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# **DISCUSSION PAPER NO. 1**

# A Look at the 2007 DAR Budget By Jennifer S. Javier PhilDHRRA, Research Coordinator

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I

# List of Acronyms

ABM Agency Budget Matrix APT Assets Privatization Trust

AR Agrarian Reform

ARB Agrarian Reform Beneficiary
ARC Agrarian Reform Community
ARF Agrarian Reform Fund
AUI Allotment Utilization Index

BALA Bureau of Agrarian Legal Assistance

BARBD Bureau of Agrarian Reform Beneficiaries Development BARIE Bureau of Agrarian Reform Information and Education

BLAD Bureau of Land Acquisition and Distribution

BLD Bureau of Land Development
CAR Cordillera Administrative Region
CARL Comprehensive Agrarian Reform Law
CARP Comprehensive Agrarian Reform Program
CBFM Community-Based Forest Management

CIA Comprehensive Agrarian Reform Program Implementing

Agency

CIP Construction-in-Progress

CIPB Comprehensive Agrarian Reform Program Implementing

Program and Budget

CLOA Certificate of Land Ownership Award
CLUPPI Center for Land Use Policy, Planning, and

Implementation

CO Capital Outlay
COA Commission on Audit
CP Communal Irrigation Project
DA Department of Agriculture
DAR Department of Agrarian Reform

DARMO Department of Agrarian Reform Municipal Office DARPO Department of Agrarian Reform Provincial Office DARRO Department of Agrarian Reform Regional Office

DBM Department of Budget and Management

DENR Department of Environment and Natural Resources

DNYP Distributed but not yet paid
DOJ Department of Justice

DOLE Department of Labor and Employment
DPWH Department of Public Works and Highways

DTI Department of Trade and Industry

EP Emancipation Patent
Execom Executive Committee
FAP Foreign-Assisted Project

FIMAS Finance, Management, and Administrative Service

FMR Farm-to-Market Road
GAA General Appropriations Act
GAD Gender and Development
GIS Geographic Information System

GOCC Government-Owned and Controlled Corporation
GWSPA Government-wide Sector Performance Audit

IA Irrigator's Association

ICSU Intelligence and Civil Security Unit

KALAHI ARZone Kapit-bisig Laban sa Kahirapan-Agrarian Reform Zone

LAD Land Acquisition and Distribution

LAO Legal Affairs Office

LBP Land Bank of the Philippines
LGU Local Government Unit
LIS Land Information System
LMS Land Management Service
LRA Land Registration Authority
LTI Land Tenure Improvement
MARO Municipal Agrarian Reform Office

MFO Major Final Output

MIS Management Information Service

MOOEMaintenance and Other Operating ExpensesMTPDPMedium-Term Philippine Development PlanNEDANational Economic Development Authority

NGA National Government Agency NGO Non-Government Organization NIA National Irrigation Authority

OPIF Organizational Performance Indicators Framework

OS Operational Support

PAPs Programs, Activities, and Projects
PARC Presidential Agrarian Reform Council
PBD Program Beneficiaries Development
PCA Philippine Coconut Authority

PCGG Presidential Commission on Good Government PDMS Project Development and Management Service

PEM Public Expenditure Management

PhilDHRRA Philippine Partnership for the Development of Human

Resources in Rural Areas Project Management Office

PMO Project Management Of Po People's Organization

PPE Property, Plant, and Equipment

PS Personal Services

PSRS Policy and Strategic Research Service

RA Republic Act

RSS Requisition for Survey Service

SARED Sustainable Agribusiness and Rural Enterprise

Development

SILCAB Social Infrastructure and Local Capacity Building

WFP Work and Financial Plans

#### I. Background

The Department of Agrarian Reform (DAR) was created by virtue of Republic Act (RA) No. 6389, with the authority and responsibility to implement the policies of the State on agrarian reform. In addition, RA 6657 or the Comprehensive Agrarian Reform Law (CARL) of 1988 mandated DAR, in coordination with the Presidential Agrarian Reform Council (PARC) to plan and program the acquisition and distribution of all agricultural lands. It vested DAR with the quasi-judicial powers to determine and adjudicate agrarian reform matters.

