



Republic of the Philippines
DEPARTMENT of AGRARIAN REFORM

ELLIPTICAL ROAD, DILIMAN, QUEZON CITY • TELS. 928-7031 TO 39

MEMORANDUM CIRCULAR NO. 08

Series of 2011

SUBJECT: Revised Guidelines and Procedures Governing the Delisting of Agrarian Reform Communities (ARC), ARC Barangays and Organizations

I. PREFATORY STATEMENT

Under the provisions of Republic Act (R.A.) No. 6657, as amended, the launching and development of agrarian reform communities (ARCs) continue to be the primary strategy of the Department of Agrarian Reform (DAR) in delivering support services to agrarian reform beneficiaries (ARBs) and propelling development in agrarian reform areas.

In some areas where the 2,149 ARCs are presently located, urbanization and other political and legal developments have altered the community or its component barangay(s), making its new configuration inconsistent with the required minimum characteristics of an ARC as set forth in Memorandum Circulars Nos. 5 and 14, Series of 1999.

Likewise, the organizational strengthening of People's Organizations (POs) in ARCs and other agrarian reform areas is still one of the major thrusts under the Program Beneficiaries Development (PBD) of DAR. These organizations are envisioned to serve as channels of support services and development interventions to ARBs with the primary concern of improving their quality of life. However, of the 6,453 ARB organizations assisted under DAR-PBD, a significant number has been considered inactive for various reasons.

Because of these circumstances, the DAR recognizes the need to continuously update and safeguard the integrity of its database, including the Masterlist of ARCs and POs. This will make the assessment of the impact of the Comprehensive Agrarian Reform Program (CARP) more accurate and guide management decisions towards better Program implementation.

In 2007, the National Agrarian Reform Communities Task Force (NARCTF) conducted a series of deliberations on proposed ARC/ARC Barangays and ARC Organizations for delisting. However, some proposals were either

deferred or disapproved because the existing guidelines on delisting could not address other concerns raised during the deliberations. A moratorium on the delisting of ARCs and POs was eventually issued in an attempt to provide strategic interventions to revive, revitalize, and reinvigorate all such assisted communities and organizations, but notwithstanding such efforts, implementation concerns remained, therefore reinforcing the need to revise existing guidelines thereon.

This Memorandum Circular (MC) is, therefore, hereby issued to enhance Memorandum Circular (M.C.) No. 10, Series of 2003 entitled "Guidelines and Procedures Governing the Delisting of Agrarian Reform Communities, ARC Barangays and Organization." It aims to incorporate current concepts and operational trends, and further clarify/update procedures and requirements on delisting.

II. POLICIES AND PRINCIPLES

1. R.A. No. 9700 provides for integrated land acquisition and distribution and support services delivery. The law authorizes the launching of ARCs when practicable, as a showcase of integrated development.
2. Due to processes beyond the control of the DAR, however, the delisting of an ARC, ARC Barangay, or ARC Organization shall only be allowed under extraordinary circumstances, e.g., when ARC development can no longer prosper due to changes in land use, approved land use conversion, or substantial reduction of CARP scope/coverage, as provided for in previous guidelines.
3. In no case shall the delisting of ARCs be allowed for reasons of difficulty in mobility/accessibility, inadequate personnel complement, or low Land Tenure Improvement (LTI)/PBD accomplishment.
4. The delisting of an ARC Barangay may not be allowed if it will adversely affect the potential of the ARC.



5. The delisting of an ARC does not automatically indicate the non-existence of the anchor organization existing therein or the disqualification of such organizations from any form of technical assistance from the DAR and other CARP-implementing agencies. These organizations will be considered as an organization outside an ARC and will continue to receive technical assistance from the DAR and other institutions.
6. The delisting of ARC Organizations shall be allowed upon the issuance of a certificate of dissolution/merger/consolidation from the Cooperative Development Authority (CDA) or the Securities and Exchange Commission (SEC), as the case may be, or through an order from the Department of Labor and Employment-Bureau of Workers with Special Concerns (DOLE-BWSC) or any other Order by any agency vested with registration authority over juridical persons revoking the registration of the organization. Furthermore, an organization may be proposed for delisting if it operates within a delisted ARC or ARC Barangay and if it is no longer operational and/or has not rendered any services for the last three (3) consecutive years.
7. The delisting from the Masterlist of ARC Organizations will not preclude the DAR or other financial institutions to claim outstanding obligations from the person(s)/entities concerned. For delisted organizations with outstanding obligations with the DAR, collection efforts shall be initiated through the DAR's Task Force Collection.
8. All efforts to revive organizations and revitalize their functionality shall be exerted before they are submitted for delisting. Field implementers shall ensure that all ARBs affected by the delisting will still be able to access technical assistance from the DAR, and shall encourage them to be members of other existing organizations in the area.
9. ARBs in delisted ARCs, ARC Barangays, or ARC Organizations shall nevertheless be provided with the minimum package of technical assistance under DAR programs and projects.



