

Memorandum Circular

No. 05  
Series of 2018

**SUBJECT: IMPLEMENTATION GUIDELINES ON THE ARB MEMBERSHIP  
EXPANSION IN ORGANIZATIONS**

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**I. RATIONALE**

The Department of Agrarian Reform (DAR) is tasked to implement the **Comprehensive Agrarian Reform Program (CARP)**, the government's national development thrust that envisions equitable land ownership with empowered agrarian reform beneficiaries who effectively manage their economic and social development to achieve a better quality of life.

In operationalizing this vision and executing its mandate, DAR implements a three-pronged program, namely: land tenure improvement (LTI), program beneficiaries' development (PBD), and agrarian justice delivery (AJD). Specifically, the PBD delves with the provision of support services to the farmer beneficiaries such as credit, organization building and strengthening, training and capacity development, rural infrastructures, agri-production technology promotion, marketing assistance and agribusiness development. As a complement to the LTI and AJD, PBD is designed to enhance household incomes, empower ARBs, encourage farmers' cooperation, and promote rural development. This mandate remains relevant and supportive to the development agenda of the current administration having a country that is "*matatag, maginhawa, at may panatag na buhay para sa lahat*" (strongly-rooted, comfortable and secure life for all).

As of December 2017, DAR has reported a physical accomplishment on land distribution of 4.857 million hectares distributed to 2.841 million ARBs, directly benefitting over 13.762 million ARB household members. The ARBs were issued with land titles in the form of Emancipation Patents (EPs) and Certificates of Land Ownership Award (CLOAs) which entitle them to full ownership of the land. Under AJD, a total of 799,493 agrarian law implementation (ALI) cases under the agrarian legal assistance program were processed, resolved and disposed of at every level of the Department.

Meanwhile, under PBD, DAR has already established a total of 2,216 agrarian reform communities (ARCs) covering 9,724 barangays as of December 2017. The ARC Development Program is an area-focused development strategy adopted by DAR where comprehensive support services are directed on a specific geographical area composed of a barangay or clusters of barangays with high ARB population. This is where resource mobilization, maximization, complementation and convergence are undertaken to respond to the increasing and emerging needs of the ARBs and the challenges in improving their communities.

In order to reach out to a greater number of ARBs as well as serve smallholder farmers in agrarian reform areas (ARAs), DAR's initiatives are undertaken through the following strategies: i) promotion of organization of ARBs and farm cooperation; ii) implementation LTI-PBD integration, iii) provision of basic support services to unorganized ARBs; iv) creation of viable economic structure for improving farm and enterprise productivity; v) installation of system and mechanism on the delivery of farm support machineries and equipment, and vi) implementation of foreign-assisted projects. These efforts have resulted in extending basic support services consisting of training, organizing, credit assistance, and basic social services to some 729,000 ARB as well as infrastructure support projects benefitting some 1.4 million ARBs and their households, representing about 27% and 55%, respectively of the total 2.8 Million ARB population nationwide.

With the demand to serve more ARBs, DAR promotes the establishment and strengthening of ARB organizations (ARBOs) which were tapped as conduits of assistance to the ARBs and their households, rural women and youth, as well as other members of the farming sector in the ARAs. In general, these ARBOs which are cooperatives, associations and self-help groups have been provided with support services which ranges from training, production support, credit financing, economic and infrastructure projects, and farm machineries and equipment, etc. They have become important vehicles through which the ARBs and other members of the ARAs can access various technical and physical support services.

However, despite the numerous assistance extended, it appears that the purpose of DAR to reach-out to a significant number of ARBs through these organizations has not materialized in the recent years. As of 30 December 2017, the Department has assisted 5,451 organizations<sup>1</sup> where 4,923 (90.3%) are found to be operational. These operational organizations have a total membership of 1,049,506 where 37% or 386,922 are ARBs while 63% or 662,584 are non-ARBs. Available data in DAR further indicates that the increase in membership in organization from CY 2015 to CY2016 was only 10% with an average of 19 new members being recruited per organization. Moreover, the data also pointed out that the increase in the number of ARBs recruited in these organizations is only 10% with an average of 8 ARBs mobilized as new organization members.