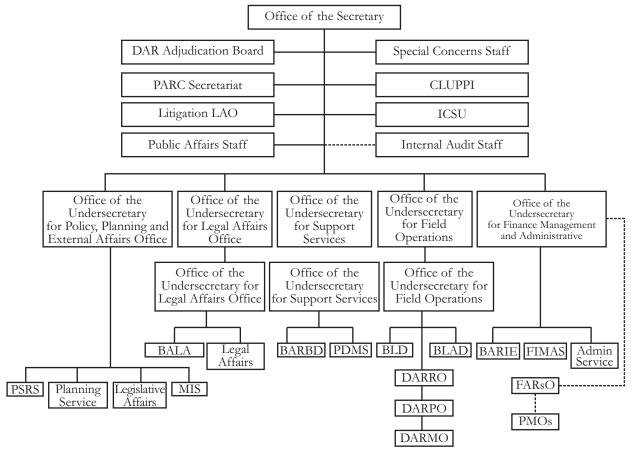
The Department is mandated by law to: a) complete land acquisition and distribution (LAD) within the timeframe of the Comprehensive Agrarian Reform Program (CARP), b) develop social capital resources of the farming communities toward attaining food security, self-sufficiency in the basic needs, and competence in area-based management, c) build sustainable, area-based rural enterprise toward establishing dynamic agrarian reform communities (ARCs), and d) fast-track the delivery of agrarian reform justice.

In terms of organizational structure (Figure 1), the DAR is composed of the department proper, the staff offices, the staff bureaus, and the regional/provincial/municipal agrarian reform offices. The Cabinet Secretary is the head of DAR. The Office of the Secretary consists of its immediate staff, the Public Affairs Staff, the Special Concerns Staff, Presidential Agrarian Reform Council Secretariat, Adjudication Board, Litigation, and the Center for Land Use Policy, Planning and Implementation. In addition, the Secretary is assisted by its Undersecretaries for Policy, Planning and External Affairs; Legal Affairs; Field Operations; Support Services; and Finance, Management, and Administrative.

The DAR is operating with 5 bureaus and 7 services. These are the Bureau of Land Acquisition and Distribution (BLAD), Bureau of Land Development (BLD), Bureau of Agrarian Legal Assistance (BALA), Bureau of Agrarian Reform Information and Education (BARIE), and Bureau of Agrarian Reform Beneficiaries Development (BARBD). While the services include the Planning Service, Finance and Management Service, Administrative Service, Legal Service, Management Information Service, Project Development and Management Service, and the Policy and Strategic Research Service.

Moreover, the DAR has Regional Offices and 1 field office in each key city and municipality. Each Regional Office is headed by a Regional Director. On the other hand, the DAR Provincial Agrarian Reform Offices is headed by a Provincial Agrarian Reform Officer while, Municipal Agrarian Reform Offices are headed by Municipal Agrarian Reform Officers.

Figure 1. DAR Organizational Structure



#### II. DAR Budget

#### A. Budget Source

The Department has two major sources of funds to implement its activities for agrarian reform. The first comes from its own General Appropriations Act (GAA)-authorized budget, consisting of Fund 101 or the general fund and Fund 102 for foreign-assisted projects. The second comes from the Agrarian Reform Fund (ARF), or Fund 158, as administered by the PARC. The ARF is drawn from the following sources:

- proceeds of the sales of the Assets Privatization Trust (APT);
- all receipts from assets recovered and from sale of ill-gotten wealth recovered through the Presidential Commission on Good Governance (PCGG);
- proceeds of the disposition of government property abroad; and
- portion of amounts accruing to the Philippines from all sources of official foreign aid grants and
  concessional financing from all countries for specific purposes of financing production credits,
  infrastructures, and other support services required by the CARL.

While the ARF covers those of other CARP implementing agencies (CIAs), more than 60% of the total CARP budget is allocated to DAR.

