



Republic of the Philippines
DEPARTMENT of AGRARIAN REFORM

Memorandum Circular No. 19
Series of 1999

SUBJECT: SOCIAL INFRASTRUCTURE AND LOCAL CAPABILITY BUILDING FRAMEWORK FOR AGRARIAN REFORM BENEFICIARIES

I. Background and Rationale

The Agrarian Reform Community (ARC) Development was adopted by the Department of Agrarian Reform (DAR) in 1993 as a key operating strategy in the provision of comprehensive development interventions on land tenure improvement (LTI) and program beneficiaries development (PBD) to ensure the economic, political, socio-cultural and ecological viability of agrarian reform communities. The ARCs have been the focus of convergence efforts and interventions, resources and services of various agencies and entities such as government organizations, the civil society and the business sector.

Given this strategy, it is envisioned that CARP implementation will be accelerated to improve the tenurial status of the farmers/tillers to bring about not only social justice but also increase in productivity and income in the rural areas. Aside from land distribution, the CARP is concerned with social infrastructure and local capability building (SILCAB) to empower the farmers by allowing them to participate in decision-making processes in charting their own development. It is in the ARCs that ARB organizations are capacitated to manage and operate sustainable area-based enterprises towards domestic and global competitiveness.

As of June 1999, a total of 1,016 ARCs were established nationwide covering about 800,000 hectares of land benefiting 355,709 agrarian reform beneficiaries (ARBs) who have been awarded an average of 2.18 hectares each.

The Department has been implementing several interventions on social infrastructure and local capability building for ARBs as well as other support programs. However, the National ARC Report as of June 1999 shows the following:!

- In terms of Organization Building and Strengthening, 2,337 ARB organizations nationwide have been organized and strengthened with a membership of 190,690 wherein 128,310 (67%) are ARBs. These ARB members represent 32% of the total number of ARBs in the ARCs. Majority of these are primary cooperatives and the rest are farmers associations and women's groups. These organizations are found in CARP-distributed lands where there are 356,000 ARBs.
- Coordinative mechanisms such as the BARCs and the PO/NGO Consultations have been installed at the ARC level. To date, there are 2,167 BARCs organized nationwide which have resolved half of the recorded 2,007 cases filed for mediation and conciliation. The BARCs are also instrumental in accessing support services for 17,000 ARBs and have also assisted DAR in

¹ National ARC Situationer, June 1999 prepared by BARBD.

other LTI-related concerns. The PO/NGO consultations serve as a mechanism for POs and NGOs to participate in agrarian reform and rural development implementation.

- The Credit Assistance Program, one of the support programs for ARBs, has provided credit access to 54% of the 2,337 organizations.
- Under the Physical Infrastructure Support component, which includes the construction and/or rehabilitation of roads, bridges, irrigation systems and pre and post-harvest facilities (PHF), 971 farm-to-market (FMR) projects have been implemented in 610 ARCs; 360 bridges were constructed in 276 ARCs; 402 ARCs were provided with 598 irrigation facilities with a service area of about 75,000 hectares; and 80% of the total 3,994 PHF for 465 ARCs were provided in ARCs with foreign-assisted projects (FAPs). Most of the irrigation and PHF are managed and operated by the ARB organizations in these ARCs.
- In terms of capacity building interventions for ARBs, only 39% of the total number of ARBs in the ARCs have been trained on ARC development.

Overall, a dismal 8% of the total 1.6 million ARBs in CARP covered areas are members of ARB organizations and only 12% have been reached through various program beneficiaries development interventions by the Department.

These above findings are consistent with the ARC Study conducted in October 1998 which pointed out the weaknesses of the ARB organizations in the ARCs. Likewise, the results of the ARC Level of Development Assessment show that 43.06% of the ARCs are in Level 1; 55.04% are in Level 2 and only 1.90% are in Level 3. In terms of organizational maturity, the ARB organizations in the ARCs have an average rating of 1.12, representing a low level of maturity^{2/}.