Notwithstanding this situation, DAR has continuously embarked on several programs in an attempt to rebuild, rehabilitate, or strengthen these organizations particularly directed towards increasing their ARB membership and improving their performance on farm productivity and income. With some of them still being implemented, the general strategy for most of these programs involves providing institutional development, livelihood, training and credit assistance, with the requirement of recruiting and mobilizing ARBs as members of their group. While these have worked, the DAR needs to adopt and promote more workable strategies that have clear advantage to achieve its critical outputs and outcomes on ARBs reached and establishment of functional ARB organizations.

It is in this context that the current DAR administration's policies, thrusts and directives on ARB Development Support Program (ARBDSP) issued on 03 September 2018 underpins the significance of ARB membership in organizations and the maximization of available implementing mechanism which can reinforce the PBD operations at the grassroots level, to wit:

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<sup>1</sup> Agrarian Reform Beneficiary Organizations (ARBOs) are groups, associations, or cooperatives whose majority (50%+ 1 membership upon registration with CDA) membership are agrarian reform beneficiaries (ARBs) or ARB households.

- a. Expand ARB outreach within and outside the ARCs by developing a clear implementation plan on the delivery of minimum interventions i.e, training, membership to organizations, and access to credit and/or other support services. The DAR field offices are directed to synchronize and align their target on ARB outreach for support services with the number of ARBs who benefited from the lands covered and distributed under the DAR Land Tenure Services (LTS);
- b. Intensify ARB membership in organizations/cooperatives by undertaking recruitment even prior to issuance of CLOAs;
- c. Synchronize and align ARB outreach targets with the LTS accomplishments on distributed lands to facilitate achievement of deliverables on ARBs assisted, ARB membership recruitment, and organization and mobilization of ARBOs;
- d. Collaborate with the BARC in formulating strategies to expand the reach of support services to individual ARBs and ARB families especially those in newly awarded lands and/or those who are yet to become members of ARBOs and remain underserved;

Consistent with the above-cited thrusts and directives, this Guidelines aim to facilitate the campaign for massive membership and participation of ARBs and ARB households, as well as rural women in farmers' organizations who are development partners/conduits of DAR and other CARP implementing agencies, and other local stakeholders in the provision of package of support.

This Guidelines direct the Department's program implementors at all levels, in coordination with CARP implementing agencies (CIAs) and local stakeholders in increasing the ARB outreach through active involvement with organized farmers groups who will represent any, or all matters that affect their interest, and act as conduits for necessary technical assistance and services.

## II. LEGAL BASIS

By virtue of Republic Act (RA) No. 6657 and 9700, the DAR is the lead agency<sup>2</sup> in the implementation of CARP, the major components of which include LTI, AJD, and coordinated provision of essential support services to ARBs. Also, in the same documents (Sections 13 and 36), it directs the DAR together with other CIAs and partner organizations to identify the farmers' association, cooperatives or their respective federations in each ARC established and approved by their farmer-beneficiaries to take the lead in the agricultural development.

Further, RA 9520 or the Cooperative Code of the Philippines provides preferential rights and privileges to agrarian reform cooperatives (in ARAs). Preferential rights focuses on the grant of franchise and certificate of public convenience necessary for the operation of utilities and services, provided it meets the requirements and conditions imposed by the appropriate government agency.

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<sup>2</sup>DAR leads the implementation of CARP with 13 other national agencies such DA, DTI, DENR, DBM, DPWH, DILG, DOF, DOLE, NEDA, LBP, NIA and LRA. The National CARP Implementing Team (NCIT) is composed of members from the above-cited government agencies and 6 landowner representatives, 6 farmer representatives. The NCIT is regularly convened by the Presidential Agrarian Reform Council (PARC) which is headed by the President of the Philippines.