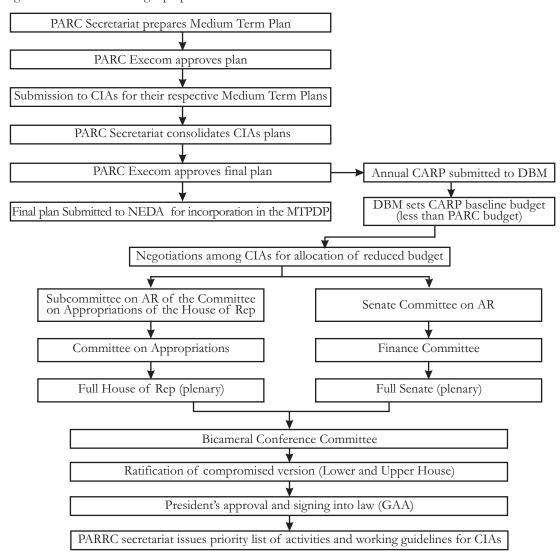
Other CARP implementing agencies: Department of Environment and Natural Resources (DENR), National Irrigation Authority (NIA), Department of Justice-Land Registration Authority (DOJ-LRA), Department of Labor and Employment (DOLE), Department of Public Works and Highways (DPWH), Department of Trade and Industry (DTI), and the Landbank of the Philippines (LBP) for the landowners' compensation.

# B. Budget Preparation, Approval, and Release

The CARP Implementing Program and Budget (CIPB) was formulated by the PARC and tasked to provide detailed estimates of the program cost requirement for the implementation of the CARP. Differences in the budget process, particularly budget preparation and approval, are evident in the period prior to 1998 (when funds were sourced purely from Fund 158) and the period after 1997 (when financing of CARP implementation come mainly from the GAA). Prior to 1998, crucial decisions in budget preparation were decided at the PARC level. However, in view of RA 8532, which amended the funding source for CARP to include national government appropriation, the budget approval for the ARF now goes through the congressional budget process. A flowchart of the current budget preparation for all CIAs, that includes the DAR, is shown in the figure below.

In terms of fund release, the DBM directly releases the allotment to the CIAs upon review and endorsement by the PARC. The PARC's endorsement of the agencies' ARF budget to the DBM is based on its review of their Work and Financial Plans (WFPs). The CIAs are also required to submit the Cash Program as well as the Agency Budget Matrix (ABM).

Figure 2. Flowchart of budget preparation for CIAs



# C. Fund Utilization

As mentioned in the above section, there are various CIAs that are being funded by the ARF. Below are the program activities and the corresponding agencies that implement them. As already cited, DAR plays a major role in LAD, while the other agencies provide services for beneficiaries' development, such as capacity building activities and infrastructure.

Table 1. CARP program activities

ACTIVITIES	DAR	LBP	DENR	LRA	NIA	DPWH	DTI	DOLE
Land acquisition and distribution (LAD)								
Land Survey								
Inspection, verification, & approval of surveys								
EP/CLOA generation & distribution								
Patents processing & issuance								
EP/CLOA registration/titling								
Landowners' compensation								
Other activities to support LAD:								
Agriarian legal assistance								
Adjudication services								
Special projects on legal assistance								
Inventory of CARP scope & LIS/								
GIS/land use/LTI mapping								
Leasehold documentation								
Agrarian land development, acquisition,								
& distribution								
Other LAD Activities								
Program beneficiaries developement (PBD)								
Extension								
KALAHI ARZone development								
Organization of plantation workers								
Organizing & strengthening of								
Irrigators' Association								
Skills/entrepreneurial training								
Technical/marketing assistance								
Cooperative development & strengthening/								
self-reliant program								
Irrigation projects								
Farm-to-market roads/bridges								
Locally-funded projects								
Upland development program								
Foreign-assisted local counterpart								
Foreign-assisted projects (FAPs)								
Source: ARF - Activities Funded (January to Decem	ber 2007)	PARC			1			

Source: ARF - Activities Funded (January to December 2007), PARC

The proposed budget for the CARP in 2007 amounts to some PhP15.14 billion. This amount is composed of the following:

Table 2. Proposed CARP budget, 2007

Amount (in PhP billion)	Percent	Fund Source
9.646		ARF (Fund 158)
3.729		FAPs (Fund 102)
1.762		DAR appropriations (Fund 101)

Of this amount, the breakdown of the budget by CIA is shown in the table below. It can be observed that more than half of the total CARP budget is lodged at the DAR.