10. The approval of the delisting of ARCs, ARC Barangays, and ARC Organizations shall be lodged/centralized with the NARCTF, in accordance with the rules and procedures set forth in this M.C.
11. A thorough evaluation and field validation shall be conducted by the DAR Provincial Offices (DARPOs) through their respective ARC Task Forces on ARCs, ARC Barangays, and ARC Organizations proposed for delisting. Supporting documents should be submitted to the NARCTF for deliberation and approval.
12. In evaluating proposals for delisting, the DAR adheres to and reiterates the principles embodied by the following provisions of law:
 - a) Agriculture and Fisheries Modernization Act (R.A. No. 8435)
 - i. Section 6 on the delineation of Strategic Agriculture and Fisheries Development Zones (SAFDZ);
 - ii. Sections 9 and 11 on the prohibitions on agricultural land use conversion within SAFDZ; and
 - iii. Section 12 on the protection of watershed areas;
 - b) Local Government Code (R.A. No. 7160), specifically, Section 20 thereof, on the reclassification of lands; and
 - c) Other related laws, issuances, and guidelines governing corporations, cooperatives, partnerships, associations, and other juridical entities.

III. DEFINITION OF TERMS

- a. Agricultural Land – is land devoted to or suitable for the cultivation of the soil, planting of crops, growing of trees, raising of livestock, poultry, fish or aquiculture production, including the harvesting of such farm products, and other farm activities and practices performed in conjunction with such farming operations by persons, whether natural or juridical, and is not classified by the law as mineral land, forest land, residential land, commercial land, or industrial land.



- b. Agricultural Land Use Conversion – is the process of changing the use of agricultural land to non-agricultural uses; the undertaking of any development activity which modifies or alters the physical characteristics of agricultural land to render it suitable for specific non-agricultural use as indicated in the approved order of conversion issued exclusively by the DAR.
- c. Agrarian Reform Community (ARC) – is a community composed and managed by ARBs who are willing to be organized and undertake the integrated development of an area and /or their organizations/cooperatives which is accredited and listed as such by the DAR.
- d. ARC Barangay – is a barangay situated within the designated geographical boundary of an ARC.
- e. ARC Organization – is a PO accredited and listed by the DAR as such located in the ARC, whether formally or informally organized, which has propelled its organizational growth through the assistance of the DAR and/or other CARP implementing agencies and program partners.
- f. ARC Task Force – is a structural mechanism established at the DAR Provincial, Regional, and Central Offices to provide over-all directions in the implementation of the ARC Development Program.
- g. Consolidation – is the process of combining two (2) or more separate organizations into a new entity, thereby dissolving the original organization.
- h. Delisting – is the process of officially removing the name of an ARC, ARC Barangay, or ARC Organization from the DAR's Masterlist of ARCs and ARC Organizations.
- i. Dissolution – is the voluntary or involuntary termination of a cooperative/ corporation/association's right to continue doing business or operating as stated in its Articles of Cooperation/Incorporation and/or By-Laws.



