



ADMINISTRATIVE ORDER NO. 07
Series of 1995

SUBJECT: RULES AND REGULATIONS FOR THE DEVELOPMENT AND STRENGTHENING OF PEASANT ORGANIZATIONS PURSUANT TO THE CONSTITUTION, RA 6657, AND OTHER PERTINENT PROVISIONS OF EXISTING LAWS, RULES AND REGULATIONS

I. CONSTITUTIONAL AND LEGAL BASES

The Philippine Constitution provides that "the State shall encourage non-governmental, community-based or sectoral organizations that promote the welfare of the nation" (Sec. 23, Art. II), "shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations and peaceful concerted activities" (Sec. 3, Art. XIII), and "shall recognize the right of farmers, farmworkers, and landowners, as well as cooperatives, and other independent farmers organizations to participate in the planning, organization, and management of the program, and shall provide support to agriculture through appropriate technology and research, and adequate financial, production, marketing, and other support services" (Sec. 5, ART. XIII).

Sec. 35 of R.A. No. 6657 has created the Office of Support Services tasked with "extending to small landowners, farmers and farmers' organizations the necessary credit, like concessional and collateral-free loans, for agro-industrialization based on social collaterals like the guarantees of farmers organizations"; "promoting, developing and extending financial assistance to small and medium-scale industries in agrarian reform areas"; "assigning sufficient number of agricultural extension workers to farmers' organizations"; and "development of cooperative management skills through intensive training."

Convention No. 141 of the International Labour Organization (ILO) which has been ratified by the Republic of the Philippines, provides that "it shall be an objective of national policy... to facilitate the establishment and growth, on a voluntary basis, of strong and independent organizations of rural workers" (Art. 4) and to give "active encouragement to organizations (of rural workers), particularly with a view to eliminating obstacles to their establishment, their growth and the pursuit of their lawful activities" (Art. 5, 1).

To implement the intent and purpose of the provisions of the aforesaid laws, and, in recognition of the critical role of the peasants' organizations (POs) in the implementation of the Comprehensive Agrarian Reform Program (CARP), the following rules and regulations are hereby prescribed.

II. POLICY STATEMENT

- A. Genuine peasant organizations are people's organizations which are voluntary and independent.
- B. The Department of Agrarian Reform (DAR) and the CARP Implementing Agencies (CIAs) shall encourage, extend support services and assistance to, and facilitate the establishment of people's and peasants' organizations.
- C. In encouraging and assisting POs, the DAR and the CIAs shall always respect, recognize and guarantee the rights of the peasants to self-organization and shall never abridge or interfere with the same.
- D. In extending assistance to POs, the DAR and CIAs should never interfere with or in any way impair or jeopardize, but on the contrary strengthen their independence, autonomy and their sense of initiative and responsibility. At the same time, the DAR and the CIAs should see to it that all the public assistance given to POs is properly, honestly and responsibly used.
- E. All the CIAs shall endeavor to recognize and understand the roles of POs at all levels of CARP implementation. In this regard, they shall take the initiative in reorienting their personnel towards ensuring a smooth and fruitful relationship with said organizations.
- F. In turn, the POs should exert efforts to understand the functions and procedures of the CIAs toward mutual understanding and effective collaboration for the implementation of the CARP.
- G. The roles of the POs, among others, should be to generate socio-political support for the CARP and the CIAs, to be an instrument of disseminating information needed for the successful implementation of agrarian reform, to monitor agrarian reform implementation on all levels, and to encourage and assist the ARBs to fulfill their obligations under the CARP and to become successful owner-cultivators and responsible members of a democratic society.

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III. DEVELOPMENT AND STRENGTHENING OF PEASANT ORGANIZATIONS

The strengthening and development of POs shall involve, but not limited to, any or all of the following undertakings by the DAR and the CIAs:

- A. Supporting and helping the programs of the POs in providing information, conscientization, education and technical training for their members, leaders and units;
- B. Assisting the POs to contact farmers and farmer groups, hold consultations and meetings among themselves;
- C. Assisting the POs to set up or improve and expand their cooperatives and economic projects through the conduct of training courses in production, processing, marketing, bookkeeping, auditing, and management, among others; brokering between the GFIs and the POs for fund sourcing; and through linkaging of the POs with other local and foreign donors;
- D. Coursing problems of peasants addressed to the DAR and CIAs as much as possible through their organizations in order to solve aspects of such problems that can be threshed out or simplified by them;
- E. Making easily available to the peasants through their organizations all information requested in connection with CARP implementation; and
- F. Consulting the peasants through their organizations at all stages of policy and program formulation and implementation.

IV. OPERATIONAL STRATEGY

- A. A Peasant Fund (hereinafter referred to as the Fund), initially amounting to P13.00 million and earmarked for assisting and strengthening peasant organizations, shall be sourced from the Agrarian Reform Fund (ARF), from appropriations made by law, and from grants made by local and foreign sources. Public funds needed every year shall be included in the DAR's yearly budget. The use of and access to the Fund shall be guided by the following:
 1. The Fund shall be used for various institution-building programs of the POs such as training and organizational management, project packaging and development, cooperative development, technology transfer, formation of positive value system, and related activities enumerated in Section III hereof.

2. Only those POs with national or regional membership and are accredited as herein provided shall be considered to receive assistance from the Fund. This is to promote the growth of the POs with sufficiently effective breadth and quality of membership, sustain the organizational momentum and social impact which they have already created, and to make full use of limited resources.

For purposes of these guidelines, National Farmer's Organizations are those with chapters or affiliates in all the major island groups (Luzon, Visayas and Mindanao) and for Regional - these with chapters in at least three (3) provinces/region.