Table 3. Breakdown of CARP budget by CIA

CIA	Amount (in PhP million)	% share
DAR	9,767.144	64.52%
DENR	600.790	3.97%
LBP	4,264.563	28.17%
DOJ-LRA	105.629	0.70%
DA-NIA	230.089	1.52%
DPWH	100.000	0.66%
DTI	68.991	0.46%

Note: DOLE budgetary requirements for CARP form part of the DAR allocation

#### III. Review of Literature

There have been a number of studies that looked into the budget of the DAR. Some delved into the allocative efficiency of funds and some studies on regional allocation.

The first impact assessment studies for the CARP was done in 2003 and one of the components evaluated was the fiscal aspect of the program. It was observed that during the early part of the program, actual resource utilization was heavily skewed in favor of general administration and PBD at the expense of LAD. Some underspending for LAD was also apparent during the period studied. In contrast, spending for PBD and operational support was well above the programmed levels. In addition, total actual obligations made under the ARF in 1987 to 1999 represents 27% of the envisioned overall level of spending in the CIPB. Two interpretations were presented: on the one hand, it may be an indication of operational efficiency; on the other hand, it might actually indicate that some programs like agricultural extension and infrastructure were underfunded. Overall, during the period covered, fund utilization by agencies relative to the PARC approved budget had been low as a result of the comparably low fund release to the agencies on the average.

In a technical paper published by the World Bank, it concluded that the delays in completion of the CARP divert large budget expenditure from other uses and are likely to hamper agricultural pro-poor growth. It analyzed the public spending across the Department's three major final outputs (MFOs) during 1998-2005. With the land tenure and security services having the largest share of the budget (71%), the support service delivery accounted for only 18%. Local support for delivery of public services has gradually been taken over by foreign-assisted projects. Finally, agrarian justice services accounted for only a marginal fraction at 0.4%. The study also documented the failure of the LBP to collect full amortizations, at only 18.5% collection rate. The main reasons for this low rate are an absence of the individualized land plots in many collectively managed land area and the weak financial situation of the new landowners.

In terms of regional allocation of the DAR budget, there had been variabilities in a span of 10 years (1990-1999). Total agency budget almost halved in real terms from PhP1,072 million in 1990 to PhP642 million in 1999. On the other hand, regional budget almost doubled from PhP336 million in 1990 to PhP623 million in 1999 budget. Regions III, IV, and VI consistently have been allocated the largest share. Jointly, they comprise more than a third of the total regional allocation every year.

#### IV. Analysis

The 2007 budget of the DAR will be the focal budget to be analyzed in this paper. Various analyses will be done, including a review of the Commission on Audit's (COA) reports and the Department's Organizational Performance Indicators Framework (OPIF).

## A. Allotment Utilization Index (AUI)

This paper will utilize one of the indicators adopted by the 2003 CARP impact assessment study pertaining to the adequacy and/or absorptive capacity of national government expenditures. To fully understand the indices, three terms commonly used in budget discussions should be defined. These are:

- Appropriation refers to the spending authorization made by law, most often by the GAA.
- Allotment refers to the authorization to incur obligations or enter into contracts, which is issued by
  the DBM to government agencies. The DBM ensures that allotments are covered by appropriations
  both as to amount and purpose.
- Obligation refers to the actual expenditures of government agencies from the perspective of said
  agencies actually having contracted for the delivery of goods and services.

The 2003 study developed 4 indices to measure an agency's absorptive capacity, but due to data limitations, only one indicator will be employed. The indicator that will be used in this study is the Allotment Utilization Index (AUI). The AUI is computed as Obligation of the agency divided by the Allotment to that agency made by the DBM for the same year. The AUI measures the extent to which the agency has utilized the allotments that are actually made available by DBM. In this sense, the advice of allotment from DBM maybe viewed as further delimiting what can actually be spent of the statutory authorization. Note that the AUI is primarily affected by the agency's implementation capabilities. It may also be an indicator if an agency or department is overspending or underspending.

