



REPUBLIC OF THE PHILIPPINES

# DEPARTMENT OF AGRARIAN REFORM

Tunay na Pagbabago sa Repormang Agraryo

## ADMINISTRATIVE ORDER NO. 03

Series of 2021.

**SUBJECT: AMENDING CERTAIN PROVISIONS OF THE COMPREHENSIVE RULES ON LAND USE CONVERSION UNDER DAR ADMINISTRATIVE ORDER NO. 1, SERIES OF 2002 AND CERTAIN PROVISIONS ON DAR ADMINISTRATIVE ORDER NO. 1, SERIES OF 2019 AND DAR ADMINISTRATIVE ORDER No. 6, SERIES OF 2019 TO UPDATE THE RULES TO ADAPT TO THE NEW NORMAL**

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To pursue a Comprehensive Agrarian Reform Program (CARP), Republic Act (R.A.) No. 6657, as amended, was legislated to ensure that the welfare of the landless farmers and farmworkers will receive the highest consideration to promote social justice and to move the nation towards sound rural development and industrialization, and the establishment of owner cultivatorship of economic-sized farms as the basis of Philippine agriculture.

The State shall promote industrialization and full employment based on sound agricultural development and agrarian reform, through industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets: Provided, That the conversion of agricultural lands into industrial, commercial, or residential lands shall take into account tillers' rights and national food security. Further, the State shall protect Filipino enterprises against unfair foreign competition and trade practices.

To ensure the successful implementation of R.A. No. 6657, as amended, DAR Administrative Order (A.O.) No. 01, Series of 2002 was formulated with the goal of (1) preserving prime agricultural lands to ensure food security; (2) ensuring that all sectors of the economy and all regions of the country are given optimum opportunity to develop, through the rational and sustainable use of resources peculiar to each area, in order to maximize agricultural productivity, to promote efficiency and equity, and to accelerate the modernization of the agriculture and fisheries sectors of the country; and (3) to strictly regulate conversion of agricultural lands to non-agricultural uses.

Under R.A. No. 8435, as amended, or the Agriculture and Fisheries Modernization Act (AFMA) of 1997, it is also the policy of the State to promote food security, including sufficiency in our staple food, namely rice and white corn where the production of rice and white corn shall be optimized to meet our local consumption and shall be given adequate support by the State.

Also, one of the State policies in R.A. No. 10601, otherwise known as the *Agricultural and Fisheries Mechanization (AFMech) Law*, is to promote the development and adoption of modern, appropriate, cost-effective, and environmentally-safe agricultural and fisheries machinery and equipment to enhance

farm productivity and efficiency in order to achieve food security and safety, and increase farmers' income.

The State shall maintain honesty and responsibility among its public officials and employees, and shall take appropriate measures to promote transparency in each agency with regard to the manner of transacting with the public, which shall encompass a program for the adoption of simplified procedures that will reduce red tape and expedite transactions in government. This policy is found under R.A. No. 9485 or the Anti-Red Tape Act (ARTA) of 2007 and R.A. No. 11032 or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018.

It is also the mandate of the State to facilitate domestic and international dealings, transactions, arrangements agreements, contracts and exchanges and storage of information through the utilization of electronic, optical and similar medium, mode, instrumentality and technology to recognize the authenticity and reliability of electronic documents related to such activities and to promote the universal use of electronic transaction in the government and general public under R.A No. 8792 or the Electronic Commerce Act of 2000.

Further, the Comprehensive Agrarian Reform Law is not intractable, nor does it condemn a piece of land to a single use forever. With the same conviction that the state promotes rural development, it also "*recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments.*"<sup>1</sup>

Thus, there is a need for "*Special Project Undertakings as Critically Important Projects*" *vis-à-vis* Land Use Conversion, where these Projects or Undertakings would be more beneficial to the public than being utilized for agricultural purposes.

Moreover, with the worldwide effect of the outbreak of Covid-19, Proclamation No. 922 was enacted by President Rodrigo Roa Duterte on 08 May 2020, declaring a State of Public Health Emergency throughout the Philippines. Under the challenges of the new normal, the farmers stand in the frontline of efforts to ensure food security in the areas critically affected by the pandemic.

The new normal requires the adoption of alternative modes of ensuring the delivery of services under the agrarian reform mandate.

Hence, to achieve these goals, there is a need to update the Comprehensive Rules on Land Use Conversion to ensure that the aforesaid State policies are maintained, and also to regulate, if not eliminate, indiscriminate conversion of agricultural lands without the required DAR Conversion Clearance.

**Section 1. Application for Conversion, Section 3 of DAR A.O. No. 1, Series of 2019, is hereby amended to read, as follows:**

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<sup>1</sup> *Ayala Land, Inc. and Capitol Citifarms, Inc. v. Simeona Castillo* [G.R. 178110, 15 June 2011].

**“SECTION 3. Manner of Filing and Authentication of Application and Supporting Documents.** An application for conversion must be duly verified as to the truthfulness of the information contained therein by the landowner or the landowner’s duly authorized representative. The application must also contain a certification attesting to the fact that all the supporting documents were issued by the proper agencies or offices.

The application for conversion may be filed personally or by way of electronic filing (e-filing) pursuant to item 2.0 of DAR Memorandum No. 224, dated 15 June 2020, by sending an electronic mail (e-mail) to the designated e-mail address of this Office.

Where the land applied for conversion is more than five (5) hectares, the applicant must furnish the Department with a soft or electronic copy of the application with the corresponding annexes if the applicant opted for e-filing, otherwise, the applicant should furnish the Department with a hard copy, by sending the said application through e-mail to the DAR thru the Land Use Cases Division (LUCD)-Bureau of Agrarian Legal Assistance (BALA), or to the concerned Regional Office if the land applied for conversion is five (5) hectares and below pursuant to DAR Memorandum No. 224.