- j. Exemption – is an official clearance granted by the DAR certifying that a particular agricultural land is not covered by the CARP pursuant to R.A. No. 6657, as amended.
- k. Land Use – is the manner of utilizing the land, including its allocation, development, and management.
- l. Merger – is the process of joining two (2) or more organizations into one entity where one or more of the entities is/are absorbed into one of the organizations.
- m. Reclassification – is the Local Government Unit (LGU)'s process of specifying how agricultural lands shall be utilized for non-agricultural uses, such as residential, industrial, or commercial, as embodied in their land use plan. It includes the reversion of non-agricultural lands to agricultural use, as stated in Section 20 of R.A. No. 7160.
- n. Urban Area – is a definite area or barangay which possesses the following characteristics based on the 2003 National Statistics Office (NSO)'s Revised Rural-Urban Classification:
 - 1. A definite area or barangay with a population size of five thousand (5,000) or more;
 - 2. A definite area or barangay that has at least one (1) establishment with a minimum of one hundred (100) employees; and
 - 3. A definite area or barangay that has five (5) or more establishments with a minimum of ten (10) employees and five (5) or more facilities within a two (2)-kilometer radius from the barangay hall.
- m. Urbanization – is the growth in the proportion of the population living in urban areas due to physical and economic development. Urbanization indicates a change of employment structure from agriculture and cottage industries to mass production and service industries.



IV. CRITERIA ON THE DELISTING OF ARCS, ARC BARANGAYS, AND ORGANIZATIONS

1. An ARC or ARC Barangay can be delisted when the ARC Development Plans can no longer be implemented as envisioned due to any of the following reasons:

- a) Change in Land Use

Delisting may be allowed when all of the following activities affecting land use are present at the time of the application for delisting:

- i. Urbanization;
 - ii. Reclassification; and
 - iii. Land Conversion.

- b) Substantial Reduction of CARP Scope or Coverage – Delisting may be allowed when there is a substantial reduction of CARP Scope or Coverage such that only one hundred fifty (150) hectares (corresponding to fifty percent (50%) of the minimum area required by ARC CARP Scope) remain, due to any of the following:

- i. Exemption from CARP coverage;
 - ii. Retention granted to the landowner;
 - iii. Conversion to non-agricultural use; or
 - iv. Reclassification prior to 15 June 1988.

2. An ARC Organization may be delisted upon request by the organization itself or the MARO concerned, when at least one (1) of the following criteria exists:

- a) Dissolution by the CDA or SEC, as the case may be, or revocation of its Certificate of Registration by the DOLE-BWSC or other registering agency;



- b) Merger with another organization;
- c) Dissolution due to consolidation;
- d) Absence of ARB members in the organization;
- e) Cessation of business/service operations for at least three (3) consecutive years prior to its submission for delisting;
- f) Decision by the ARC Organization to be delisted and not receive any assistance from the DAR which was arrived at a meeting duly called for that purpose, as evidenced by the minutes of such meeting and the list of members who attended and participated therein.

V. DELISTING PROCEDURE

1. Municipal Agrarian Reform Officer (MARO) Level

1.1 Any resident ARB of an ARC/ARC Barangay or any ARB member/officer of an ARC Organization, the Barangay Agrarian Reform Council (BARC) Chairman, or MARO concerned may file a request for delisting. Pursuant thereto, the MARO shall prepare and submit an investigation report to the Provincial ARC Task Force (PARCTF) with a recommendation on whether or not to delist a specific ARC, ARC Barangay, or ARC Organization. The said report must contain the following:

- 1.1.1 General Information on the ARC/ARC Barangay (ARC, ARC Barangay profile as applicable) or ARC Organization, including interventions;
- 1.1.2 Results of the field investigation and justification for the delisting supported by evidence; and
- 1.1.3 The MARO's recommendations.



1.2 Aside from the foregoing, the following supporting documents must be submitted to further substantiate the proposed delisting:

TYPE/REASON FOR DELISTING	REQUIREMENTS
For ARC/ARC Barangay:	
a. Change of Land Use	
i) Urbanization	<ul style="list-style-type: none">- Barangay, LGU concerned, BARC, PARCCOM, and PO/NGO Resolution supporting the proposed delisting of such ARC/ ARC Barangay; or- Certification from the concerned Mayor that the barangay to be delisted has become an urban barangay; or- National Statistical Coordination Board (NSCB) Certification that the barangay is classified as urban; or- Housing and Land Use Regulatory Board (HLURB) or Housing and Urban Development Coordinating Council (HUDCC) Certification that the area is urbanized.



