- 43.2. The Office of the Solicitor General (OSG) shall represent the DAR in all appeals to the Court of Appeals. Alternatively, the OSG may deputize any DAR lawyer to represent the DAR in said appeals.

Section 44. *Execution Pending Appeal* –

- 44.1. Appeal from the Regional Director - The appeal shall stay execution of the decision, resolution, or final order of the Regional Director unless the Secretary directs execution pending appeal when the exceptional nature and circumstances of the case so requires (EO 292-1987, Book VII, Chapter 4, Section 21).
- 44.2. Appeal to the OP - The appeal shall stay execution of the decision, resolution, or final order of the Secretary unless the OP directs execution pending appeal upon such terms and conditions as it may deem just and reasonable (OP-AO-18-1987 Section 4).

Section 45. *Finality of Conversion Order* – The Conversion Order or its denial shall become final and executory after all parties were able to receive a copy of the Order, and after the lapse of fifteen (15) calendar days from receipt by the party who last receives a copy of the Order, and no motion for reconsideration or appeal has been filed. The Head of the Legal Division of the Regional Office or the BALA Director, as the case may be, shall issue the appropriate Certificate of Finality.

ARTICLE VIII
REVOCATION OR WITHDRAWAL OF CONVERSION ORDERS

Section 46. *Filing of Petition* – Any person may file a petition to revoke, and the landowner may file a petition to withdraw, the Conversion Order before the approving authority within ninety (90) days from discovery of facts warranting revocation or withdrawal, but not more than one (1) year from issuance of the Conversion Order. When the petition alleges any of the grounds in the enumeration in the next section, the filing period shall be within ninety (90) days from discovery of such facts but not beyond the development period stipulated in the Conversion Order. Within the DAR, only the Secretary may resolve petitions that question the jurisdiction of the recommending body or approving authority.

Section 47. *Grounds* – The following acts or omissions shall warrant revocation of the Conversion Order:

- 47.1. Lack of jurisdiction of the approving authority;
- 47.2. Misrepresentation or concealment of facts material to the grant of conversion;
- 47.3. Non-compliance with the conditions of the Conversion Order;
- 47.4. Non-compliance with the agreement on disturbance compensation payment;
- 47.5. Conversion to a use other than that authorized in the Conversion Order; or
- 47.6. Any other serious violation of agrarian laws.

Section 48. *General Procedure* –

- 48.1. Upon receipt of the petition, the approving authority shall order the respondent(s) to file a comment within fifteen (15) days from receipt of said order.
- 48.2. The proceedings shall be non-litigious in nature. Except for basic essential requirements of due process, the approving authority shall refrain from strict application of procedural technicalities and rules governing admissibility and sufficiency of evidence obtaining in judicial courts.

48.3. The approving authority shall undertake reasonable means to ascertain the facts of the controversy, including a thorough examination of witnesses, and, ocular inspection of the premises in question, as may be necessary.

48.4. The approving authority shall render a decision on the merits of the case within thirty (30) days from the time the case is deemed submitted for resolution.

Section 49. *Effect of Revocation or Withdrawal of Conversion Order* – The land subject thereof shall revert to the status of agricultural lands and shall be subject to CARP coverage as circumstances may warrant.

ARTICLE IX MONITORING OF LAND USE CONVERSION

Section 50. *Responsibility for Monitoring Illegal Conversion* – The Provincial/City Task Forces on Illegal Conversion, created pursuant to DAR-DOJ Joint AO 5-1994, shall monitor cases of illegal conversion of agricultural lands in the provinces or cities, as the case may be. The PARO shall submit quarterly reports on illegal conversion to the National Task Force on Illegal Conversion at the DAR Central Office.

Section 51. *Compliance Monitoring* – Compliance with the terms and conditions of the Conversion Order shall be monitored, as follows:

51.1. The landowner or developer shall submit quarterly reports on the status of the development to the RCLUPPI and the PARO with jurisdiction over the property.