Data gathered from the PARC are the obligations and allotments charged to the ARF (Fund 158). Data for Fund 101 is from the GAA, downloaded at the DBM website. If we were to look at the allotment for all CIAs, there is no distinct pattern. There is no data given for Fund 101 from 2000 to 2003 (from the document given by the PARC), but the average allotment is at PhP1.6 billion. Worth noting is the decrease in the allotment in 2003, at PhP7.4 billion, and the sudden increase in 2004, at PhP17.6 billion. It is also observed that the years 2004 and 2007 show significant increases in allotment, which happened to be election years.

70 1 1 1	CADD	A 11	2000	2007	/ DI D	.11.
Lable 4	( ARP	Allotment.	ZU 11 11 1 <sub>-</sub>	. / 1 11 1 /	(111 アカア	million

	2000	2001	2002	2003	2004	2005	2006	2007
Fund 158	7,107.91	7,207.94	6,199.94	4,005.11	12,567.60	8,469.10	6,459.10	11,823.42
LAD	3,359.99	3,200.15	3,303.86	1,084.32	7,324.30	4,828.28	2,668.07	6,288.88
PBD	374.48	725.86	392.20	424.19	2,246.11	495.27	788.61	1,860.98
AJD	50.02	40.59	28.84	30.85	107.36	81.36	86.00	108.29
OS (LAD & PBD)	3,323.42	3,241.34	2,475.04	2,465.75	2,889.84	3,091.89	2,916.42	3,565.27
Fund 101	_	_	_	-	1,540.60	1,520.92	1,549.21	1,938.98
Fund 102	770.50	1,724.20	2,850.39	3,398.60	3,565.14	3,077.87	2,693.40	2,665.26
Total	7,878.41	8,932.14	9,050.33	7,403.70	17,673.34	13,095.59	10,701.71	16,427.66
% increase (decrease)		13%	1%	-18%	139%	-26%	-18%	54%

<sup>-</sup> data not provided

Disaggregating the share of the program components, LAD comprises half of the allotted budget from the ARF, except in 2003, when only about one-fourth of the budget was devoted to LAD while more than 60% was allotted to operational support to LAD and PBD. AJD, which is also an important component of the program, has been given meager allotment at only 1% of total fund. From 2004 to 2005, allotment for PBD decreased by 12 percentage points. In 2007, funds from FAPs decreased by 9 percentage points. As earlier mentioned, the ARF is the major source of funding of the CARP, comprising more than half of total CARP funding.

<sup>&</sup>lt;sup>2</sup>The explanation of the index is culled from the 2003 CARP impact assessment study (Volume 6), which in turn adopted the indices developed in Manasan and Mercado (2001).

<sup>&</sup>lt;sup>3</sup>The three program components of CARP are land acquisition and distribution (LAD), agrarian justice delivery (AJD), and program beneficiaries development (PBD). Operational support is also extended to LAD and PBD. –

Table 5. Share of components in CARP Allotment, 2000-2007 (in PhP million)

	2000	2001	2002	2003	2004	2005	2006	2007
Fund 158	90%	81%	69%	54%	71%	65%	60%	72%
LAD 47%		44%	53%	27%	58%	57%	41%	53%
PBD	5%	10%	6%	11%	18%	6%	12%	16%
AJD	1%	1%	>1%	1%	1%	1%	1%	1%
OS (LAD & PBD)	47%	45%	40%	62%	23%	36%	45%	30%
Fund 101	-	_	-		9%	12%	14%	12%
Fund 102	10%	19%	31%	46%	20%	24%	25%	16%

<sup>–</sup> data not provided

Similar to the observed pattern in allotment, there is an increase in obligation in 2004, as well as a significant increase in 2007. There is an observable increase in spending for PBD from 2006 to 2007, increasing by 17 percentage points. AJD spending increased modestly in 2006, from 1% to 7% of total funding, but went back to its usual level in 2007.