DAR Administrative Order (AO) No. 05, series of 2009 prescribes an Integrated Strategy on Land Acquisition and Distribution (LAD) and Support Services Delivery to hasten the operationalization of CARP. The AO recognizes the need for the potential ARBs to be oriented on their rights as well as their benefits under CARP.

DAR promotes the adoption of community organizing that takes into account differences in lands for reform, area and farm operation variability<sup>3</sup>, crops grown, economic conditions, size categories, and specific political settings.

Under the Social Infrastructure Building (SIB) component of the PBD, DAR's field personnel are being assessed annually by their regional and provincial offices on their performance on ARB membership recruitment and ARBOs assisted. They are required to facilitate membership expansion of assisted ARBOs and launch ARC clusters to open up opportunities for greater ARBs/ARB households participation in various government programs which are channelled through organized groups as part of the DAR field offices' deliverables.

### **III. OBJECTIVES**

This guidelines primarily aim to improve ARB outreach by hastening recruitment and membership in farmers' organizations, associations or groups thereby enabling them to benefit from access to various support services, collectively improve their capability to manage essential agri-enterprise support factors through their own organizations, and become an active actors in developing communities.

Specifically, the guidelines aim to:

1. Enhance the capability and competencies of DAR field implementers in guiding the ARB organizations in undertaking their membership recruitment, engagement and mobilization;
2. Improve the ARBO operations on membership recruitment and promote their growth and/or strengthening as a vehicle for harnessing ARBs capacity to make their lands productive, pursue viable and sustainable agri-enterprises and livelihoods, and engage in community development.

### **IV. IMPLEMENTATION STRATEGIES**

#### **A. Approaches to ARB Membership Recruitment and Mobilization**

In general, ARBOs are important avenues through which the ARBs and other members of the farming sector can access various support services such as market, credit, and agricultural production technologies including crafting and implementing policies that support ARCs and agriculture development. As such, it is important for the ARBOs to continuously recruit new and maintain ARBs as members of their organization. This is a means to impressing upon ARBs and other community members the value of cooperation and of maximizing the opportunities to access various support and improve bargaining power to protect and maintain their land ownership, better their livelihoods, productivity and income; and improve their well-being.

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<sup>3</sup> DAR Memorandum Circular NO. 19, series of 1999

Hence, the ARBDSP efforts of the DAR in strengthening the ARBOs shall be directed towards mobilization of ARBs to enrol in new or existing ARB organizations. This will improve outreach and capacitate them as catalyst of change and champions for development rather than recipients of government and non-government support.

Towards this end, ARB membership recruitment and mobilization shall be pursued along the following strategies: (1) Formation of ARB organization prior to land distribution; (2) ARB recruitment and mobilization along agriculture value chain participation; (3) Encouraging ARB membership for improved access to affordable and appropriate basic social services; and (4) Capacitating ARBs as champions and future leaders for improved programs, policy and investments mobilization in their sector.

**Strategy 1. Formation of ARB organization and membership recruitment prior to CLOA distribution.**

Section 50, AO No. 7 series of 2011, states that the landowner whose landholding has been issued a Notice of Coverage (NOC) is required to submit to DAR through the MARO a duly attested list of all tenants, agricultural lessees and regular farm workers in his/her landholding at the time of the issuance. This means DAR will have a list of potential ARBs who can be recruited by ARBOs operating in the area or as starting point to encourage and campaign for the formation of organization.

Using the submitted attested list, the MARO together with the Barangay Agrarian Reform Council (BARC) shall prepare the preliminary list of potential qualified ARBs of the subject landholding with further information clearly establishing their classification, e.g., lessee, tenant, regular or seasonal farmworker, or other farmworkers directly working on the land. Said list is posted by the MARO in conspicuous places e.g., bulletin board of the Barangay/Municipal/City Hall where the land covered is situated.