With the above situation, DAR still continues to face the challenge of enhancing the current status of ARB organizations in the ARCs which are characterized by a slow-paced organization building process, as well as reaching out to a significant number of ARBs in all CARP areas, whether in the ARCs or outside the ARCs.

The agrarian reform agenda of the Estrada Administration fully supports the DAR's vision of "a nation where there is equitable land ownership with empowered agrarian reform beneficiaries who are effectively managing their economic and social development for a better quality of life" and DAR's mission of "implementing CARP through the distribution of lands and provision of support services in order to attain social equity and promote sustainable development".

To concretize this vision and mission, Memorandum Circular (MC) No. 5 series of 1999 was issued in March 1999 which prescribes a "Sustainable Rural Development Framework for ARCs". Among the components identified under the expanded ARC development framework is social infrastructure and local capacity building which is primarily geared towards developing ARBs' social capital and democratization of power.

To operationalize the social infrastructure and local capacity building component and cognizant of the need to empower the great majority of ARBs in the ARCs, it is imperative that the framework for

^{2/}ARC Level of Development Assessment conducted in the first quarter of 1999 covers 843 (86.99%) of the 969 ARCs.

development interventions on social infrastructure and local capacity building for ARBs be defined to guide all stakeholders in the ARCs.

II. Objectives

The general objective of the Social Infrastructure and Local Capability Building (SILCAB) program for agrarian reform beneficiaries (ARBs) is to establish group structures and institutions that will catalyze popular participation in the development of viable ARCs. These social institutions will serve as avenues for accessing support services that are necessary in improving the ARBs' productivity and income, thus, ensuring that their land tenure is secured and the gains of CARP are sustained. Finally, these institutions are considered "schools" where farmers and ARC households can actualize people empowerment.

Specifically, the Program aims to:

1. Build and strengthen social institutions of agrarian reform beneficiaries that will serve as a mechanism for accessing support services to ARBs;
2. Develop the capacity of the ARBs on: (a) organizational management that will ensure the sustained participation of the organizations' leaders and members in community activities; (b) resource management geared towards developing their skills on the judicious use and management of productive lands and other community resources, and (c) entrepreneurial management that is needed in establishing and sustaining social enterprise operations; and
3. Develop a cadre of ARBs who are supportive of agrarian reform and rural development.

III. Program Beneficiaries and Target Areas

The Program is designed to help the ARBs attain holistic development through their organized groups. As a development intervention, SILCAB shall be implemented in the following ARB target population:

1. 1.6 million ARBs in 2.9 million hectares distributed lands; and
2. 1.2 million ARBs in 1.6 hectares of land still for distribution.

In the distributed lands, the current reach of 355,709 ARBs will be maintained and expanded to cover additional ARBs of around 1.6 million who will come from the new ARCs that will be launched within the medium term. Likewise, SILCAB will be enhanced in 2,152 existing ARC organizations and in 6,425 organizations to be organized in the new ARCs.

The SILCAB Program shall be implemented cognizant of the uniqueness, specificity and end results expected from the adoption of specific ARC models in the land reformed communities, viz:

1. The Prime Agricultural ARCs which are expected to be characterized by the presence of high technology, high productivity and integrated agribusiness systems. SILCAB shall focus on the establishment and nurturance of social institutions and mechanisms that

would support forward and backward agribusiness integration, investment generation, and promotion of alternative agribusiness schemes towards improving farm productivity and enterprise profitability.

2. The Inaccessible ARCs shall be developed as self-reliant, self-sustaining, small holders' communities. SILCAB shall focus on the development of structures that would sustain farmers' productivity for subsistence and for accessing the needed basic services.
3. The In-between ARCs are areas that shall serve as production support to the prime agricultural areas and/or marketing and processing centers for the inaccessible ARCs. Hence, SILCAB shall work on the establishment of appropriate structures and mechanisms consistent with these desired results.