ii) Reclassification	<ul style="list-style-type: none"> - Latest certified true copy of the municipal/city ordinance regarding the reclassification of the subject barangay; and - Certification from the Sangguniang Panlalawigan that the municipal/city ordinance on the reclassification of the subject area is valid.
iii) Conversion	<ul style="list-style-type: none"> - Certified true copy of the Conversion Order issued by the Regional Director concerned or the DAR Secretary; and - Thematic map of the ARC/ARC Barangay identifying the location of the converted areas; and - Other relevant documents.
a. Substantial Reduction of CARP Scope or Coverage	<ul style="list-style-type: none"> - Certification from the MARO on the reduction of CARP Scope, validated by the Planning Monitoring Evaluation Unit (PMEU) Head; and - Certified true copy of the Exemption Order issued by the Regional Director concerned or DAR Secretary, if applicable; and - Other relevant documents.



For delisting of an Organization in the ARC	<ul style="list-style-type: none"> - Organizational profile, including PO Resolution requesting for its delisting in the ARC and Certification from the BARC Chairman or from the MARO that the remaining members of the organization, if any, requested for delisting, as attested by the Barangay Chair; - Development Facilitator's Undertaking, with names of ARBs who are members of the organization proposed for delisting, certified by the MARO that the ARBs affected by the delisting shall be encouraged to join other ARC Organizations within the ARC; and - For organizations with outstanding obligations with the DAR, Certification from the Task Force Collection on the case filed against/status of collection efforts with the delinquent/non-paying organization; and - Other relevant documents.
a. Dissolved Cooperatives/Corporations or POs whose registration has been revoked	<ul style="list-style-type: none"> - Order of Dissolution from CDA or SEC, or Certification from the DOLE-BWSC/other registering agency that the registration of the said organization has been revoked.



b. Merged/Consolidated Organizations	<ul style="list-style-type: none"> - List of members of the merged/consolidated organization, identifying the source organization; and - For consolidated organizations, registration documents of the new organization that resulted from the consolidation; and for merged organizations, registration documents of the new organization that resulted from the merger, or the Articles of Merger, as the case may be.
c. Organizations with no Business/ Service Operations for the Past Three (3) Consecutive Years	<ul style="list-style-type: none"> - Certification from the BARC or Barangay Chairperson that the organization has had no business/ service operations for the last three (3) consecutive years; or - For an ARB cooperative, a Certification from the CDA on the status of the cooperative.
d. Organizations that Signified Non-Acceptance of Assistance	<ul style="list-style-type: none"> - Certified true copy of the Decision, Minutes, and the list of participants in the organizational meeting during which the decision to be delisted and not to receive assistance was arrived at.
e. Organizations Operating within a Delisted ARC/ARC Barangay	<ul style="list-style-type: none"> - Certification of ARC/ARC Barangay Delisting from Bureau of Agrarian Reform Beneficiaries Development (BARBD).



2. DAR Provincial Agrarian Reform Office (DARPO) Level

- 1.1 Upon receipt of the endorsement from the MARO, the PARCTF through its Secretariat (Beneficiaries Development Coordination Division) shall verify the validity of the delisting proposal pursuant to the policies and criteria stated herein.
- 1.2 The PARCTF, which shall be composed of the PARO as Chair, the MARO concerned, and Provincial Agrarian Reform Coordination Committee (PARCCOM), LGU, and PO/NGO representatives, shall deliberate on the proposed delisting of ARCs, ARC Barangays, and ARC Organizations.
- 1.3 The names/list of ARCs, ARC Barangays, and ARC Organizations, including the documents specified herein as well as the minutes of the pertinent PARCTF meeting(s) and resolutions, shall then be submitted to the Regional ARC Task Force (RARCTF) for further review and deliberation.
- 1.4 The MARO concerned shall be officially informed of the results of the PARCTF meeting within five (5) working days therefrom.

3. DAR Regional Office (DARRO) Level

- 1.1 Upon receipt of the PARCTF endorsement, the RARCTF through its Secretariat (Support Services Division) shall initially review the documents and conduct field validation, if necessary, to determine the merits of the proposal.
- 1.2 The RARCTF is composed of the Regional Director as Chair, the Assistant Regional Director for Operations as Vice-Chair, and all the Chief Agrarian Reform Program Officers of the various Divisions in the region.