Table 6. CARP Obligation, 2000-2007 (in PhP million)

	2000	2001	2002	2003	2004	2005	2006	2007
Fund 158	7,954.89	7,637.16	6,895.40	7,519.96	8,822.96	8,253.13	8,710.20	11,020.06
LAD	3,685.21	3,844.42	3,961.62	4,043.16	4,341.91	4,961.04	4,603.04	5,298.80
PBD	737.01	525.33	401.63	865.11	1,012.45	276.23	421.27	2,390.33
AJD	49.29	40.51	28.23	31.14	51.66	68.18	583.87	102.74
OS (LAD & PBD)	3,483.38	3,226.91	2,503.93	2,580.56	3,41 6.95	2,947.69	3,102.03	3,228.19
Fund 101	_		-	-	1,729.60	1,669.73	1,675.29	1,922.38
Fund 102	881.20	1,287.96	2,200.11	3,457.27	2,713.25	2,214.14	2,274.76	1,146.60
TOTAL	8,836.10	8,925.13	9,095.51	10,977.24	13,265.81	12,137.01	12,660.25	14,089.04
% increase (decrease)		1%	2%	21%	21%	-9%	4%	11%

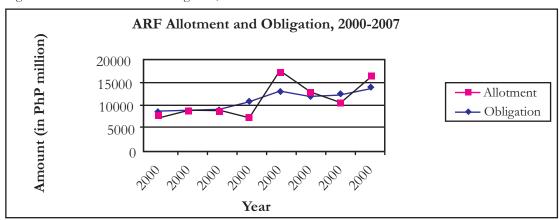
<sup>-</sup> data not provided

Table 7. Share of components in CARP Obligation, 2000-2007 (in PhP million)

	2000	2001	2002	2003	2004	2005	2006	2007
Fund 158	90%	86%	76%	69%	67%	68%	69%	78%
LAD	46%	50%	57%	54%	49%	60%	53%	48%
PBD	9%	7%	6%	12%	11%	3%	5%	22%
AJD	1%	1%	>1%	>1%	1%	1%	7%	1%
OS (LAD & PBD)	44%	42%	36%	34%	39%	36%	36%	29%
Fund 101					13%	14%	13%	14%
Fund 102	10%	14%	24%	31%	20%	18%	18%	8%

<sup>-</sup> data not provided

Figure 3. ARF Allotment and Obligation, 2000-2007



Comparing allotment and obligation, obligation significantly exceeded allotment in 2003. In contrast, allotment greatly exceeded obligation the following year, 2004. Overreleases are observed in 2004 and 2007, which coincidentally are election years.

An AUI greater than 1 means that the agency spends more than what is authorized by the DBM. As the AUI increases, the greater is the gap of spending to the allotment. Conversely, as the AUI decreases, spending falls below the allotted level. An AUI equal to 1 means that the allotted amount is equivalent to the expenditure of the agency. As earlier shown, the years 2003 and 2004 are the extreme values for the AUIs.

Table 8. Allotment Utilization Index (AUI), 2000-2007

Year	Allotment (in PhP M)	Obligation (in PhP M)	AUI
2000	7,878.41	8,836.1	1.12
2001	8,932.14	8,925.13	1.00
2002	9,050.33	9,095.51	1.00
2003	7,403.7	10,977.24	1.48
2004	17,673.34	13,265.81	0.75
2005	13,095.59	12,137.01	0.93
2006	10,701.71	12,660.25	1.18
2007	16,427.66	14,089.04	0.86

Extracting the funds allotted and obligated to the DAR in 2007 will yield the table below. Operational support for LAD comprises almost half of the department's expenditure. Looking at the AUI per activity, capital outlays has the highest AUI, with only PhP784,000 allotted but expenditure reaching to PhP22 million. In addition, expenditure for the KALAHI ARZone development was 50% more than the allotted amount. On the other hand, expenditure in FAPs was less than the allotted amount by almost two-fold. Over all, the allotment in 2007 is more than what the agency spent.