IV. The Social Infrastructure and Local Capability Building Framework

The SILCAB program is only one of the key components of the Sustainable Rural Development Framework for ARCs. Together with the other key components (land tenure improvement, area-based rural enterprise development, and basic social services development), it is expected to contribute towards the development of viable ARCs. Specifically, this is translated into ARBs' increased productivity and income, basic needs security, autonomy and control over land and other productive resources, and ultimately, better quality of life of the ARB households. The schematic presentation of SILCAB framework is presented in Figure 1.

The interventions for building autonomous social institutions of ARBs and developing their capacities for meaningful participation in agrarian reform and rural development can be gauged on the results of the ALDA and the status of lands for reform. The current organizational state of ARBs (defined by ALDA-OM levels) shall be the focus of SILCAB interventions in order to produce the following desired outcomes: a) the presence of functional ARB organizations; b) the existence of effective mechanism/s for networking and program implementation; and c) the existence of operational mechanism/s for coordination and complementation of the various activities of the ARB organizations with its environment, which in return, impact on the ARCs' viability.

The means towards reducing the gap between the current ARB status and the desired state is the empowerment process that involves the formation of social institutions among the ARBs. Such institutions may comprise the informal groups, the Barangay Agrarian Reform Committees (BARCs), the farmers' organizations, the cooperatives, and the federations and networks of these groups at the municipal and provincial levels.

In the establishment and operationalization of these organizations, the economic, political, socio-cultural and ecological make-up of a given ARC model shall be considered. Aside from the spatial dimension and ARC modalities, the type of crops planted and mode of land cultivation (plantation or non-plantation) are vital considerations in determining the type of institutions to be established in any ARC. Hence, a crop-specific and land cultivation-based community organizing process shall be employed.

The organizing process by itself is empowering. The other empowering interventions involve the process of building the ARB organizations' and community's capacity and autonomy. The process by which the organizations and the community effectively mobilize internal and external resources to carry out collective decisions and plans reflects its level of capacity. While the extent of external interventions in an organization's and community's internal life considerably reflects its level of autonomy. An empowered ARB organization and ARC is one where it exhibits high level of capacity and autonomy along the areas of social capital formation, local governance, resource management and democratization of power.

V. Program Strategies

The core strategies to be adopted in the implementation of the SILCAB Program across ARC models are:

A. Adoption of community organizing technology

1. *Organization and strengthening through the bottom-up organizing approach*

The organizing scheme involves an iterative process starting with the breaking of institutional (ARB, organization, ARC) inertia that progresses to a concerted action of base and marginalized groups. Hence, it adheres to the process of building small groups' decision making and collective leadership capabilities before embarking on a larger organization. Basically, the logic is to instill process ownership and development of groups' confidence by achieving small victories. Correspondingly, such process will ensure that the needs and aspirations of the base groups will be considered in the ARBs' decision-making relative to the nature of organization they will establish, its norms, plans and directions, as they respond to the challenge of acquiring and making their lands productive and accessing support services.

In this context, the organizing scheme may consist of building blocks (vertically and horizontally) of organizational development in a calibrated, and step-by-step process based on both short-term and long-term objectives of the ARBs and the ARC. In a specific ARC models, the following organizations may be established and/or strengthened independently of each other such as: (a) organization of interest groups; (b) organization of farmers' associations or cooperatives, (c) a higher level of organization such as secondary organization or sectoral federation, as deemed necessary, may be established.

The organization of interest groups may be informal while the other organizations are expected to be formal in structure. The levels of organizations shall evolve through time according to the progress of the interfaced work of land tenure improvement (LTI) and program beneficiaries development (PBD). The members of the interest groups may gradually acquire participative and problem-solving oriented behaviors and develop values of collective action as they confront LTI-related issues ranging from the identification and installation of ARBs in a given area; and PBD-related issues, such as claim-making for the construction of irrigation system and in accessing other support services.

