



Republic of the Philippines  
**DEPARTMENT of AGRARIAN REFORM**

ADMINISTRATIVE ORDER NO. 05  
Series of 1995

**SUBJECT: RULES AND REGULATIONS STRENGTHENING THE IMPLEMENTATION OF THE COMPREHENSIVE AGRARIAN REFORM PROGRAM (CARP) PURSUANT TO REPUBLIC ACT (R.A.) NO. 7905 AMENDING FOR THE PURPOSE CERTAIN PROVISIONS OF R.A. NO. 6657 AND OTHER PERTINENT PROVISIONS OF EXISTING LAWS, RULES AND REGULATIONS**

**I. PREFATORY STATEMENT**

Section 1 of R.A. No. 7905 amends Section 35, items 2, 8 and 11 of R.A. No. 6657 by providing an additional provision relative to seeds and seedling banks, post-harvest facilities and other facilities for a sound agricultural development plan. It provides for the development and dissemination of information on agrarian reform, plants and crops best suited for cultivation and marketing. It further mandates an effective information dissemination system through the Department of Agriculture (DA) to promote marketing and minimize spoilage of agricultural produce. Section 2 of R.A. No. 7905 further amends Section 36 of R.A. No. 6657 regarding the funding for support services.

In line with the national thrust of hastening countryside development through the Comprehensive Agrarian Reform Program (CARP) and to effectively operationalize the above provisions, the following rules and regulations are hereby prescribed.

**II. POLICY STATEMENT**

- A. The success of the CARP depends on the provision of the necessary support services and an organizational vehicle that will propel the beneficiaries to attain economic independence and self-reliance. The lives of the agrarian reform beneficiaries (ARBs) will be uplifted through the provision of support services.
- B. In the planning and monitoring of the delivery of support services, the Department of Agrarian Reform (DAR) shall cooperate with Non-government Organizations (NGOs), People's Organizations (POs) and other self-help organizations.
- C. General support and coordination services shall be provided in carrying out infrastructure development and public works projects in areas and settlements that come under agrarian reform. For this purpose, the physical development plan of such settlements providing suitable

barangay sites, potable water and power resources, and irrigation facilities for a sound agricultural development plan shall be prepared.

- D. The ARBs shall be provided support services such as access trails, mini-dams, public utilities, marketing and storage facilities. This further includes the building of roads, bridges, irrigation systems, school, hospitals, post harvest facilities and other farm oriented infrastructure.
- E. To provide the aforecited infrastructure and facilities, the DAR is authorized to enter into contracts with interested private parties on a long-term basis or through joint-venture agreement or build-operate-transfer schemes.
- F. The need for an effective support services delivery system must include the coordination of all agencies tasked to assist the parties affected by CARP.
- G. An effective information dissemination system through the DA shall promote marketing and minimize spoilage of agricultural produce and products.
- H. A package of support services in the form of land financing, credit infrastructure development, production technologies, institutional and organizational development will be provided to ARBs through the active participation of the different concerned agencies such as the DA, Department of Environment and Natural Resources (DENR), Department of Public Works and Highways (DPWH), Land Bank of the Philippines (LBP), Department of Trade and Industry (DTI), Department of Labor and Employment (DOLE), and the National Irrigation Administration (NIA).
- I. The expenses and cost of support services which shall be at least twenty-five percent (25%) of all appropriations for agrarian reform shall be immediately set aside and made available for this purpose, provided, that for the next five (5) years, a minimum of one (1) Agrarian Reform Community (ARC) shall be established by the DAR, in coordination with the local government units (LGUs), NGOs and POs in each legislative district with a predominant agricultural population; provided, further, that the areas in which the ARCs are to be established shall have been fully subjected under this law.
- J. The DAR, together with the aforecited agencies and organizations, shall identify the farmer associations and cooperatives or their respective federations approved by the farmer-beneficiaries that shall take the lead in the agricultural development of the area. In addition, the DAR shall be authorized to package proposals and receive grants, aid and other forms of financial assistance from any source.

- K. The DAR shall establish a system for providing landowners affected by the CARP with a credit guarantee fund that will restore the collateral value of their agricultural lands for purposes of obtaining loans from banks.

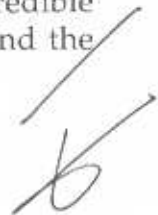
### III. DEFINITION OF TERMS

- A. Support Services - refers to financial and technical assistance which DAR may provide to NGOs/POs, cooperatives, and other self-help organizations.
- B. Self-Help Organizations - refers to organizations composed mainly of small farmers, farmworkers or other Agrarian Reform Beneficiaries (ARBs) who although lacking the formal requisites for registration, nonetheless voluntarily organize themselves and operate according to standard cooperative principles.
- C. Non-government Organizations (NGOs) - are private, non-profit, voluntary organization which are established primarily for socioeconomic development. They include cooperatives, civic foundations and religious groups. NGOs are engaged in fields of development such as rural development, community organizing, health and social services, ecology, women and youth, tribal community issues. They are committed to the task of socioeconomic development and established primarily for service.
- D. Peoples' Organizations (POs) - are grassroots organizations whose membership is composed of farmers, fishermen, industrial laborers, women, and others, which are formed at the local, regional, or national level.
- E. Agrarian Reform Communities - refer to a barangay or a cluster of barangays primarily composed and managed by ARBs who are willing to be organized and undertake the integrated development of an area.

