



Republic of the Philippines
DEPARTMENT of AGRARIAN REFORM

MEMORANDUM CIRCULAR NO. 02

Series of 2007

Subject: Guidelines Governing the Identification/Selection/
Confirmation of Special Agrarian Reform
Communities (SARC)

I. Background/ Rationale

Since 1993, the Department of Agrarian Reform has adopted the Agrarian Reform Community Development Program (ARCDP) as the key operating strategy in the provision of comprehensive and focused development interventions in agrarian reform areas and to agrarian reform beneficiaries (ARBs). This area-focused strategy for resource maximization, re-allocation and mobilization was developed to address the growing demand for basic infrastructure and other support services to the farmers in the rural areas.

Motivated by the initial gains of the program, the Department issued Memorandum Circular No. 05, series of 1999, "A Sustainable Rural Development Framework for Agrarian Reform Communities," to adopt an expanded approach by re-clustering of existing ARCs to include other ARBs in contiguous barangays, widening beneficiary focus, and launching new ARCs based on economic, ecological and socio-political factors. This was further instituted through the issuance of Memorandum Circular No. 14, series of 1999, "Guidelines and Procedures Governing the Selection and Launching of Agrarian Reform Communities."

The ARC development concept continues to deliver significant impact in the lives of the rural poor. However, the challenge of addressing the gap in the development reach of CARP remains, as revealed by two CARP impact studies in 2001¹ and 2003². As of June 2006, a total of 1,716 ARCs were launched, covering 925,388 ARBs. This figure represents only 31% of the total 3 million ARB population, or 41% of the ARBs targeted to be served by CY 2008. The launching of ARCs is a continuing activity of the DAR until the targeted 2,000 Agrarian Reform Communities is met up to CY 2008. Likewise, the Department is yet to bring social progress to some two (2) million ARBs in non-ARCs.

In view of the geo-physical characteristics of and socio-political situation in our country, compounded by the nearly completed land acquisition and

¹ Institute of Agrarian and Rurban Development Studies. *An Assessment of CARP and its Impact on Rural Communities: Micro and Meso Perspectives*. 2001. University of the Philippines, Los Baños Institute of Agrarian and Rurban Development Studies.

² Department of Agrarian Reform-Food and Agriculture Organization (FAO). *CARP Impact Assessment Studies*. 2003. DAR, Quezon City.

distribution (LAD) process, some areas with high potential for growth and/or those which are in dire need of development interventions could not meet the present criteria for the identification and launching of ARCs based on MC 5 and 14, Series of 1999.

It is in this light that the Department is launching the Special Agrarian Reform Communities (SARCs) as an intervention delivery mechanism to agrarian reform areas that have distinct opportunities to foster growth in the countryside. Notwithstanding the continuing relevance of regular ARCs, the Special ARC now provides a platform for a more responsive support services delivery in uniquely situated and/or characterized areas. It is, thus, intended as a complementary approach applying the development framework set forth in MC 5, S. 1999, the procedural guidelines provided by MC 14, S. 1999 and succeeding circulars on other ARC parameters.

II. The Special Agrarian Reform Community (SARC) Concept

A. Definition of SARC

Special Agrarian Reform Communities (SARCs) are land-reform areas under special or distinct settings with limited or dismal development interventions and which would require customized development assistance considering its land scope, ARB density, and poverty incidence.

B. Objectives

The launching of SARCs is anchored on the overriding national objectives of reducing poverty and spurring economic growth. Generally, it shall serve as a complementary intervention strategy to the ARC Development Program in order to expand support services reach to more agrarian reform beneficiaries and other farmers. It specifically aims to:

1. Provide customized support services to farmer beneficiaries as called for by the physical and social circumstances in special land reform areas where they belong (geographically isolated, calamity prone, indigenous cultural communities, peace development zones, and agro-tourism areas);
2. Ensure the optimal utilization of limited and depleting resources;
3. Expand ARB-reach and enhance farmer beneficiaries' participation in development processes; and

4. Enhance farm productivity and increase household income in SARC by promoting viable farming systems and technologies and providing appropriate support services and facilities.

C. Modalities

Modalities serve as prototype for the inter-relation of elements that make up a concept. The special conditions which characterize SARCs and differentiate it from other agrarian reform communities determine the modality and the particular mix of development interventions appropriate for the area. Notwithstanding actual development needs to be identified by the people in SARCs, the following modalities and the corresponding package of interventions shall serve as guide in envisioning the development scheme in the area. Delivery of said interventions shall apply the key players synergy principle of complementation of development players' programs and projects to achieve greater impact, with DAR acting as facilitator of complementation.