The interest groups may gradually transform to formal organizations of either farmers organizations or cooperatives. Advocacy groups such as farmers' organizations can effectively

rally the support of the state and market and can manage equity enhancement programs. They can serve as vehicles for people's participation and mobilization of rural poor in pursuit of their aspirations. The cooperatives may serve as the socio-economic wheel of the ARC and shall manage the sustainable area-based rural enterprises anchored on viable farming systems. These local based organizations can work towards the achievement of their basic needs and as building blocks for alternative socio-economic systems catering to the needs of the rural communities and larger agri-business concerns.

As these organizations or cooperatives get viable over time, they may decide to pool their resources and expertise into a federation to take over the management of a given agri-business system considering their comparative advantage.

Briefly, the bottom-up organizing process facilitates the development of organizations that are controlled by the ARBs themselves. This will pave the way for the formation of a cadre of ARBs who will support and sustain agrarian reform and rural development (ARRD) efforts.

2. Organizing Method.

2.1 *Action-Reflection-Action*

Community Organizing (CO) is a process adopting a framework of a progressive cycle of action-reflection-action in theory and practice. It is a union of actions and the analysis of the actions that bring about change within the organization and the community. Real learning and changes take place when ARBs in a community experience dissatisfaction with some aspects of their lives. It is during this time when the people can critically reflect on what they are doing, identify new information and skills needed and then plan their succeeding actions.

2.2 *Consciousness-Raising Through Experiential Learning*

The CO process entails the development of awareness and motivation of people to act upon reality. It emphasizes on learnings that emerge from concrete actions that, in turn, enrich succeeding actions. It is through the interrelationship between theory and practice that the people's consciousness is progressively developed.

2.3 *Participatory and Mass-Based*

CO is primarily directed and biased in favor of the poor, the powerless and the oppressed. Change must be achieved through participatory processes wherein the whole community or as many people as possible are involved in the organizing experience. This stems from the recognition of the farmers' and rural communities' potentials to manage, direct and take responsibility for their sustained development.

2.4 Democratic Leadership

Democratic leadership is referred to as the participative or collective style of leadership, wherein decisions are based on group consensus rather than on individual choice/s consistent with the short-term and long-term organizational goals. Thus, this style of leadership involves the sharing of responsibilities, accountabilities and liabilities.

3. Organizing Phases

The organization of ARBs into farmers' associations, cooperatives and sectoral federations will follow the community organizing process which takes into account crop and area-specific considerations and the existing mode of land cultivation. The phases of the organizing process entail a set of interrelated and interdependent organizational activities in a spiral cycle.

Social Preparation and Organization Building. It is in this phase that the solid foundation of ARC development is laid down. The community realizes the importance of agrarian reform and the need for collective action to accomplish their goal/s. Eventually, ARCs formalize their vision, mission, goal and objectives (VMGO), and formulate systems and procedures geared toward carrying out their common vision.

Capability Building. The capability building intervention is interfaced with the PO building activities geared toward equipping the leaders and the members with the necessary knowledge, skills and attitude to effectively manage their organizational affairs, including area-based rural enterprises. Institutional development efforts shall be directed towards transforming individual members and the ARB organizations into social entrepreneurs who shall promote the creation and operationalization of area-based enterprises beneficial to the ARC and its neighboring rural communities, in particular and the countryside, in general. This is congruent with the Agribusiness Development Framework of the Department.

Consolidation Phase. This involves networking and alliance building. It is in this phase that the major areas of concern are focused on enhancing organizational capacity, widening the support base and sustaining operations. Economic improvement and organization's sustainability and viability are the basic objectives at this stage. Hence, mechanisms for pooling the resources and expertise of the various organizations are consolidated to generate comparative advantage.

4. Phase – Out/Pull Out of the Organizing Program

The relationship between the Development Facilitators/Development Workers (external organizers) and the people shall be temporary. Their role ends when the goal of creating groups and communities who can determine their own future is achieved. However, while the organizer-people relationship ends, the relationship among the people continues. The role of the external organizer shifts to a supportive role - monitoring, consultation, referrals, follow-up, etc.. At the same time, the cadre of local based organizers is also developed to sustain the growth and development of the ARBs, their organizations and the ARCs.