The said electronic copy of the said application and its annexes shall be accepted only in Portable Document Format (PDF).

The date and time of receipt of the electronic application as indicated in the time-stamp of the e-mail server provider shall be considered the date and time of the filing of said application.

In e-filing, to be considered as officially filed, the e-mail must be sent to the official e-mail address of the LUCD-BALA or concerned Regional Office.

Only applications and their annexes submitted through the e-mail address provided in this A.O. shall be considered as filed in case the applicant opted for e-filing.

Payment of filing fee, inspection cost, and the posting of bond (cash), related to electronic initiation/filing of application or appeal from the denial by the concerned Regional Director shall be collected through online banking and deposited to the Bureau of Treasury (BTr) accounts to be provided by the DAR Central

Office or concerned Regional Office, after an issuance of an online assessment by the BALA LUCD(LUCC)/RLUC Secretariat, as the case may be, which online assessment shall include the amount to be deposited and the specific account where the amount shall be deposited.

**Section 2. Section 13 of DAR A.O. No. 1, Series of 2002, is hereby amended to read, as follows:**

**“Section 13: The amount of Filing Fee and Inspection Cost for applications for conversion shall be in accordance with the following payment schedule:**

<b>A. Five Hundred Square Meters for Homelots</b>		
<b>Area Applied</b>	<b>Filing Fee</b>	<b>Inspection Cost</b>
Five Hundred (500) square meters (sqm)	Free/ Exempt	Free/ Exempt
<b>B. Five (5) Hectares and below</b>		
<b>Area Applied</b>	<b>Filing Fee</b>	<b>Inspection Cost</b>
Five (5) hectares and below	₱ 2,000.00	₱ 10,000.00 – if the subject landholding is within the same island as that of the Office of the Regional Director; (13.2.1.1 of DAR A.O. No. 1, Series of 2002)
		₱ 15,000.00 – if the subject landholding is not within the same island as that of the Office of the Regional Director. (13.2.1.2 of DAR A.O. No. 1, Series of 2002)
<b>C. Above Five (5) up to Fifty (50) Hectares</b>		
<b>Area Applied</b>	<b>Filing Fee</b>	<b>Inspection Cost</b>
Above five (5) hectares, but not more than ten (10) hectares	₱ 2,400.00	₱ 12,000.00 – if the subject landholding is within the mainland of Luzon (except Bicol Peninsula);
		₱ 18,000.00 – if the subject landholding is within Regions I to IV but it's not located within the mainland of Luzon;
		₱ 18,000.00 – if the subject landholding is within Bicol Peninsula or Visayas Group of Island; or
		₱ 24,000.00 – if the subject landholding is within Mindanao Group of Island.
Above ten (10) hectares but not more than twenty (20) hectares	₱ 2,500.00	₱ 12,500.00 – if the subject landholding is within the mainland of Luzon (except Bicol Peninsula);
		₱ 18,500.00 – if the subject landholding is within Regions I to IV but it's not located within the mainland of Luzon;

Area Applied	Filing Fee	Inspection Cost
		<p>₱ 18,500.00 – if the subject landholding is within Bicol Peninsula or Visayas Group of Island; or</p> <p>₱ 24,500.00 – if the subject landholding is within Mindanao Group of Island.</p>
Above twenty (20) hectares, but not more than thirty (30) hectares	₱ 2,600.00	<p>₱ 13,000.00 – if the subject landholding is within the mainland of Luzon (except Bicol Peninsula);</p> <p>₱ 19,000.00 – if the subject landholding is within Regions I to IV but it's not located within the mainland of Luzon;</p> <p>₱ 19,000.00 – if the subject landholding is within Bicol Peninsula or Visayas Group of Island; or</p> <p>₱ 25,000.00 – if the subject landholding is within Mindanao Group of Island.</p>
Above thirty (30) hectares, but not more than forty (40) hectares	₱ 2,700.00	<p>₱ 13,500.00 – if the subject landholding is within the mainland of Luzon (except Bicol Peninsula);</p> <p>₱ 19,500.00 – if the subject landholding is within Regions I to IV but it's not located within the mainland of Luzon;</p> <p>₱ 19,500.00 – if the subject landholding is within Bicol Peninsula or Visayas Group of Island; or</p> <p>₱ 25,500.00 – if the subject landholding is within Mindanao Group of Island.</p>
Above forty (40) hectares, but not more than fifty (50) hectares	₱ 2,800.00	<p>₱ 14,000.00 – if the subject landholding is within the mainland of Luzon (except Bicol Peninsula);</p> <p>₱ 20,000.00 – if the subject landholding is within Regions I to IV but it's not located within the mainland of Luzon;</p> <p>₱ 20,000.00 – if the subject landholding is within Bicol Peninsula or Visayas Group of Island; or</p> <p>₱ 26,000.00 – if the subject landholding is within Mindanao Group of Island.</p>
Above fifty (50) hectares, but not more than sixty (60) hectares	₱ 2,900.00	<p>₱ 14,500.00 – if the subject landholding is within the mainland of Luzon (except Bicol Peninsula);</p> <p>₱ 20,500.00 – if the subject landholding is within Regions I to IV but it's not located within the mainland of Luzon;</p> <p>₱ 20,500.00 – if the subject landholding is within Bicol Peninsula or Visayas Group of Island; or</p> <p>₱ 26,500.00 – if the subject landholding</p>

Area Applied	Filing Fee	Inspection Cost
		is within Mindanao Group of Island.
<b>D. For above 60 hectares, additional 500 pesos for areas &lt;= to ten (10) hectares</b>		

**Section 3. Posting of Bond.**

**3.1. Application Bond to Guarantee Against Premature Conversion and to Ensure that Applicant Shall Only Submit True and Correct Information in Support of his Application.**

The landowner/applicant or his/her duly authorized representative shall file an application bond to ensure the information are true and correct to support his/her application for conversion and in order to guarantee against premature conversion over the subject agricultural land.