1.3 The RARCTF shall thereafter convene to deliberate on the ARCs, ARC Barangays, and ARC Organizations proposed for delisting. The concerned MARO or PARO may be invited to the meeting. The RARCTF can disapprove proposals that do not meet the conditions and requirements prescribed for delisting.

1.4 The RARCTF shall submit the names/list of recommended ARCs, ARC Barangays, and ARC Organizations for delisting, including the required documents and Minutes of the pertinent RARCTF meeting(s) and resolutions, to the NARCTF for approval. Only ARCs, ARC Barangays, and ARC Organizations duly recommended for delisting shall be forwarded to the NARCTF.

1.5 The RARCTF shall officially inform the PARCTF concerned of the results of its deliberations by providing it with copies of the Minutes of the pertinent RARCTF meeting/s and/or resolution/s. Subsequently, the RARCTF shall inform the concerned PARO, PARCCOM, LGU, and PO/NGO concerned of the results of the NARCTF deliberations.

4. DAR Central Office (DARCO) Level

1.1 Upon receipt of the DARCO RARCTF recommendation as aforementioned and the pertinent documents accompanying the same, the NARCTF Technical Secretariat (Office of the Undersecretary for Support Services) shall review and evaluate the said documents to determine the validity thereof, and thereafter submit its recommendations to the NARCTF.

1.2 The NARCTF shall be composed of the Undersecretary for Support Services as Chair, the Assistant Secretary for Support Services as Vice-Chair, and the Director of BARBD, Director of Project Development and Management Services, Director of Bureau of Land Acquisition and Distribution, Director of Bureau of Land



Development, Director of Management Information System, Director of the Presidential Agrarian Reform Council Secretariat, Director of Planning Service, and Chief of Staff of the Support Services Office, as members.

1.3 The NARCTF shall thereafter convene to deliberate on the proposals for delisting. If found to be in order and justifiable, the NARCTF shall, in due course, through Resolutions, approve the delisting of the ARCs, ARC Barangays, and ARC Organizations, which shall have the effect of cancelling the identification number of the said ARC, ARC Barangay, or ARC Organization.

1.4 The NARCTF, through the Secretariat, shall provide the BARBD a copy of the NARCTF Resolution, officially delisting from the National Masterlist the subject ARC/ARC Barangay/ARC Organization.

1.5 The NARCTF, through the Secretariat, shall inform the respective RARCTF of the approval/non-approval of the delisting proposal(s).

VI. PUBLIC AWARENESS ON THE DELISTING OF ARC/ARC BARANGAY/ARB ORGANIZATIONS

Upon receipt of the final results of NARCTF deliberations, the MARO concerned shall post the updated Masterlist of ARC, ARC Barangays, and ARC Organizations in two (2) conspicuous areas (i.e., Barangay Hall, Municipal/City Hall) within the community within ten (10) days from the date of receipt thereof. The BARC Chair shall issue a Certification on the details of posting. The MARO shall then submit such Certification to the NARCTF, with proper endorsements from the Provincial and Regional Offices concerned.

The DARPO and DARRO shall coordinate with and inform partner agencies, registering agencies for organizations, and the Congressional



Representative in the district of the delisting of the ARC, ARC Barangay, or ARC Organization.

The NARCTF may entertain complaints/issues raised by concerned ARBs regarding erroneous delisting, provided formal complaints are filed by the said persons/entities. Complaints on delisting may be filed with the PARCTF within one (1) year from the date of posting of the updated Masterlist of ARCs, ARC Barangays, and ARC Organizations within the concerned community.

VII. REPEALING CLAUSE

All Orders, Circulars, Memoranda, and rules and regulations inconsistent herewith are hereby revoked, cancelled, or modified accordingly.

VIII. SEPARABILITY CLAUSE

Any judicial pronouncement declaring unconstitutional any provision of this Circular shall have no effect on the validity of the other provisions not affected thereby.

IX. EFFECTIVITY

This Memorandum Circular shall take effect immediately upon approval.

Diliman, Quezon City, 16 AUGUST 2011.


VIRGILIO R. DE LOS REYES
Secretary

Department of Agrarian Reform
Office of the Secretary

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