- 1. Geographically Isolated Areas (GIA)** - These are areas or communities which are accessible only by special forms of transportation due to absence of road networks. These may be island areas or those located in mountainous areas which are often not prioritized because of the cost and difficulty of providing goods and services effectively.

Package of Interventions:

- Land Tenure Improvement
- Physical infrastructures (e.g. road network, foot bridge, cable car, etc.)
- Community-based support services system such as potable water supply, electric/solar power supply, school and health facilities, among others
- Community-based livelihood activities for self-sufficiency
- Area-based agricultural support
- Organizing of cooperatives / economic groups

- 2. Calamity Prone Areas (CPA)** – These are areas which are frequented by both natural (typhoons, earthquake, and volcanic eruptions) and environmental-related, man-made calamities (such as flashfloods, landslides, fish kill, siltation and chemical poisoning)

Package of Interventions:

- Land Tenure Improvement
- Physical infrastructures (e.g. dam, dike, dugout, etc.)

- Community-based social services (PWS, electric/solar supply, school and health centers
- Quick impact community level enterprise
- Community-based resource management
- Relief assistance and confidence building activities
- Survival and disaster preparedness activities
- Special housing project
- Environmental/ Ecosystem Rehabilitation Program

3. Special Tribal Areas (STA) - These are areas where members of the indigenous cultural community are awardees of land titles or instrumentalities issued by DAR (i.e. EP, CLOA, leasehold contract, CBC, etc). In pursuance to the constitutional rights of indigenous cultural communities, the DAR is mandated to assist in the advancement of the economic, social and cultural well-being of its ARB-Indigenous Peoples (IPs). To operationalize existing guidelines of the Department, Special Tribal ARCs shall promote the delivery of support services intervention to ARB-IPs.

Package of Interventions:

- Land Tenure Improvement
- Physical infrastructures (e.g. roads, bridges, hanging or foot bridges, etc.)
- Community-based social services (PWS, electric/solar supply, school and health centers
- Economic sufficiency projects, including off-farm livelihood projects utilizing local raw materials
- Community-based resource management projects
- Adult education/ literacy program
- Environmental Protection and awareness program

4. Peace Development Zone (PDZ) - Peace and order problems have major implications on rural development. Civil unrest weakens the local institutions and leave behind a stigma on the political, economic, and social system. Armed hostilities significantly reduce the performance of the agricultural sector, and result to displacement of local inhabitants, thus hindering them from accessing productive resources like land, capital, human, and basic social services. Corollarily, PDZs are envisioned as sanctuaries for ARBs affected/displaced by or recalled from armed conflicts.

Package of Interventions:

- Land Tenure Improvement
- Physical infrastructures

- Community-based social services (PWS, electric/solar supply, school and health centers)
- Relief assistance and peace-building activities
- Community-based livelihood projects
- Resettlement/relocation/rehabilitation initiatives
- Quick response/emergency management/contingency planning trainings

5. Agro-Tourism Areas (ATA) – These are areas with notable allure because of its natural and/or cultural attractions. It may also showcase agricultural features such as model demo-farms or processed agricultural products.

Tourism offers many opportunities for expanding economic development in rural areas. Eco- and agro-tourism opportunities need to be actively pursued and marketed not only within the region but also across the Philippines and around the world.

Package of Interventions:

- Land Tenure Improvement
- Physical infrastructures-roads, bridges, irrigation and post-harvest facilities
- Community-based social services (PWS, electric/solar supply, school and health centers)
- Credit and Micro-finance
- On-farm, off-farm and non-farm livelihood projects
- Institutional development
- Production, processing and marketing assistance
- Environmental protection program

III. Launching of SARC

A. Identification and Selection of SARC

The identification and launching of Special Agrarian Reform Communities shall be undertaken alongside ARC launching and shall serve as a complementary drive towards the delivery of the gap of 285 ARCs targeted for launching and the 1.33 million ARBs targeted to be reached by development interventions. Identification, selection and confirmation procedures for SARC shall be governed by the relevant provisions of MC 14, S. 1999. DAR Provincial Offices may recommend one or more Special ARCs for deliberation and approval by the National Agrarian Reform Community Task Force (NARCTF).