B. Deployment of Development Facilitators (DFs)

DFs shall be selected from the existing humanpower complement of the Municipal Agrarian Reform Office (MARO) to do the organizing work. A pre-deployment training and workshop (ARCOD) shall be conducted for the DFs. Such training will enable them to gain knowledge, develop skills and appropriate attitude for ARB organizing. This will be reinforced with the conduct of on-the-job related training programs.

Partnership with the civil society (i.e. NGOs, POs) shall continuously be explored to tap their existing expertise and resources for the organizing work by deploying Development Workers (DW). Project-based activities will be jointly worked out with local partners. The skills enhancement of the DFs and DWs will be undertaken through periodic supervisory assessment and planning meetings with DAR and NGO/PO partners.

C. ARB Capability Building

The local capability building is concerned with enhancing the organizational capability of the ARBs and their leaders. The local capacity building has two dimensions: first, the internal dimension which is focused on learning how to manage resources collectively; and second, the external dimension which is centered on learning how to negotiate with and make claims to government, business and other powerholders in order to marshal needed resources.

The intervention strategies for this component shall involve the provision of information and education (I and E) programs to ARBs and their leaders to gain competence in area development and management. The ARB capacity building shall adhere to the MC 10, series of 1999 which prescribes the standard training programs for ARBs.

The complementary strategies that will facilitate the attainment of the program objectives involve:

1. ARC Review and Planning Session

After the conduct of program orientations and the setting up of mechanisms for operationalizing the specific plans and programs, periodic review and diagnostic workshops will be conducted. These shall be done on a monthly basis at the ARC and municipal levels, bi-monthly at the provincial level, quarterly at the regional level, and semestrally at the Central Office level. The periodic review aims to assess the tasks execution in the areas of program accomplishment versus targets, and identify problems posing obstacles to the smooth program implementation. Solutions to these problems will be identified and will serve as the source of data to be evaluated in succeeding review sessions.

2. ARB and Organization Database

The program implementors need to have a complete and an accurate database on SILCAB that can be used in defining and prioritizing activities or interventions. Its critical activities will involve the generation of data on ARB, ARB organizations and ARCs.

The processing of data into meaningful information, and analysis for eventual utilization of the program implementors require the accomplishment of the following:

- a. The preparation of ARB, organization and ARC profiles;
- b. Monitoring of performance; and
- c. An analysis of data changes, its interrelationships and trends to anticipate future outcomes in the operation of the organizations.

3. Network and Alliance Building

The strategy of building networks and alliances among the POs and support agencies is aimed at enhancing the POs' organizational capability, widening their support base and sustaining their social enterprise operations. It involves the establishment of partnership relationships with different development agencies and other organizations (both sectoral and national levels). The community-based organization can form a network or federation at the municipal and provincial levels. In this regard, MC No. 10, series of 1998 which provides for the Establishment and Operation of the ARC Network should be used as a guide.

VI. Program Interventions

Using the core and support strategies, the SILCAB program shall focus its interventions on the following:

1. Organization of interest groups. These are informal groups of farmers who bond together in order to pursue a specific group interest or objective (i.e. auto-savings group, women's group, or core group), plan and execute activities in pursuance of their LTI struggle and accessing support services. These groups may transform into a more formal farmers' organization or cooperative to respond to long term concerns.
2. Organization of women's group. The women's groups may also graduate into a formal farmers' organization or cooperative. As such, it plays a vital role in addressing women's strategic and practical needs and interests, thus, ensuring that the women sector is mainstreamed in the ARC development process.
3. Organization and strengthening of farmers' organizations. These are self-sustaining and self-governing farmers' organizations that can effectively rally the support of the state and market and can manage equity enhancement programs. Serving as primary vehicles of people's participation and mobilization of the rural poor, these organizations can also serve as "schools" where members can learn and develop relevant and useful social, economic and political skills to propagate the people's own culture.
4. Organization and strengthening of cooperatives. These are the primary and secondary cooperatives that will be established in a defined geographic area capable of managing and sustaining area-based rural enterprises anchored on viable farming systems. As such, they can serve as socio-economic wheels for the achievement of the people's basic needs and

building blocks for alternative socio-economic systems catering to the needs of the rural communities and larger agri-business concerns.