51.2. The RCLUPPI shall turn over reports to the designated office in the Regional Office which shall monitor compliance by the applicant/developer with the terms and conditions of the conversion, including the posting of the approved order. It shall submit quarterly reports to the CLUPPI regarding the status of land use conversions, copy furnished the DAR Provincial and Municipal Offices concerned.

51.3. The CLUPPI shall evaluate and consolidate the reports submitted by the Regional Office, and render quarterly reports on the status of the land use conversion applications to the Secretary, through the Undersecretary for Field Operations and Support Services, copy furnished the National Task Force on Illegal Conversion.

51.4. The BARC and representative of Non-Government Organizations/People's Organizations (NGO/PO) may be authorized by the DAR Secretary or Regional Director to assist in monitoring compliance with the terms and conditions of the Conversion Order, as may be necessary.

ARTICLE X INVESTIGATION AND PROSECUTION

Section 52. *Prohibited Acts and Omissions* – The following acts or omissions are prohibited:

52.1. The conversion by any landowner of his agricultural land into any non-agricultural use with intent to avoid the application of the CARP on his landholdings and to

dispossess his tenant farmers of the land tilled by them, as provided for under Section 73 (c) of RA 6657;

- 52.2. The change of the nature of lands outside urban centers and city limits, either in whole or in part, after the effectivity of RA 6657, as provided in Section 73 (e) thereof;
- 52.3. Premature conversion as defined under Section 4 of RA 8435 and Section 2 hereof, or the undertaking of any development activity, the results of which modify or alter the physical characteristics of the agricultural lands to render them suitable for non-agricultural purposes without an approved Conversion Order from the DAR;
- 52.4. Unauthorized conversion or changing the current use of the land from agricultural (e.g. rice land) to another agricultural use, the effect of which is to exempt the land from CARP coverage (e.g. livestock, poultry, aquaculture) without a Conversion Order from the DAR, or changing the use of the land to one other than that allowed under the Conversion Order issued by the DAR as defined under Section 2 hereof.

Section 53. *Who May be Held Liable* –

- 53.1. Any landowner or developer, who commits any act which constitutes illegal, premature or unauthorized conversion, including their accomplices and accessories, if any, shall be investigated pursuant to these Rules.
- 53.2. If the offender is a corporation or an association, the officer responsible therefor shall be held liable.

Section 54. *Investigating Officials* –

- 54.1. The DAR Officials, who are designated members of the Provincial/City Task Forces on Illegal Conversion pursuant to DAR-DOJ Joint AO-5-1994, shall be primarily responsible for the investigation, gathering of evidence, and the filing of the complaints against illegal, premature or unauthorized conversions within their respective areas of jurisdiction.
- 54.2. The Secretary may, however, direct such other officials as may be appropriate to investigate cases of illegal, premature, or unauthorized conversion. He may constitute a team composed of national and/or local DAR officials, representatives from other law enforcement agencies, and volunteers from NGOs/POs for this purpose.
- 54.3. The Secretary or his duly authorized representative shall be furnished copies of the investigation reports and other relevant documents for appropriate action.

Section 55. *Duties of Provincial/City Task Forces on Illegal Conversion* – In accordance with DAR-DOJ Joint AO-5-1994, the Provincial / City Task Forces on Illegal Conversion shall perform the following duties and responsibilities:

55.1. DAR Members:

- 55.1.1. Conduct actual ocular inspection and case build-up;

- 55.1.2. File the necessary complaint/affidavit together with supporting documents before the task force member prosecutor;
 - 55.1.3. Investigate all ongoing development project and conversion of agricultural land;
 - 55.1.4. Monitor the conversion situation in the province and cities within the province;
 - 55.1.5. Report to the National Task Force on the conversion situation in the province and cities within the province; and
 - 55.1.6. Perform such other related functions, which may be assigned by the National Task Force on Illegal Conversion.
- 55.2. DOJ Prosecutor Members:
- 55.2.1. Conduct inquest or preliminary investigation, as the case may be;
 - 55.2.2. Recommend and file criminal cases against the landowners and developers involved in illegal conversion of agricultural lands under RA 6657;
 - 55.2.3. Submit to the National Task Force a monthly progress/status report of all cases involving illegal conversion of agricultural lands; and
 - 55.2.4. Perform such other related functions, which may be assigned by the National Task Force on Illegal Conversion.