3. POs with less than national or regional membership shall be encouraged to affiliate with, or form among themselves, national or regional peasant organizations. As such, assistance extended to national or regional POs may be used by said organizations or by their lower units as designated and supervised by them.
- B. The Secretary of DAR, through the Bureau of Agrarian Reform Beneficiaries Development (BARBD) and Regional Agrarian Reform Office (RARO), in consultation with the Peasant Sector Representatives to the Presidential Agrarian Reform Council (PARC), Cooperative Development Authority (CDA), Bureau of Rural Workers (BRW)/Bureau of Labor Relations (BLR), and the Department of Agriculture (DA), shall prepare a list of national and regional peasant organizations. The list should include the POs' track record, financial and management capability, and their existing projects/programs. The accreditation of POs with regional membership should be undertaken by the DAR Regional Office and submit the same to the BARBD for consolidation. For POs with national membership, accreditation shall be undertaken by BARBD.

The data so collated will be used by the DAR as bases in considering the application for assistance by said POs.

V. REQUIREMENTS AND PROCEDURES

- A. The accreditation of POs for purposes of assistance provided herein shall require their registration with the Department of Labor and Employment (DOLE), Cooperative Development Authority (CDA), Securities and Exchange Commission (SEC), and Department of Social Welfare and Development (DSWD) or with any appropriate government agency authorized by law.

- B. The requirements for accreditation of the POs, as cited below, should follow the provisions of COA Circular No. 95-003 (Annex A). The COA Circular No. 95-003 forms an integral part of this Administrative Order.
1. Certificates of registration with the SEC, CDA, DOLE, DSWD, or with any appropriate agency authorized by law, depending on the nature of the service required or to be rendered.
 2. Financial statements for at least three (3) years operations to ensure that:
 - a. it has stable financial condition so that the funds assistance shall not be its sole source of funds; and
 - b. it has proven experience in fund management so that the grant shall be managed efficiently and economically.
 3. For the POs which has been in operation for less than three (3) years, proof that it has previously implemented similar projects and a certificate from LGU concerned, as appropriate, attesting to the credibility and capability of the officers and staff of the POs shall be submitted in lieu of financial statements.
 4. List of projects it has previously undertaken to show its experience and expertise in implementing the project to be funded.
- C. National POs shall submit their proposals for assistance to PDMS of the DAR Central Office, and the regional POs, to the RARO of the same Department. The RARO after evaluating the proposals and the record of the proponents shall endorse said proposals to the PDMS. The PDMS shall evaluate all proposals submitted or endorsed to it and shall, in turn, endorse the same to the PARC ExCom which shall give its approval or disapproval of said proposals.
- D. The concerned RARO and the PDMS shall complete their evaluation and endorsement of the proposals within one month after receipt thereof.
- E. The DAR and other CIAs shall establish Peasant Organizations' Desk within their respective offices at the central and field levels. These Desks shall facilitate the DAR's and CIAs' services to the POs.

provide linkages with the different units of the CIAs' services to the POs, provide linkages with the different units of the CIAs, or facilitate joint projects and programs.

VI. FUNDS DRAWDOWN AND FINANCIAL REPORTING

- A. The drawing out of funds from the Peasant Fund and financial reporting shall likewise be guided by the COA Circular No. 95-003 (cf. Annex A). Among others, the pertinent provisions of the Circular include the following:
1. The DAR and the POs shall enter into a Memorandum of Agreement (MOA) or similar document.
 2. Fund drawdown shall be as follows:
 - a. If the project is for implementation within a period of three (3) months, the assistance shall be released according to the following:
 - If the project is worth ₱300,000.00 or less, assistance may be released in full.
 - For projects of more than ₱300,000.00 but not more than ₱1.0 million, release may be made in three (3) tranches:
 - o 15% upon approval and signing of the MOA;
 - o 35% after 50% completion; and
 - o 50% upon completion of the project, subject to the favorable evaluation/inspection by the BAREB and/or the RARO of the results of the previous release/s.
 - b. If the project is to be implemented within a period of more than three (3) months, the first release shall be good for two (2) months operation but not to exceed 30% of the total assistance, subject to replenishment upon submission of accomplishment reports, evidenced by pictures of the accomplishments, and/or report of inspection by the BAREB and/or RARO and certification of receipt by beneficiaries/payrolls/invoices, etc.

- B. The keeping of books of accounts shall be required to be made by POs receiving funding assistance hereunder; but the same shall be simplified as much as possible, and part of any assistance given may be devoted to training in bookkeeping and accounting and to ensuring the preparation of proper financial statements, complete with supporting papers. The DAR, through its Internal Audit Service (IAS) shall audit the books of accounts; but the auditing procedures and requirements should be adapted to the capabilities of peasants and POs .
- C. Within 60 days after completion of a project, an audited financial and verified accomplishment report shall be submitted by the PO concerned.

VII. MONITORING AND EVALUATION

The DAR and CIAs, through their provincial or regional offices and BARBD, as the case may be, shall conduct a periodic monitoring and evaluation of the POs performance, in collaboration with the concerned CIAs to serve as reference points in the formulation and implementation of policies and programs and projects. Quarterly report of the POs performance shall be submitted to the PARC ExCom through the PARC Secretariat.


VIII. REPEALING CLAUSE

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

IX. EFFECTIVITY

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

Diliman, Quezon City, 21 July, 1995.


ERNESTO D. GARILAO
Secretary

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of general circulation:

1. MANILA BULLETIN
2. TODAY

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