5. The organization and strengthening of sectoral federations. These are aggrupations of farmer organizations, cooperatives or sectoral organizations at the municipal and provincial levels. These federations shall lead in the activation and strengthening of the Barangay Agrarian Reform Committee (BARC) and the Provincial Agrarian Reform Coordinating Committee (PARCCOM) as consensus-building and advocacy units. They shall serve as apex-expression of self-governance that can work as parallel structures to local government units in formulating, advocating and advancing the people's agenda and implementing alternative development strategies and models.
6. Organization and operationalization of the BARC. The Barangay Agrarian Reform Committee (BARC) is a consultative interphase mechanism that serves as venue in drawing out the requisite participation of the civil society (POs and NGOs) toward effective CARP implementation. The organization and strengthening of the BARC shall be pursued specially in undistributed lands and other areas under the non-land transfer schemes.

Community organizing shall be congruent with the DAR's integrated, differentiated and disaggregated strategy on land tenure improvement. As this approach takes into account differences in lands for reform, crops grown, economic conditions, size categories, and specific political settings, the community organizing process shall likewise consider crops, area and farm operation variability.

VII. Coordinative Structure

The SILCAB program shall be implemented nationwide using the existing organic structure of the Department in collaboration with partner agencies.

At the national level, program management shall be lodged with the Support Services Office (SSO) through the Bureau of Agrarian Reform Beneficiaries Development (BARBD). BARBD is tasked to provide policy directions and orchestrate the implementation of the SILCAB program. In order to ensure common interpretation and understanding in the operationalization of the SILCAB program framework, BARBD shall work closely with the Bureau of Agrarian Reform Information and Education (BARIE), the Project Development and Management Service (PDMS); and the Foreign-Assisted Projects Office (FAPSO).

At the field level, the Regional SSD and Provincial BDCD shall be the units responsible for the operationalization of the SILCAB programs and projects with the guidance of the Regional Directors (RDs) and Provincial Agrarian Reform Officers (PAROs). The Municipal Agrarian Reform Office (MARO) shall be responsible in the implementation of the SILCAB program at the municipal level with the MAROs acting as frontline supervisors of the DFs assigned in the ARCs. The RDs and PAROs shall designate their respective regional and provincial SILCAB coordinators who shall be tasked to facilitate and coordinate program implementation.

Monitoring and coordination of SILCAB programs at the regional level shall be the responsibility of the Regional Office while the Provincial Office shall ensure the operationalization of the SILCAB program interventions at the ARC level. Likewise, the regional and provincial offices shall ensure that appropriate technical assistance are extended to the MAROs, DFs and other local based- partners.

VIII. Priorities for Implementation

Given the resource constraints in terms of humanpower and funding, prioritization of program targets will be done to ensure that the greatest number of ARBs are reached out, maximum benefits are generated and the desired program impact is achieved. This can be realized by prioritizing the ARCs and the ARB organizations falling under the low level of development or maturity (ALDA Level 1 Rating) in order to move them to the next higher level. Organizations which demonstrate high level of organizational capacity and autonomy shall be prioritized for the establishment of federations and networks.

IX. Effectivity

This Memorandum Circular shall take effect immediately and supersedes all previous issuances inconsistent herewith.

Diliman, Quezon City. 03 November 1999.



HORACIO R. MORALES, JR.
Secretary

Figure 1: SOCIAL INFRASTRUCTURE AND LOCAL CAPABILITY BUILDING FRAMEWORK