- 3.1.1 The applicant shall, upon filing of the application, post an application bond, in the form of cash bond equivalent to 2.5 percent (2.5%) of the zonal valuation of the landholding after reclassification per latest issuance of the Department of Finance (DOF). Payment may also be made by Manager's/Cashier's check posted in favor of the DAR.
- 3.1.2 In lieu of a cash bond, the applicant may post a surety bond, issued by the GSIS, equivalent to fifteen percent (15%) of the zonal valuation of the landholding after reclassification per latest issuance of the Department of Finance.
- 3.1.3 The DAR shall forfeit the application bond in favor of the Bureau of Treasury (BTr) when the applicant, or any person acting on his behalf, carries out any actual conversion activity on the land prior to the application's approval. Forfeiture shall be without prejudice to the filing of criminal charges against those responsible for premature conversion.
- 3.1.4 After faithful compliance with the terms and conditions of the bond, the applicant may opt for refund or convert the same into a performance bond after the issuance of the approved Conversion Order.

**3.2. Performance Bond.** Within five (5) days from receipt of a copy of the approved Conversion Order, the applicant shall post a performance bond.

- 3.2.1 The conversion project shall be covered by a surety bond, callable on demand, equivalent to fifteen percent (15%) of the zonal valuation of the landholding after reclassification per latest issuance of the Department of Finance.

**3.2.2** The applicant shall ensure that the bond is valid at all times. When renewal of the bond is necessary, it must be undertaken by the applicant thirty (30) days prior to its expiration.

**3.3.** Electronic filing of the bond posted before the LUCC/RLUC Secretariat.

An Affidavit stating the fact that the bond (cash, check, or surety) has already been posted may be filed electronically, attaching thereto a scanned copy of the official receipt (OR) of the approved bond which shall be recognized within five (5) days from filing such affidavit electronically.

**3.4.** No other fees shall be paid except for the aforesaid filing fee, inspection cost, and the posting of bond related to electronic filing or personal filing of the application for conversion or appeal thereon.

#### **Section 4. Proof of Filing, Affidavit of Electronic Filing.**

When an applicant files an application for Land Use Conversion through e-mail, the applicant shall also submit/file an affidavit stating the fact that the applicant filed the application electronically. This affidavit suffices to prove the filing of the aforesaid application.

The file copy of the application that was filed electronically must be attached in the said affidavit which shall be marked as Annex "A". This affidavit may also be filed electronically and will form part of the records of the application.

In electronically transmitting/filing the affidavit, the subject of the e-mail must state the case title, and the pleading/document title. Whereas in the title of the attached electronic document, it shall contain sufficient information to ascertain the filing/serving parties, the nature of the paper, the party or parties against whom relief is sought, and the nature of the relief, as the case may be.

Parties who change their e-mail addresses while the application is pending must promptly file, within five (5) calendar days from such change, a Notice of Change of e-mail address with the LUCC/RLUC Secretariat.

Service through the e-mail address of a party shall be presumed valid unless such party notifies the committee of any change, as aforementioned.

If the applicant opted for e-filing, the method of servicing and filing of pleadings, motions, processes of the Department, shall also be done electronically unless the applicant requests for the personal service or filing of pleadings, motions, processes of this Department which must first be granted.

Thus, if the applicant opted for e-filing but serves or files pleadings, motions, processes to the Department by registered mail or through other private courier

service, it will not be recognized as valid unless the applicant applies for the manual sending of pleadings, motions, processes of the Department and is approved.

**Section 5. Section 4 of DAR A.O. No. 1, Series of 2019, is hereby amended to read, as follows:**

**“SECTION 4. Non-acceptance of Incomplete Application.**

- 4.1.** No application for conversion shall be accepted, docketed, and processed, if the land or the right relating to its ownership, occupation, or use is the subject matter of an administrative or judicial case. This information must be declared under oath by the applicant in compliance with DAR A.O. No. 1, Series of 2002 as amended.
- 4.2.** Strictly no application, whether submitted electronically or otherwise, shall be accepted, docketed, and processed unless all the documentary requirements for a conversion grant as required by agrarian laws and the rules and regulations of the DAR and other agencies have been submitted and are sufficient in form and substance.
- 4.3.** Where the application is found to be incomplete and insufficient in form<sup>2</sup> and substance,<sup>3</sup> whether the application is filed electronically or personally, the LUCC/RLUC Secretariat shall issue a written statement/certificate and an e-mail response/electronic notice (with time-stamp duly-recorded), specifically stating the deficiency/ies or reason/s for the non-acceptance and return of the application within (5) working days from the filing of the application for conversion which shall form part of the records of the application.”

**Section 6. Electronic issuance of Orders, Resolutions, and other documents.**

The LUCC/concerned RLUC may electronically serve Orders, Resolutions, and other documents, to all the parties of a case, who shall acknowledge its receipt which shall have the same effect and validity as provided herein. A paper copy of the

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<sup>2</sup> Form is the methodology used to express rules of practice and procedure. It is the order or method of legal proceedings. It relates to technical details. It is ordinarily the antithesis of substance. It is an established method of expression or practice. It is a fixed or formal way of proceeding (Sps. Carlos Munsalud and Winnie Munsalud v. National Housing Authority, G.R. 167181, 23 December 2008).

<sup>3</sup> Substance is one which relates to the material allegations in the pleading. It is determinative of whether or not a cause of action exists. It is the central piece, the core, and the heart constituting the controversy addressed to the court (Committee) for its consideration. It is the embodiment of the essential facts necessary to confer jurisdiction upon the court (Committee)[Ibid.].



order or other document electronically served shall be retained and attached to the records of the case.