Section 56. *Evidentiary Requirements* – In illegal, premature or unauthorized conversions, the investigating officials mentioned in Section 51 hereof shall be responsible for securing the evidence necessary to support the charges.

Section 57. *Administrative Action* - The following procedure shall be followed in the administrative investigation of illegal, premature, or unauthorized conversions:

- 57.1. On the basis of the complaint or report received, the Secretary or his duly authorized representative shall conduct an investigation to determine if a prima facie case of illegal, premature, or unauthorized conversion exists.
- 57.2. Upon determination of the prima facie case, the Secretary, or Regional Director (for those cases where he was the approving authority), shall issue a cease and desist order (CDO) directing the respondent to stop any and all development activities in the area and requiring him to explain within ten (10) days from receipt of the CDO why he should not be penalized for violation of existing laws, rules and regulations on land use conversion.
- 57.3. After the lapse of the period to answer, whether or not an answer has been filed, administrative proceedings shall be conducted to determine if the respondent can be held liable for illegal, premature, or unauthorized conversion. The proceedings shall not be bound by the technical rules of procedure and evidence, but shall proceed 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. The investigating official 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 ad testificandum and subpoena duces tecum and to enforce its writs through sheriffs or other duly deputized officers. He shall likewise have the power to punish for direct and indirect contempt in the same manner and subject to the same penalties as provided in the Rules of Court, in accordance with Section 50 of RA 6657.

- 57.4. Upon determination that the respondent committed illegal, premature, or unauthorized conversion, the cash bond or performance bond, if any, shall be cancelled and forfeited in favor of the government, without prejudice to the imposition of other penalties or sanctions, as may be warranted.
- 57.5. Any government official who, directly or indirectly, assisted or took part in the commission of illegal, premature or unauthorized conversion shall be administratively charged or dealt with in accordance with pertinent laws and regulations.

Section 58. Institution of Criminal Action –

- 58.1. The DAR members of Provincial/City Task forces on Illegal Conversion shall be primarily responsible for filing complaints of illegal or premature conversion pursuant to RA 6657 or RA 8435 before the Office of the Provincial or City Prosecutor. However, the Secretary or the National Task Force on Illegal Conversion may directly institute such criminal action in flashpoint cases or those, which, in his judgment, would require immediate action to protect public interest.
- 58.2. The DOJ prosecutor-members of the Provincial/City Task Forces on Illegal Conversion shall conduct inquest or preliminary investigation, as the case may be, and recommend the filing of criminal cases in court against the landowners, developers, and all those responsible for illegal or premature conversion, as the evidence may warrant.
- 58.3. However, unauthorized conversions as defined herein shall not warrant criminal prosecution but only administrative sanctions, as may be appropriate.

Section 59. Prosecution of Illegal Conversion Cases – The prosecution of illegal conversion cases shall be the primary responsibility of the designated provincial/city prosecutors, with active support from the concerned DAR Officials.

Section 60. Role of National Task Force on Illegal Conversion – Pursuant to DAR-DOJ Joint AO-4-1993, the National Task Force on Illegal Conversion shall perform the following duties and responsibilities:

- 60.1. Identify and set priority areas or provinces where illegal conversion of agricultural lands are rampant;
- 60.2. Report to the Secretaries of the DAR and the DOJ on the conversion situation in the country;

- 60.3. Recommend the issuance and/or amendment of guidelines and circulars on conversion and/or illegal conversion of agricultural lands;
- 60.4. Designate such persons who will coordinate and monitor the activities of the Provincial Task Forces on Illegal Conversion; and
- 60.5. Perform such other related functions as may be assigned by the Secretary of the Department of Agrarian Reform and the Secretary of the Department of Justice.

