

EXECUTIVE ORDER NO. 407

(June 14, 1990)

ACCELERATING THE ACQUISITION AND DISTRIBUTION OF AGRICULTURAL LANDS, PASTURE LANDS, FISHPONDS, AGRO- FORESTRY LANDS AND OTHER LANDS OF THE PUBLIC DOMAIN SUITABLE FOR AGRICULTURE

WHEREAS, Proclamation No. 131, S. of 1987, has instituted the Comprehensive Agrarian Reform Program to develop the full potential of Philippine agriculture that will result in increased productivity and better income for agrarian reform beneficiaries, and Executive Order No. 229, S. of 1987, has provided for the mechanisms for the implementation thereof;

WHEREAS, Republic Act No. 6657 has declared it a policy of the State to pursue the Comprehensive Agrarian Reform Program in order that the welfare of landless farmworkers will receive highest consideration and that the nation can move towards sound rural development and industrialization;

WHEREAS, Section 7 of Republic Act No. 6657 mandates, among others, that all lands foreclosed by government financial institutions, all lands acquired by the Presidential Commission on Good Government, and all other lands owned by the government devoted to or suitable for agriculture, shall be acquired and distributed immediately upon the effectivity of the said Act and with implementation to be completed within a period of not more than four (4) years therefrom;

WHEREAS, the government has in its inventory lands suitable for agriculture which may be immediately placed under the Comprehensive Agrarian Reform program as the titles thereof have been foreclosed and the prescriptive redemption periods have already lapsed;

WHEREAS, the Departments of Agriculture, and Environment and Natural Resources are authorized by law to act on the disposition of leases covering lands of the public domain, i.e., agro-forestry lease agreements, pasture lease agreements and fishpond lease agreements;

WHEREAS, Executive Order No. 360, S. of 1989, enjoins all government financial institutions and government-owned or controlled corporations to grant the Department of Agrarian Reform the right of first refusal in the sale or disposition of all lands owned by them which are suitable for agriculture;

WHEREAS, the implementation of the Comprehensive Agrarian Reform Program particularly its land acquisition and distribution to qualified farmer-

beneficiaries must be accelerated so that its fruits could be enjoyed by its beneficiaries at the soonest possible time;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. All Government instrumentalities including but not limited to government agencies, government-owned and controlled corporations or financial institutions such as the Development Bank of the Philippines, Philippine National Bank, Republic Planters Bank, Asset Privatization Trust, Presidential Commission on Good Government, Department of Agriculture, State Colleges and Universities, Department of National Defense, shall immediately execute Deeds of Transfer in favor of the Republic of the Philippines as represented by the Department of Agrarian Reform and surrender to the latter department all landholdings, suitable for agriculture including all pertinent ownership documents in their custody, such as the owner's duplicate copy of the certificates of title, tax declarations and other documents necessary to effect the transfer of ownership. This Executive Order shall likewise apply to ownership of the following assets, as determined by the Department of Agrarian Reform in close coordination with the concerned government agency:

- a. Improvements, e.g., irrigation systems, roads and bridges;
- b. Agriculture processing machineries, e.g., post-harvest facilities;
- c. Buildings and other physical structures, warehouses, administration buildings, employees' housing facilities;
- d. Others, such as trucks and tractors, tools and agricultural supplies.

In the case of lands suitable to agriculture with pending adjudication on their ownership in court, the respective government instrumentalities shall, when legally feasible, immediately transfer and cede the physical possession and control of the same to the Department of Agrarian Reform for its subsequent transfer to the qualified beneficiaries.

Pending valuation of the property, the Department of Agrarian Reform shall immediately commence the necessary activities for distribution to qualified beneficiaries upon receipt of the documents aforementioned, or issue the notice of allocation to qualified beneficiaries to give them usufructuary control over the land in the event ownership can not as yet be transferred to them.

Thirty (30) days from the registration of the ownership documents by the Register of Deeds in favor of the Department of Agrarian Reform, the Land Bank of the Philippines, pursuant to the rules approved by the Presidential Agrarian Reform Council, shall pay the government instrumentality the value of the land. In the case of the lands under the Asset Privatization Trust, Presidential Commission on Good

Government and other government instrumentalities which may opt for an alternative payment scheme, the Department of Agrarian Reform shall cause the issuance of the Credit Memo Advice from the Bureau of Treasury for such sale.

Thirty (30) days after effectivity of this Executive Order, the Department of Finance and the Department of Budget and Management in consultation with the Department of Agrarian Reform shall establish guidelines for the issuance of the Credit Memo Advice System. This System shall be applicable as a payment scheme to government instrumentalities which are mandated to turn over the proceeds from the sale of their agricultural lands to the Agrarian Reform Fund pursuant to Section 63 of Republic Act No. 6657.

Sixty (60) days after the effectivity of this Executive Order, the Land Registration Authority shall submit to the Department of Agrarian Reform certified copies of all the certificates of titles under the name of the government instrumentality and the approved survey plans including the respective technical descriptions of each title.

SECTION 2. The Departments of Agriculture, and Environment and Natural Resources are hereby authorized and directed to cancel all lease agreements covering fishponds, pasture, agro-forestry lands and other lands of the public domain suitable to agriculture which have remained undeveloped within three (3) years from the date of the effectivity of the lease contract and underutilized or abandoned or in cases where the terms and conditions embodied therein have been violated, taking into consideration the requirements of due process.

SECTION 3. The Departments of Agriculture and Environment and Natural Resources, in coordination with the Department of Agrarian Reform, shall redistribute and award fishponds, pasture lands and other lands of the public domain suitable for agriculture subject of cancelled or amended lease agreement to qualified agrarian reform beneficiaries identified by the Department of Agrarian Reform pursuant to Sections 15 and 22 of Republic Act No. 6657.

SECTION 4. All concerned agencies shall issue the necessary directives and guidelines to all their national, regional, provincial and municipal officials to ensure the implementation of this Executive Order.

SECTION 5. This Executive Order shall take effect immediately.

DONE in the City of Manila this 14th day of June, in the year of Our Lord, nineteen hundred and ninety.