**Section 7. A new item on the Applicability of Rules under Section 3 of DAR A.O. No. 1, Series of 2002 is hereby inserted as paragraph 3.5, as follows:**

“**SECTION 3.** Applicability of Rules — These guidelines shall apply to all applications for conversion, from agricultural to non-agricultural uses or to another agricultural use, such as:

3.1. x x x

3.5. Development of lands which are undertaken for purposes of Special Project Undertakings which are Critically Important as provided under Section 10 of this A.O.”

**Section 8. Sections 4 of DAR A.O. No. 1, Series of 2002 is hereby amended pursuant to Section 22 of R.A. No. 9700 amending Section 65 of R.A. No. 6657, to read, as follows:**

8.1 Paragraph 4.3 of Section 4 of DAR A.O. No. 1, Series of 2002 is hereby amended to read, as follows:

8.1.1 “**SECTION 4.** Areas Non-Negotiable for Conversion — An application involving areas non-negotiable for conversion shall not be given due course even when some portions thereof are eligible for conversion. The following areas shall not be subject to conversion:

4.1. X x x

4.2. All irrigable lands as provided under Section 7 hereof, whether or not already covered by irrigation projects with firm funding commitments pursuant to Section 22 of R.A. No. 9700 amending Section 65 of R.A. No. 6657, as delineated by the DA and/or NIA;

4.3. X x x”

8.2 Paragraph 5.1 of Section 5 of DAR A.O. No. 1, Series of 2002 is deleted and the remaining paragraphs are sustained.

**Section 9. Section 7 of DAR A.O. No. 1, Series of 2019, is hereby amended to read, as follows:**

**“SECTION 7. Local Government Unit (LGU) Reclassification.**

Reclassification is different from Conversion.

*Reclassification* is the act of specifying how agricultural land shall be utilized for non-agricultural uses as embodied in the land use plan of the LGU based on Section 20 of R.A. No. 7160, E.O. No. 72, Series of 1993, and Office of the President (OP) Memorandum Circular (M.C.) No. 54, Series of 1993. *Conversion* is the act of changing the actual use of the agricultural land into uses as approved by the DAR in accordance with Section 65 of R.A. No. 6657, as amended by R.A. No. 9700.

Agricultural lands that are reclassified to non-agricultural uses do not *ipso facto* allow the landowner thereof to use the same for such purpose.<sup>4</sup>

The submission of a **Zoning Certification** by the Housing and Land Use Regulatory Board (HLURB), approving said Zoning Ordinance, in applications for conversion shall only be required if the landholding is situated in Highly-Urbanized or Independent Component Cities and the conversion is from an agricultural use to a non-agricultural use.

In lieu of the HLURB Zoning Certification, the Sangguniang Bayan/Panlungsod Zoning Ordinance and the Sangguniang Panlalawigan Resolution approving said Zoning Ordinance shall be submitted in applications for conversion in case of landholdings situated in Component Cities and Municipalities and the conversion is from an agricultural use to a non-agricultural use.

Further, in view of the revocation of Department of Agriculture (DA) A.O. No. 1, Series 2017 which provided for the issuance of the certificate of eligibility for reclassification by the DA, and the revocation of DA A.O. No. 18, Series of 2020 which provided for the issuance of the certificate of eligibility for conversion by the DA, such certificates of eligibility will no longer be required by the DAR in the application for conversion.

The DAR shall ensure that irrigated and irrigable lands shall not be subject to conversion. Pursuant to Sec. 65 of R.A. No. 6657, as amended, it shall make the determination of

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<sup>4</sup> *CREBA vs. DAR* [G.R. 183409, 18 June 2010].

irrigated and irrigable lands based on the consolidated report on the location of such lands as prepared by the National Irrigation Administration, (NIA), subject to validation by the DAR. Pending the submission by the NIA of the said consolidated report on irrigated and irrigable lands to the DAR, the applicant shall be required by the DAR to submit such other verifiable data or certification on irrigated and irrigable lands issued by the proper regional or provincial office of NIA.

Pursuant to NIA M.C. No. 24, Series of 2019, *irrigable land/area* is defined as land suitable for the conduct of agricultural activities which require irrigation and display physical features justifying the operations of an irrigation system.

The elements of an irrigable land are the following:

1. The land must have physical features, which show an inherent potential for the development of an irrigation system, such as: soil depth, soil texture, field terrain, slope, and other relevant characteristics.
2. The land must have potential for a quality water supply which can be sourced through a distribution system;
3. The land must be part of a serviceable area which is within an actual and funded irrigation system or which can be serviced with existing and operating irrigation activities;
4. The land must be within an area where the approved or adopted Comprehensive Land Use Plan (CLUP) by the concerned LGU for surrounding or contiguous landholdings which encourages or agrees to the conduct of agricultural activities; and
5. The land must have affected qualified farmer beneficiaries or tenants/lessees willing to till the land and raise crops therein

Landholdings which possess all the aforesaid elements are considered irrigable.