ARTICLE XI PENALTIES AND SANCTIONS

Section 61. *Administrative Sanctions* – The DAR may impose any or all of the following sanctions after determining, in an appropriate administrative proceeding, that a violation of these Rules has been committed:

- 61.1. Revocation or withdrawal of the authorization for land use conversion;
- 61.2. Blacklisting of the applicant, developer or representative;
- 61.3. Automatic disapproval of pending and subsequent conversion applications that the offender may file with the DAR;
- 61.4. Issuance of cease and desist order by the Secretary or Regional Director, as the case may be, upon verified reports that premature, illegal or unauthorized conversion activities are being undertaken; or
- 61.5. Forfeiture of cash bond or performance bond.

Section 62. *Administrative Sanctions against DAR officials or employees* – The DAR may impose against its own officials or employees the following sanctions, in accordance with the Uniform Rules on Administrative Cases in the Civil Service [effective 26 September 1999], specifically Rule IV, Section 52, sub-section "C", numbers "13" to "15", to wit:

- 62.1. Failure to act promptly on letters and request within fifteen (15) days from receipt, except as otherwise provided in the rules implementing the Code of Conduct and Ethical Standards of Public Officials and Employees:
 - 1st Offense – Reprimand;
 - 2nd Offense – Suspension 1 to 30 days;
 - 3rd Offense – Dismissal.
- 62.2. Failure to process documents and complete action on document and papers within a reasonable time from preparation thereof, except as otherwise provided in the rules implementing the Code of Conduct and Ethical Standards of Public Officials and Employees:
 - 1st Offense – Reprimand;
 - 2nd Offense – Suspension 1 to 30 days;
 - 3rd Offense – Dismissal.

- 62.3. Failure to attend to anyone who wants to avail himself of the services of the office, or act promptly and expeditiously on public transactions:
 1st Offense – Reprimand;
 2nd Offense – Suspension 1 to 30 days;
 3rd Offense – Dismissal.

Section 63. *Criminal Penalties* –

- 63.1. Pursuant to Section 73 (c), (e) and 74 of RA 6657, any person who knowingly or willfully converts agricultural lands into any non-agricultural use with intent to avoid the application of said Act and to dispossess his tenant farmers of the land tilled by them; or who changes the nature of the land outside urban centers and city limits in whole or in part after the effectivity of RA 6657 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 fifteen thousand (P15,000.00) pesos, or both, at the discretion of the court.
- 63.2. Any person found guilty of premature or illegal conversion under RA 8435 shall be penalized, in accordance with Section 11 thereof, with imprisonment of two (2) to six (6) years, or a fine equivalent to one hundred percent (100%) of the government's investment cost, or both, at the discretion of the court, and an accessory penalty of forfeiture of the land and any improvement thereon.

ARTICLE XII
 TRANSITORY AND FINAL PROVISIONS

Section 64. *Effect of Pending Applications* – This Administrative Order shall apply prospectively to all applications for land use conversion. Existing rules shall govern all pending applications for land use conversion. Grantees of previous conversion orders who were not yet able to complete development of properties approved for conversion may request for extension of the development period by first posting a new performance bond in accordance with Sections 23 to 26 of this Administrative Order.

Section 65. *Repealing Clause* – This Administrative Order amends or repeals all other DAR issuances inconsistent herewith.

Section 66. *Separability Clause* – Any judicial pronouncement declaring as unconstitutional any provision or portion of this Administrative Order shall not affect the validity of the other provisions herein.

Section 67. *Effectivity* - This Administrative Order shall take effect ten (10) days after complete publication in at least two (2) newspapers with nationwide circulation.

Diliman, Quezon City, 28 February 2002.



Published in two (2) Newspapers with nationwide circulation: **HERNANILIA BRAGANZA**
 Secretary

Date of Publication

1. THE PHILIPPINE STAR - - - - April 25, 2002
2. MALAYA - - - - - May 3, 2002