At this stage using farmers undertaking, the formation of a farmer organization may commence. However, it must be clarified that forming an organization as well as becoming a member of such will not cause a farmer to automatically qualify as an ARB. It must be impressed on them that they are being organized to enable them to collectively define and resolve their immediate needs and concerns, pool and put to good use their resources, knowledge and skills, initiate savings and economic activities to minimize or reduce the impact of risks and uncertainties meantime that the process of land acquisition and distribution is in progress.

The Program Beneficiaries Development Division (PBDD) at the DAR Provincial Office (DARPO) shall ensure that it conducts orientation and community dialogues on AR and CARP, cooperative development, and other relevant information that may help convince farmers to join a cooperative or form one.

## **Strategy 2. ARB recruitment along agriculture value chain.**

ARB recruitment is a function of the nature and extent of programs, services and activities of the ARBOs along the agriculture value chain. This refers to mobilizing existing and potential members of the organization based on their involvement in farm activities such as production (upstream), consolidation, marketing and distribution (midstream), or sales, retail, or processing (downstream) or backward and forward integration.

The ARBs can be convinced if their membership is tied up with the benefits gained through improved productivity and income. To realize this, ARBOs shall recruit ARBs based on their interest and involvement in key stages of production, such as i) accessing to and adoption of high quality inputs, planting materials, and improved agricultural technology, ii) accessing or availment of advisory services for farm management and pest and diseases control, iii) development of production zone or crop clusters, and iv) access to use of farm implements and equipment.

ARB recruitment shall also be undertaken under the ARBOs' program on market access and value addition especially those where demand for produce is growing rapidly and potentials for value addition is high. This particular strategy is essential in safeguarding the ARBs' land ownership.

## **Strategy 3. ARBs mobilization to access basic social services**

Other than providing members with economic services, ARBOs are generally tapped for service delivery projects designed to improve access to quality basic social services such as health, sanitation, and education. Hence to improve outreach, ARBOs shall prioritize in defining the needs and delivery of the basic social services (BSS) to ARBs and their household members.

Using the masterlist of ARBs, the ARBOs shall undertake massive information dissemination, engage in consultations, planning, accessing, and delivery of BSS; and advocate with appropriate government, public and private institutions for supportive policies and resource allocation for BSS for ARBs. DAR shall guide the ARBOs in assuming an active role in defining appropriate supply, responding to demand, and undertaking advocacy for accessing BSS for ARBs and for their community.

To effectively assume their roles, the ARBOs have to be actively involved in collective identification and resolution of community problems, undertake strong coordination, linkage and collaboration with strategic technical and resource partners, and collaborate for BSS delivery and policies for their communities.

## **Strategy 4. Developing ARBs as Organization Program/Service Champions**

As one of the entities closest to the ARBs and other farming households, ARBOs are good vehicles to deliver services that respond to the economic and social needs of the community. As such, ARBOs with a number of ARBs who have rewarding experience in accessing good services and involvement in service delivery from/for the coops shall be tapped as agents for membership recruitment, campaign, or as champions (e.g. para-engineers, agricultural enterprise facilitators, para-technicians, etc.) for services promotion.

The DARPO shall assist the ARBOs in the recruitment and mobilization of new members and development of information campaign materials, for example i) developing existing ARB

members to become agents in increasing ARB membership and recruitment – through their testimonials or tapping them as part of the marketing team of the coop for their services; ii) enhancing the ability of their members to use, acquire or employ the services they have accessed through the organization, e.g., accessing repeat and higher loan amount due to practice of prompt payment, supervised lending, practical use of business plan through coaching, forms and documents translated in the local dialect, etc., thereby encouraging and motivating the ARBs and other community members to join the organization; and iii) increasing awareness on ARBO products and services among potential members. A case in point, on consolidation of produce, campaign for potential members in far-flung areas who seldom transacts marketing business with the cooperative/ARBO because they have the least access to communication. Thus, the ARBO relies on word-of-mouth publicity and referrals from other farmers/ARBs in the community. In turn, the ARBO provides modest incentives to those members who were able to recruit new members. A good investment in information and education materials on the programs and services of the ARBO as well as scheduled bi-weekly visit to hard-to-reach areas can help facilitate ARB membership recruitment and mobilization.