**Section 10. The Application for Land Use Conversion falling under Section 11 on Special Project Undertakings which are Critically Important and Section 12 on Agro-Industry or Agro-Industrial Undertakings are now cognizable by the LUCC/Regional Director under Item Nos. 1 and 4 of Paragraph IV of DAR A.O. No. 06, Series of 2019.**

**Section 11. Special Project Undertakings intended to be done in Agricultural Lands, Treated as Critically Important in Conversion Applications.**

- 11.1 Special Project Undertakings shall be treated as critically important in conversion applications.
- 11.2 Special Project Undertakings which are Critically Important shall encompass those undertakings which, due to circumstances surrounding a specific community, will bring more benefits to the public, or which is absolutely necessary in the community, or would bring more opportunities to the residents in the community, or which would promote public use, or which, due to sudden change of events, would help boost the economy, or those which would alleviate the lacking economic needs of the community where the project is intended to be had, or which would be beneficial to the underprivileged or homeless citizens, as certified by the LGU or the appropriate government agency.
- 11.3 The land to be utilized for this purpose must not be an irrigated or an irrigable land.
- 11.4 The interested landowners must apply for Conversion for Special Project Undertakings which are Critically Important before the concerned **Regional Director (RD)** if the landholding is not more than 5 hectares. For agricultural lands with an area of 5 hectares or more, the application must be filed before the LUCD-BALA.
- 11.5 Applications under this Section need not undergo before the Municipal Agrarian Reform Program Office (MAPRO) in the intended land subject of the application which was required under DAR A.O. 01, Series of 2002, for regular applications for Land Use Conversion. Upon determination by the concerned RD or by the LUCD-BALA that the application is complete in form and in substance, the concerned RD or the LUCD-BALA shall immediately proceed in conducting an On-Site Inspection and Investigation (OSII) as provided in this AO.
- 11.6 **For purposes of this Section, Zoning Certification from the HLURB and concerned LGUs regarding the reclassification of the land intended for Special Project Undertakings which are Critically Important are not required in applications for Conversion under this Section.**
- 11.7 **Applications for Land Use Conversion under this Section shall likewise not be required to post application bond. But should the application be granted, the grantee**

**should post performance bond as required under Section 3 of this A.O.**

- 11.8** For the application for conversion for Special Project Undertakings which are Critically Important, the following documents shall be required:

Certification from the concerned agency that the projects requiring conversion into non-agricultural use is a priority project which includes the following:

- 11.8.1** Agro-Industrial Projects as defined under Section 12 herein (DA Certification);
- 11.8.2** Energy project (*i.e., power generation, transmission, or distribution*) as certified by the Department of Energy to be a priority project for the energy requirements of the community;
- 11.8.3** Socialized Housing projects as defined under DAR A.O. No. 1, Series of 2002, which include, but is not limited to, *i.e.* those which are undertaken by government entities; or subsidized housing or housing programs of National Housing Authority (NHA); or by the Local Government Units (LGUs); or by private entity which complies with the low-cost housing standards of the NHA as certified by the Socialized Housing Finance Incorporation (Certification); or those which are under the coverage of the National Home Mortgage Finance Corporation;
- 11.8.4** Telecommunication Sites or Areas<sup>5</sup> (NTC Certification);
- 11.8.5** Water-related projects<sup>6</sup> **in accordance with the State Policies under Section 1 of R.A. No. 6234 (MWSS Certification) and Infrastructure Flagship Projects<sup>7</sup> as provided on Water Security under Administrative Order No. 32 of the Office of the**

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<sup>5</sup> Telecommunication Sites or Areas is the geographic area as certified by the NTC to be utilized for construction of cell site towers or facilities of a telecommunications entity which shall be allocated for the processing of relaying and receiving voice, data, electronic messages, written or printed matter, fixed or moving pictures, words, music or visible or audible signals or any control signals of any design and for any purpose by wire, radio or other electromagnetic, spectral, optical or technological means, as provided under Section 3(a) of R.A. No. 7925 or the Public Telecommunications Policy Act of the Philippines.

<sup>6</sup> Water-Related Projects are those which are to be undertaken in agricultural lands which is intended to insure an uninterrupted and adequate supply and distribution of potable water for domestic and other purposes and the proper operation and maintenance of sewerage systems as provided under Section 1 of R.A. No. 6234.

<sup>7</sup> Infrastructure Flagship Projects on Water Security refer to the identified water-resource projects in the list of infrastructure flagship projects approved by the National Economic and Development Authority (NEDA) as of 17 February 2020, and shall cover other similar projects that will be approved and identified as such by the National Government pursuant to relevant laws, rules and regulations. (Section 1 of O.P. A.O. No. 26, Series of 2020)

**President (O.P.) which was passed on 26 August 2020;**

- 11.8.6** Resettlement Sites or Relocation Areas for Disaster Stricken Areas for displaced informal settlers;
  - 11.8.7** Lands acquired under R.A. No. 10752 as sites for national government infrastructure projects; and
  - 11.8.8** Endorsement of the concerned Regional Development Council.
- 11.9** Should the Application for Conversion for Special Project Undertakings which are Critically Important be granted, the applicant must undertake to develop the land subject of the application within five (5) years from the grant of the Conversion for Special Project Undertakings subject to revocation should the applicant fail to observe the conditions in the grant of the Conversion for Special Project Undertakings as set forth under Section 33 of DAR A.O. No. 1, Series of 2002;
- 11.10** The grantee should also observe the required payment of Disturbance Compensation to the affected farmers in accordance with R.A. No. 3844, as amended, R.A. No. 6657, as amended, and Section 28 of DAR A.O. No. 01, Series of 2002;
- 11.11** Should the Conversion for Special Project Undertakings which are Critically Important be granted, the applicant must also submit a development plan every year attaching thereto a detailed description of the accomplished portion of the project with financial statement pertaining to the expenses spent for the accomplished portion of the project;
- 11.12** Within fifteen (15) days, landowners who would like to apply for Conversion under this Section shall only be required to present the following documents in their application, to wit:
- 11.12.1** Official receipt showing proof of payment of filing fee and inspection cost bond in accordance with the terms and conditions set forth in Section 2 hereof;
  - 11.12.2** Duly accomplished application for conversion for Special Project Undertakings which are Critically Important subscribed and sworn to before a notary public or any person authorized to administer oaths;
  - 11.12.3** An electronic copy (e-copy) of the Original Certificate of Title (OCT) or Transfer Certificate of Title (TCT) of the subject land, as provided