### IV. OPERATIONAL STRATEGY

The following strategies shall be pursued vigorously to improve the living conditions of the ARBs:

- A. Promote the participatory approach to development and effective coordination of all agencies involved in the program.
- B. Encourage ARBs to organize themselves into self-help organizations and to have an active and close linkage with the NGO/PO that has a credible track record in the community regarding community organization and the conduct of necessary training programs.



- C. Ensure the participation of the NGOs, POs, self-help organizations and the private sector in the planning, development and implementation of projects and in monitoring the delivery of support services.
- D. Promote human resources development programs geared towards increasing the technical and managerial capabilities of local planners and field implementors.
- E. Strengthen the information dissemination and education campaign on the CARP. This includes not only formal teaching and orientation seminars but also CARP advocacy in day-to-day activities.
- F. Initiate ARB empowerment through the strengthening of their organizations and provide them with a share of the work in program implementation. They must be given a progressively active and direct role in all aspects of CARP implementation.

V. **SUPPORT AND COORDINATIVE SERVICES**

- A. The DAR Support Services Office (SSO) shall coordinate, through the Presidential Agrarian Reform Council (PARC), the following support services to ARBs and affected landowners taking into account availability of resources and our commitments under international law:

1. Irrigation facilities, especially second crop or dry season facilities.
2. Infrastructure development and public works projects in areas and settlements, including the preparation of physical development plans for barangay sites, potable water and power resources, irrigation systems, seed and seedling banks, post-harvest facilities for a sound agricultural development plan.

For the purpose of providing the aforecited infrastructure and facilities, the Secretary of the DAR is authorized to enter into contracts with interested private parties on long-term basis or through joint-venture agreements or build-operate-transfer scheme.

3. Government subsidies for the use of irrigation facilities.
4. Price support and guarantee for all agricultural produce.
5. Extension to small landowners, farmers and farmers' organizations the necessary credit such as concessional and collateral-free loans, or credit based on social collaterals like the guarantee of farmers' organization.



6. Promoting, developing and extending financial assistance to small and medium-scale industries to agrarian reform areas.
7. Assignment of sufficient numbers of agricultural extension workers to farmers' organizations.
8. Conduct research, development and dissemination of information on agricultural crops best suited for cultivation and marketing, and low-cost and ecologically sound farm inputs and technologies to minimize reliance on expensive and imported agricultural inputs.
9. Development of cooperative management skills through intensive training programs.
10. Assistance in the identification of ready markets for agricultural produce and training in the various aspects of marketing.
11. Administration, operation, management and funding of support services programs and projects including pilot projects and models related to agrarian reform as developed by the DAR.
12. Provision of a Credit Guarantee Fund for Agricultural Landowners (CGFAL). The Credit Guarantee Fund for Small Landowners which the DAR had established with the Guarantee Fund for Small and Medium Enterprises (GFSME) shall be the initial step in this direction, without prejudice to other schemes or strategies to effectuate this provision of law.

The SSO shall further provide the following support services:

1. Undertake land surveys in resettlement areas;
2. Facilitate the resolution of land disputes and cases;
3. Ensure efficient delivery of legal services;
4. Enhance awareness and responsive participation of all sectors in program implementation; and
5. promote self-reliance of ARBs.

B. INTER-AGENCY PROVISION OF SUPPORT SERVICES

1. LOAN ASSISTANCE

The LBP, which is the financial arm of the CARP, shall be responsible for providing the necessary credit assistance to landowners affected by CARP.

It shall likewise promote, develop and extend financial assistance to small and medium scale industries in agrarian reform areas.

## 2. ECONOMIC DEVELOPMENT ASSISTANCE

The DTI shall provide support services to farmer-beneficiaries through the extension of technical assistance, marketing and infrastructure support through the provision of common services and facilities related to agro-industrial development. It shall also provide the landowners with investment, information and counselling, project packaging and technology transfer assistance program.

## 3. MARKETING ASSISTANCE

The DA, together with the Department of Foreign Affairs (DFA) and the DTI, shall identify foreign markets for agricultural exports and find ways to increase the country's share in these markets. The DA shall also participate in the bilateral and multilateral efforts to reduce protectionist trade barriers and improve the access of developing countries to developed country markets.

Moreover, the aforementioned agencies should also accelerate the establishment of tie-ups between producers and processors through the promotion of contract-buying scheme and establishment of Marketing Information Centers (MICs).

## 4. INSTITUTIONAL DEVELOPMENT

The institutional development projects of the DAR shall be aimed at supporting and strengthening the institutional machinery of the CARP covering both technical and human resource development needs of the CARP implementors and their target beneficiaries.

The following areas of technical assistance have been identified:

- a. project preparation/development for CARP support projects;
- b. enhancement of institutional capabilities;
- c. human resources development;
- d. strengthening of database management and information system;
- e. provision of operational support services;
- f. upgrading of support facilities;
- g. institutionalization of grassroots participation; and
- h. conduct of research and development projects.



5. INFRASTRUCTURE DEVELOPMENT

The DPWH shall be responsible for the construction of feeder and rural roads, access trails and multipurpose pavements.

The NIA shall be in-charge of constructing irrigation-related infrastructure facilities.

VI. REPEALING CLAUSE

All orders, memoranda, circulars and issuances inconsistent herewith are hereby amended or repealed accordingly.

VII. EFFECTIVITY

This Administrative Order shall take effect ten (10) days from its publication in two (2) national newspapers of general circulation pursuant to Section 49 of R.A. No. 6657.

Diliman, Quezon City, 09 JUNE 1995

Published in two (2) national newspapers  
of general circulation:

1. MALAYA
2. MANILA BULLETIN

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