In all of these activities, the ARBO can tap its most active and willing ARB members. To do this, the ARBO must also invest in developing their capacity to assume the role it wanted to play.

## **B. Basic steps to initiate ARB membership recruitment to ARBOs**

At the DARPO/RO level:

1. Mapping and Profiling of ARBs and ARBOs
  - b. Secure the Masterlist of ARBs from the DARPO or the ARB Profiling System as reference for membership recruitment, and the list of identified potential ARBs in the LTI-PBD integration framework<sup>4</sup> process. If not available, the DARPO may coordinate accessing the masterlist with the Management Information System Service (MISS) at DAR Central Office.
  - b. Map location of ARBs and ARBOs per barangay and per municipality to determine the proper strategy, whether to recruit the new ARBs in existing ARBOs or form a new one; and
  - c. Install membership recording system at the ARBO level as basis for establishing database of ARB membership; and establish/update the database of ARBs and ARB membership in ARBOs at the DARPO level. The ARB Profiling System may be utilized as one of the references in identifying ARBs for membership recruitment.
2. Capacity Development Interventions for ARBs
  - a. **For potential ARBs**, the focus of interventions shall be on awareness building to transform them to be good stewards of the awarded lands. Topics may include the following:
    - ✓ History of Agrarian Reform, Concept and Principles of CARP
    - ✓ Rights and Obligations of ARBs.
    - ✓ Benefits of being a member of an organization or an ARBO.
    - ✓ Orientation on the ARBOs operating in the area which the ARB can join.
  - b. **For New ARBs** awarded with Lands, immediately after the ARBs receive their

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<sup>4</sup> Refer to Memorandum Circular No. 05, series of 2009.

lands through the CLOA, they shall be required to attend capacity development activities related to the following:

- ✓ Review of the Roles, Rights and Obligations of ARBs;
- ✓ Membership to farmer/ARB organizations and its benefits;
- ✓ Farm Planning and Budgeting on farm activities to be undertaken on the awarded land;
- ✓ Technology-related trainings including orientations on good agricultural practices (GAP), occupational safety and health (OSH), among others;
- ✓ Financial Assistance Options; and
- ✓ Link to Existing Coops/ARBOs in the Community
- ✓ Link to LBP Credit Window for ARBs
- ✓ Link to Other Financial Organizations/Institutions
- ✓ Orientation on the various support services programs and projects that the ARB may access/avail of e.g. Agrarian Production and Credit Program (APCP) for agricultural financing needs, among others. Relatively successful ARBOs operating in the area where the new ARB comes from may also be invited to provide an orientation on their products and services.

**c. For Existing ARBs**

Undertake review and validation of the status of ARBs utilizing the ARB Profiling form on an annual basis. The result shall be utilized to define the support services-related program/project interventions which should continuously be provided to existing ARBs through their organizations.

**d. For Existing ARBOs with Low ARB membership**

For ARBOs with low ARB membership, the DARPO shall provide the mechanism for massive information campaign through orientations/roadshows on the benefits of membership in organizations, highlighting support that can be derived from their own organizations, i.e., production inputs, i.e. technologies, agri credit and insurance, marketing and promotion, among others.

**3. Designing and Installation of Incentives System for ARBs and ARBOs**

The DARRO shall design an incentives system for ARBOs, particularly those with ITeMA Levels 1-3 which have achieved their commitments on increase in ARB membership. The incentives shall be provided to ARBOs/FOs with 100% ARB membership or at least a hundred (100) members with 10% annual increment. The incentives may be in the form of recognition during CARP anniversary celebrations at the provincial or regional levels. Compliant ARBOs may be prioritized in the provision of development assistance, i.e., seed subsidies or techno kits sourced from partner institutions, farm equipment, learning expeditions, among others.