- under Section 6 of DAR A.O. No. 1, Series of 2019;
- 11.12.4** (a) Proof of financial and organizational capability of the applicant to under the Special Project Undertaking which are Critically Important; (b) Project feasibility study as provided under paragraph 10.7 of DAR A.O. No. 1, Series of 2002; and (c) Statement of project cost and availability of potential funding source(s) for the development of the proposed project as provided under paragraph 10.10.1 of DAR A.O. No. 1, Series of 2002;
- 11.12.5** Socio-Economic Benefit-Cost Study of the proposed project under paragraph 10.11 of DAR A.O. No.1, Series of 2002;
- 11.12.6** Affidavit of Undertaking committing to comply the required statements as provided under paragraph 10.13 of DAR A.O. No. 1, Series of 2002;
- 11.12.7** Development Plan; and
- 11.12.8** Posting of the applicant-landowner in a conspicuous place(s) within the subject property, a public notice contained in a billboard made of strong weather-resistant material such as plywood, galvanized iron, tin, panaflex, or other similar durable material, measuring 1.22 meters by 2.44 meters (4 feet by 8 feet). If the landholding has an area of more than twenty (20) hectares, the applicant shall erect one (1) billboard for every twenty (20) hectares, on strategic and visible points in the landholding, preferably along a road. The billboard shall be written in the local dialect and shall display all the information as required under Section 11 of DAR A.O. No. 1, Series of 2002.

- 11.13** Should the grantee fail to observe the conditions set forth in this Section, the Conversion Order may be revoked as provided Under AO 1, Series of 2002.

**Section 12. Agro-industry or Agro-industrial Undertakings, Treated as Critically Important project in Conversion Applications.**

- 12.1** Agro-Industry (or Agro-Industrial) Undertaking is a generic term applied to the industrial processing of raw materials and intermediate products derived from the agricultural sector (defined broadly to include forestry, fishing, crop,

and animal husbandry);<sup>8</sup> [it includes] processing and packaging of food using modern equipment and methods;<sup>9</sup> relating to both industrial and agricultural purposes.<sup>10</sup> These include but are not limited to:

- 12.1.1** Commercial processing of agricultural crops (such as but not limited to coconut, jathropha, sugarcane, cassava, corn, palay, and sweet sorghum);
  - 12.1.2** Processing/Manufacturing of agricultural and marine products (livestock and poultry, fruits and vegetables, aqua-culture products);
  - 12.1.3** Integrated livestock, poultry and related projects involving primary production up to processing of final product<sup>11</sup>;
  - 12.1.4** Processing of agricultural inputs such as feeds, veterinary drugs and vaccines, fertilizers, and agri-chemicals;
  - 12.1.5** Projects involving the processing of agricultural waste materials into a commercially valuable product.
- 12.2** The same procedure and rules in the processing of the application and the same documentary requirements as provided in Section 11 of this A.O. shall also apply in applications for Land Use Conversion for agro-industry or agro-industrial undertakings under this Section;
- 12.3** Any and all applications for conversion for agro-industry or agro-industrial undertakings will only be approved if it is determined by the DAR within 30 days that it is a priority project necessary for the increase in yield and income of the farmers which include agrarian reform beneficiaries (ARBs), Agrarian Reform (AR) communities, ARB organizations, and AR cooperatives. In no instance shall an application for conversion of the land to an agro-industry or agro-industrial project involve an area exceeding five (5) hectares which shall be under the jurisdiction of the concerned Regional Director.

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<sup>8</sup> Agro-Industrial Policy Reviews: Methodological Guidelines, by Keith Marsden, Maurizio Garzia (Food and Agriculture Organization of the United Nations), p. 7, (1998).

<sup>9</sup> <https://www.dictionary.com/browse/agro-industry>

<sup>10</sup> <https://www.merriam-webster.com/dictionary/agro-industrial>

<sup>11</sup> Based from the definition of Agro-industrial activities in the Philippine Economic Zone Authority RESOLUTION NO. 07-232.



**Section 13. Stringent Monitoring and Compliance on Illegal Conversion or Premature Conversion.**

**13.1 Section 52.3 of A.O. No. 1, Series of 2002, is hereby amended to read, as follows:**

“52.3. Premature conversion as defined under Section 4 of R.A. No. 8435 or the “Agricultural and Fisheries Modernization Act of 1997” and Section 2 of this Administrative Order, refers to the undertaking of any development activity, the result of which modify or alter the physical characteristics of the agricultural lands to render them suitable for non-agricultural purposes, without approved order of conversion from the DAR, or undertaking any development activity which modifies or alters the physical characteristics of the lands rendering it suitable for non-agricultural purposes despite the pendency of the application for conversion clearance from the DAR.”

**13.2** To constitute as illegal conversion, it is sufficient that there is an attempt or an actual change in the use of the land from agricultural to a residential, commercial, or industrial, and other non-agricultural activity without a conversion grant or clearance based on the requirements under Section 65 of R.A. No. 6657, as amended.

**13.3** The intent to avoid the application of R.A. No. 6657, as amended, and to dispossess a tenant as provided under Section 73(c) of R.A. No. 6657, as amended, is established from the following instances:

**13.3.1** When an agricultural land is developed without a DAR Conversion Order.

**13.3.2** When the agricultural lands being converted is irrigated or irrigable.

**13.3.3** When there are farmers, farmworkers, or tenants on the landholding who are adversely affected by the conversion.

**13.3.4** When there is a land activity such as, but not limited to, construction of perimeter fence on the landholding, earth filling/dumping, earth moving/digging, and quarrying.