B. Confirmation Criteria

1. **Modality.** Presence of one or more of the following attributes:
 - geographically-isolated;
 - calamity-prone;
 - ARB-IP community;
 - peace zone within or near conflict areas;
 - agro-tourism attraction/appeal.
2. **Land Coverage.** The proposed SARC should cover at least one (1) CARP-covered barangay.
3. **Critical Mass of Agrarian Reform Beneficiaries.** There should be at least 100 actual awardees of EP/CLOA, leasehold contract, CBC and other DAR issued instrumentalities in the area. Over and above the 100 ARBs, the following may be considered as beneficiaries of interventions: marginalized group of small owner cultivator, farmworkers, subsistence fisherfolks, and rural women.
4. **CARP Scope.** The proposed ARC should comprise a minimum of 100 hectares agricultural land, 50 hectares of which must be the LTI working scope, and 10% of said scope must already be distributed.
5. **Key Players/Partners.** There should be at least one (1) functional peoples' organization or other key players/partners operating in the area (e.g. government agencies, civil society (NGO/PO/ Academe, etc) and business sectors).
6. **Farm Income.** Priority for intervention should be given to areas with average national annual per capita income of less than PhP 11,589.00³ or the applicable poverty threshold based on the National Statistics Coordinating Board (NSCB).

A tabular comparison of the working criteria for ARCs and SARC is attached as Annex A of this MC.

C. Document Requirements

On the minimum, the SARC folder should contain the following documents using the existing forms on regular ARCs:

- Checklist of Available Documents (for DARPO and DARRO)
- Evaluation Matrix

³ Based on CY 2003-2004 Annual Per Capita Poverty Threshold data for rural areas of the National Statistics Coordination Board (NSCB).

- LTI Monitoring Form No. 1
- ARC Database Forms 1-5
- PO or key player/partner profile
- Masterlist of ARBs
- SARC Intervention Development Plan
- PARCTF and RARCTF Resolution

To facilitate approval, the following shall be submitted as supporting documents depending on its relevance to the proposed SARC:

- Area Profile with base/location map or graphical representations of the spatial and economic configuration of the area (e.g. physical infrastructure, market/economic centers, road network, etc.) generated through the Swedesurvey mapping technology
- Memorandum of Agreement (MOA) among key partners
- Photo documentation of the proposed SARC
- LGU Resolutions
- Certification from LGU (for GIAs)
- Certification from DENR/Geo-hazard Mapping/ etc (For CPAs)
- Certification from NCIP/DENR/etc. (for STAs)
- Certification from DILG/military/etc. (for PD-ARCs)
- Support documents from DOT/DA/DENR, as needed (for ATAs)
- Other supporting documents as may be requested by the NARCTF

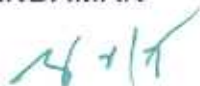
IV. Effectivity

This Memorandum Circular takes effect immediately.

Diliman, Quezon City, February 7, 2007.


NASSER C. PANGANDAMAN

Secretary



Comparative Criteria – ARCs and Proposed SARCs

Criteria	ARCs	SARCs
1. Beneficiaries	<p>At least 300 CARP-ARBs</p> <ol style="list-style-type: none"> 1. EP/CLOA holders 2. LH contract holders <p>All others may be:</p> <ol style="list-style-type: none"> a. Potential b. Small Owner-Cultivator (SOC) c. Seasonal Workers/FW d. Stewardship Contract Holders e. ISF Patent holders 	<p>Presence of at least 100 CARP-ARBs (EP/CLOA, LH contract, CBC holders for CAR only, stewardship contract holders, SOC, ISF patent holders, etc.)</p> <p>Aside from the above-specified required 100 CARP ARBs, the following may be considered as beneficiaries of interventions in SARC:</p> <ol style="list-style-type: none"> a. Marginalized group of farmers; b. Farmworkers; c. Subsistence Fisherfolks d. Rural women
2. LTI	<p>CARP scope > 50% agricultural area, minimum of 300 has. CARP accomp. > 75%</p>	<p>CARP scope \geq 50 hectares - 10% of which are distributed - minimum of 100 hectares agricultural area</p>
3. Other considerations	<p>Geographical consideration:</p> <ul style="list-style-type: none"> ✓ Composed of at least 2 barangays ✓ Agri area should be min 50% of total land area but > 700 hectares ✓ Presence of at least one functional PO (registered w/ CDA/ BRW) ✓ Ave. annual income \leq P85,000 	<p>One or more barangays with the following characteristics:</p> <ul style="list-style-type: none"> ✓ Area is geographically isolated (island/ mountainous w/o road network) ✓ Area is calamity-prone (with certification/ confirmation from DENR/ included under geohazard mapping) ✓ Indigenous Cultural Communities (ICC) area; May be part of Ancestral Domain ✓ Peace zones within or near (post)conflicts areas due to insurgency; tribal and feudal wars (cultural conflict); political system; religious conflicts, among others. ✓ Areas with eco-tourism appeal <p>Presence of a peoples' organization, and identified key players/ partners which may be other government agencies, civil society (NGO/PO/ Academe, etc) and business sectors.</p> <p>Priority of intervention will be provided to areas with ave. per capita income \leq P11,589.00. (Based on NSCB 2003-2004 data for rural areas)</p>