**4. Annual Target-Setting**

DARROs and DARPOs shall be guided with the following schemes on annual targeting of ARB membership; a) all smallholder farmers newly/recently awarded with CLOA); b) 100% of ARBs covered in the last five years (2013-2017) from the current date shall be



members of formal organizations located in agrarian reform areas; c) at least 15%<sup>5</sup> ARBs covered since 1973 up to 2012; and d) 15% of the smallholder farmers<sup>6</sup> under leasehold contract with their landowners.

All programs or projects for ARBs of the CIAs shall be designed with a component that will contribute to the increase in ARB outreach by targeting specific number of ARBs to be recruited as new members of the ARBOs/FOs to be broken down on an annual basis.

5. Continuous Provision of Technical Support to ARBs/ARBOs

ARBOs shall continuously be capacitated/strengthened to become partners/conduits of CIAs as well as local stakeholders in the delivery of necessary support services for new and existing ARBs. For ARBOs which are recipients of agri support facilities, machineries or financing assistance, they shall be required to put in equity either in monetary or non-monetary form, i.e., land and labor, and expand their membership and recruitment to cover a significant number of ARBs, ARB households, rural women, single-head of family or person with disability-farmer household member.

The Cooperative Development Authority (CDA) and other partner agencies/organizations shall be engaged to provide technical guidance to DAR and other CIAs (program implementors) in facilitating relevant activities, as well as capacitating the ARBOs/FOs in enhancing their current strategies to expand their membership with special attention to ARBs and smallholder farmers (SHFs).

6. Continuing capacity and competency building for Field Implementers

To enable the DARPOs to respond to the needs of the ARBs and the ARBOs they are assisting, DARCO shall develop and put in place a continuing capacity and competency building program for field implementers. This will provide them the opportunity to learn, share, replicate, adopt best, innovative, good and promising practices (BIGPs) on a comprehensive range of subject matter on development, management and assessment of support on ARB/ARC/area development; organization / cooperatives development and management, scaling up responsive program interventions, resource mobilization, public administration, rural development planning and management , among others.

The intent is to create a pool of competent and innovative PBD champions equipped to think strategically to strengthen ARBOs and other local institutions that can support DAR as development agency and the communities that are part of the ARA/rural development. Other than the technical and functional competency-based trainings, the field implementers will be engaged in leadership, policy development, network-building local immersion sessions and international courses to further enhance their commitment to the development of ARBOs and the local communities.

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<sup>5</sup> The basis of percentage computation is from the 2.841 million ARBs covered by CARP since 1973 divided by about 1,500,000 ARBs in ARC and 1,300,000 ARBs in non-ARCs. Same percentage will be applied in targeting the smallholder farmers under leasehold contracts (from the 1.247 million farmers)

<sup>6</sup> Leasehold farmers or farmers with Leasehold contracts in retained areas of Landowners.

## **V. PERIODIC REPORTS**

Following the PBD M & E System, the quarterly monitoring reports shall be submitted by the DARPOs to the DARRO every 5<sup>th</sup> day of the succeeding month of each quarter, while the DARRO shall submit the consolidated quarterly monitoring report to DARCO-PMS every 10<sup>th</sup> day of the month of the ensuing quarter. The USSO and BARBD shall be provided the result or processed data, as basis for future program/project interventions or policy directions.

The annual targeting of the increase in ARB membership will form part of the Regional Directors (RDs) and Provincial Agrarian Reform Program Officers' (PARPOs II and I) performance contracting and monitoring.

## **V. EFFECTIVITY**

This Order supersedes all other issuances/guidelines inconsistent with it and shall take effect immediately.

**OCT 12** 2018, Quezon City.

  
ATTY. JOHN R. CASTRICIONES  
Secretary

Department of Agrarian Reform  
Office of the Secretary



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