**13.3.5** Other analogous activities.

**13.4** Creation of Task Force on Illegal Conversion or Premature Conversion.

**13.4.1** There shall be a Provincial Task Force on Illegal Conversion or Premature Conversion which shall be

headed by the Provincial Chief Legal Officer who is an Attorney V, as Chairperson with the CARPO for Operations as Vice-Chairperson and the concerned Municipal Agrarian Reform Program Officer (MARPO) as member. In the absence of the Provincial Chief Legal Officer, the radiating Provincial Chief Legal within the Region or in the absence of the same, the Regional Chief Legal shall head the Provincial Task Force. In cases where there are no CARPO-LTS or MARPO, the PARPO II shall designate the two members of the Provincial Task Force from the Legal and Operations Sector.

The Chief Legal as the head of the Provincial Task Force shall initiate the filing of the case.

The PARPO II shall sign the affidavit as the Complainant and file the said complaint immediately with the concerned Prosecutor's Office.

**13.4.2** The Provincial Task Force on Illegal Conversion or Premature Conversion shall undertake the following:

- a. Coordinate with the local government units in the provinces, as well as the CARP implementing agencies in order to monitor land use activities in their respective areas of responsibility.
- b. Identify those activities which constitute illegal conversion or premature conversion, as well as those activities which constitute obstruction.
- c. Commence the proper criminal complaints through the PARPO II against those liable for illegal or premature conversion and ensure the conviction of the guilty parties.
- d. Identify those harassment actions filed against farmers, farmworkers, or tenants before the prosecutor in their area for unjust vexation, trespassing, malicious mischief, threats, theft, and other crimes.
- e. Commence the proper action for the dismissal of such harassment actions through the Chairperson of the Task Force.
- f. Preparation of the documents required for the filing of the case shall include but not limited to the following: barangay blotter/PNP blotter, latest

pictures of the alleged development activity, affidavits of witnesses, certifications of no pending application from the LUCC or RLUC Secretariat.

- g. Undertake such other actions as may be required by the Secretary of Agrarian Reform.

**13.4.3** There shall be a National Task Force on Illegal Conversion or Premature Conversion which shall be chaired by the DAR Secretary, to be co-chaired by the Undersecretary for Field Operations Office (FOO) and the Undersecretary for Legal Affairs Office (LAO), and the Director of Legal Service and the Chief of BALA-Agrarian Reform Beneficiaries Legal Assistance Division (ARBLAD), as members.

**13.4.4** The National Task Force on Illegal Conversion or Premature Conversion shall undertake the following:

- a. Monitor the activities and coordinate the efforts of the Provincial Task Force on illegal conversion or premature conversion.
- b. Secure the cooperation of the other CARP implementing agencies to achieve a whole-of-government approach in preventing illegal or premature conversion.
- c. Submit periodic reports and recommend policies to the President and the PARC on the campaign against illegal or premature conversion.
- d. Participate and support, as may be determined by the National Task Force, in prosecuting the punishable acts under R.A. No. 6657, as amended, and other agrarian reform laws, penalizing illegal conversion or premature conversion.

**Section 14. Section 14 of DAR A.O. No. 1, Series of 2019, is hereby amended to read, as follows:**

**“SECTION 14. Land Use Cases (LUC)/ Regional Land Use Cases (RLUC) Committee Deliberation.**

“X X X X”

In accordance with Section 51 of R.A. No. 6657, as amended, and Department of Justice Opinion No. 38, Series of

2020 dated 27 May 2020, an application for conversion shall be resolved upon within a period of thirty (30) calendar days after it is submitted for resolution.

An application for conversion is submitted for resolution when all the case build-up activities are completed as stated in an order by the LUCC/RLUC that the application is already submitted for resolution.

The case build-up activities, among others, are:

1. The resolution of any protest related to the application;
2. The completion of public consultation under DAR A.O. No. 5, Series of 2018, as required by the Secretary, has been undertaken;
3. The completion and submission of the On-Site Inspection and Investigation (OSII) report; and
4. Such other analogous circumstances.

In the conduct of the OSII, the actual status of the land subject of the application for Land Use Conversion must be categorically stated in the OSII Report.

**Section 15. Section 12 of DAR A.O. No. 1, Series of 2019, is hereby amended to read, as follows:**

**“Section 12. Notice of On-Site Inspection and Investigation (OSII).** Notice of OSII shall be issued within three (3) days from the date of filing of the application for conversion.

If the application is filed by electronic means, and if, upon review, the same is found to be sufficient in form and substance and payment of filing fee, inspection cost and posting of bond (cash, check or surety) is made, the LUCC/RLUC Secretariat shall immediately notify the PARPO II and their designated Provincial Information Officers (PIOs) on the date of OSII by the fastest means of communications, including but not limited to, e-mails, facsimile (fax), short-message service (SMS), telephone communications, messaging applications, and other related means pursuant to R.A. No. 8792<sup>12</sup>. The Notice also contains the instruction to disseminate the same to all farmers, agricultural lessees, share tenants, farmworkers, actual tillers, or occupants in the property subject of the application.”

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<sup>12</sup> The Electronic Commerce Act.

**Section 16. Section 13 of DAR A.O. No. 1, Series of 2019, is hereby amended to further read, as follows:**

**“Section 13. Conduct of the OSII.** The OSII shall be conducted on the property by the Land Use Conversion Division (LUCD) / Regional Land Use Committee (RLUC) within five (5) days from receipt of the notice.

The conduct of OSII shall be completed within three (3) days. Thereafter, the OSII Team shall submit a written Field Investigation Report (FIR) or an electronic copy of the FIR, including photographs and videos through any appropriate software platform used by the Department within two (2) days from the completion of the OSII.

However, the conduct of the OSII may be delegated by the Head, LUCC Secretariat to the RLUC, or the Provincial Agrarian Reform Program Officer II (PARPO II), or the Municipal Agrarian Reform Program Officer (MARPO), in the exigency of the service owing to new normal and the unavailability of land, water or air transportation.

The actual video footage of the OSII [in a portable storage device such as USB Flash/Thumb Drives; Compact Discs (CDs) or Digital Versatile Discs (DVDs)] and the OSII Report, subscribed and sworn to before an authorized administering officer of the DAR, shall be forwarded to the Head, LUCC/RLUC Secretariat, and thereafter, to be presented to the LUCC/RD, for consideration, which is mandated to act on the application for conversion regardless if the same was filed personally or online thru electronic means.”

**Section 17. Conditional Nature of a Conversion Authority**

The issuance by the DAR of the authority for the change of use of an agricultural land to a residential, commercial, or industrial use in accordance with Section 4 Par. (i) of E.O. No 129-A, Section 65 of R.A. No. 6657, as amended; Paragraph 13, Section 3, Title XI of the Revised Administrative Code of 1987 (E.O. No. 292); and with the rules and regulations on land use conversion issued by the DAR, as well as the Land Use Conversion falling under Section 11 on Special Project Undertakings as Critically Important Projects and Section 12 on Agro-Industry or Agro-Industrial Undertakings are not to be construed as final grants. The authority to change the use of the land from agricultural to a non-agricultural purpose is conditional. It is subject to compliance by the registered owner and grantee with the terms and conditions indicated in the Conversion Order, as well as in Section 65 of R.A. No. 6657, as amended.

**Section 18. Annotation of the Conditions for the Conversion Authority.**

Whenever a Conversion Order is granted and the same has become final and executory, the landowner/applicant within three (3) days upon receipt of the Order is directed to communicate in writing to the Register of Deeds (ROD) where the land is located for the latter to immediately annotate on the dorsal portion of the Certificate of Title of the converted land the conditions of the grant which shall only be removed from the said title upon a written Order issued by the LUCC/concerned Regional Director. The following must be annotated, thus:

*“This property is the subject of a Conversion Order as per Decision of the Land Use Cases Committee (LUCC)/Regional Director of the Department of Agrarian Reform in Case No. \_\_\_\_\_ dated \_\_\_\_\_ authorizing change of use of this property from agricultural to \_\_\_\_\_ subject to the following conditions: (To be based on the conditions stated in the dispositive portion of the said Decision)*

- 1.0. \_\_\_\_\_  
\_\_\_\_\_  
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- 2.0. \_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_
- 3.0. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*The grant of the Conversion Authority is conditional. Failure to comply with the above stated conditions particularly the development of the property within five (5) years from the date of issuance of the Conversion Order shall result to the revocation of the Conversion Authority and the automatic coverage of this property under the Comprehensive Agrarian Reform Program (CARP) as per Section 65 of R.A. No. 6657, as amended. This annotation can only be removed by specific order addressed to the concerned Register of Deeds by the LUCC/Regional Director.”*

The concerned PARPO II shall regularly monitor the compliance with the terms and conditions of the conversion grant by the landowner and grantee. Any violation of the terms and conditions of the conversion grant, upon certification by the PARPO II, shall be a basis for the proper action revoking the same in accordance with DAR A.O. No. 1. Series of 2002.

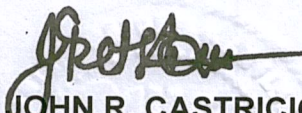
**Section 19. Transitory Clause.** These Rules shall apply to all applications for Land Use Conversion filed on or after the effectivity of these Rules.

**Section 20. Repealing Clause.** The provisions of DAR A.O. No. 1, Series of 2002, DAR A.O. No. 1, Series of 2019, and DAR A.O. No. 6, Series of 2019, as well as those in other issuances which are inconsistent with this Administrative Order are hereby amended and/or repealed accordingly.

**Section 21. Separability Clause.** Any judicial pronouncement declaring unconstitutional any provision or portion of this Administrative Order shall not affect the validity of the other provisions herein.

**Section 22. Effectivity Clause.** This Administrative Order shall take effect ten (10) days after publication in at least two (2) newspapers of general circulation and its registration before the Office of the National Administrative Register (ONAR) at the University of the Philippines (U.P.) Law Center.

Diliman, Quezon City, MAY 17 2021

  
ATTY. JOHN R. CASTRICONES  
Secretary



*Handwritten blue ink mark: 6.1.2021*

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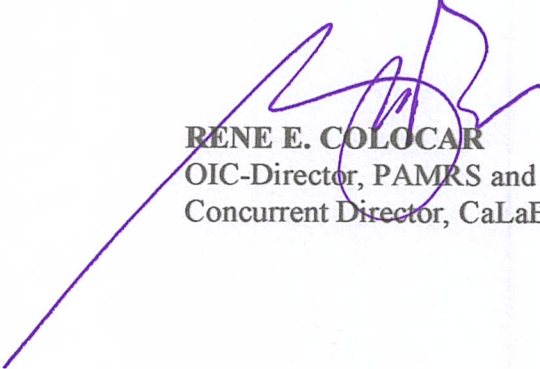
# DEPARTMENT OF AGRARIAN REFORM

Tunay na Pagbabago sa Repormang Agraryo

## CERTIFICATION

This is to certify that Administrative Order No. 03, Series of 2021 entitled “AMENDING CERTAIN PROVISIONS OF THE COMPREHENSIVE RULES ON LAND USE CONVERSION UNDER DAR ADMINISTRATIVE ORDER NO. 1, SERIES OF 2002 AND CERTAIN PROVISIONS ON DAR ADMINISTRATIVE ORDER NO. 1, SERIES OF 2019 AND DAR ADMINISTRATIVE ORDER NO. 6, SERIES OF 2019 TO UPDATE THE RULES TO ADAPT TO THE NEW NORMAL” was published today, 30 June 2021, in the Manila Times and Daily Tribune newspapers.

Issued this 30th day of June 2021 for whatever purpose it may serve.



**RENE E. COLOCAR**  
OIC-Director, PAMRS and  
Concurrent Director, CaLaBaRZon