Table 9. Allotment Utilization Index (AUI) for DAR, 2007

Activiti es	Obligation (in PhPM)	% share	Allotment (in PhP M)	% share	AUI
ARFRegular	(22 2 22 272)		(========		
Land acquisition and distribution (LAD)	1,032.06	17%	739.127	12%	1.40
Land survey	360.146	6%	292.240	5%	1.23
EP/CLOA generation & distribution	513.602	8%	267.930	4%	1.92
Other activities to support LAD:	158.315	3%	178.957	3%	0.88
Agrarian legal assistance	72.091	1%	-		
Adjudication services	30.652	>1%			
Special projects on legal assistance	0.633	>1%			
Inventory of CARP scope & LIS/GIS/ land use/LTI mapping	10.714	>1%	5.000	>1%	2.14
Leasehold documentation	20.996	>1%	16.4000	>1%	1.28
Agrarian land development, acquisition, & distribution	4.484	>1%			
Other LAD activities	18.745	>1%	157.557	3%	0.12
Operational Support	2,925.087	47%	3,439.92	58%	0.85
Personal services	2,033.644	33%	2,190.27	37%	0.93
MOOE	869.142	14%	1,248.869	21%	0.70
Capital outlays	22.301	>1%	0.784	>1%	28.45
Subtotal	3,957.150	64%	4,179.05	70%	0.95
ARF-AFMA					
Program beneficiaries development (PBD)	2,232.994	36%	1,797.01	30%	1.24
Extension	581.926	9%	417.111	7%	1.40
KALAHI ARZone development	564.695	9%	200.000	3%	2.82
Skills/entrepreneurial training	17.231	>1%	217.111	4%	0.08
Locally-funded projects	757.214	12%	229.900	4%	3.29
Foreign-assisted local counterpart	893.854	14%	1,150.000	19%	0.78
Total - Fund 158 (ARF)	6,190.144	100%	5,976.06	100%	1.04
Fund 101 (GAA)	1,922.378		1,938.981		0.99
Fund 102 (FAPs)	1,146.601		2,665.258		0.43
Grand total	9,259.125		10,580.30		0.88

<sup>-</sup> data not provided

#### B. Regional Appropriation

Another analysis that can be made is by looking at the regional allocation of the DAR budget. Data in the table below is from the 2007 GAA or Fund 101 only and does not include other fund sources. Total allocation to the regional offices comprises 90% of the total DAR allocation. The remaining 10% is lodged at the Central Office. Allocation in Region 3 has the highest appropriation, at 15% of total regional allocations. Meanwhile, Region 13 has the least appropriation. Various factors may influence regional appropriation, such as LAD scope and current LAD balance, and the number of ARBs in the region. Region 12 has the highest LAD scope while CAR has the least, at only 2% of total scope. In terms of LAD balance, Region 6 has the highest remaining land area for distribution, while Region 1 has the least LAD balance, at only 1% of total balance. Regions 3 and 6 have the highest number of ARBs. Only 3% of the total number of ARBs is found in CAR, since most of the areas in this region are upland where indigenous peoples dwell.

Table 10. Regional appropriation, LAD scope accomplishments, 2007

Region	Appropriation (in PhP)	0/0	LAD scope (in has.)	%	LAD balanœ* (in has.)	%	No. of ARBs*	%
CAR	62,828,000	4%	120,445	2%	30,328	3%	72,861	3%
Region 1	14,617,000	8%	148,118	3%	15,552	1%	109,969	5%
Region 2	88,172,000	6%	408,563	8%	75,496	7%	190,804	8%
Region 3	15,211,000	15%	443,720	9%	51,218	5%	251,745	11%
Region 4	79,146,000	12%	413,198	9%	102,173	9%	212,490	9%
Region 5	98,721,000	7%	397,336	8%	125,023	11%	167,642	7%
Region 6	61,118,000	11%	521,846	11%	164,644	15%	251,154	11%
Region 7	104,560,000	7%	236,701	5%	94,174	9%	110,924	5%
Region 8	104,461,000	7%	488,710	10%	97,749	9%	180,447	8%
Region 9	74,002,000	5%	233,717	5%	36,866	3%	112,555	5%
Region 10	57,581,000	4%	349,351	7%	75,696	7%	156,097	7%
Region 11	74,191,000	5%	300,595	6%	84,309	8%	153,283	7%
Region 12	83,508,000	6%	561,269	12%	107,253	10%	195,765	9%
Region 13	47,123,000	3%	235,259	5%	29,688	3%	100,574	4%
	1,465,239,000	100%	4,858,828	100%	1,090,169	100%	2,266,310	100%

<sup>\*</sup> cumulative, as of December 2007

Comparing each region's appropriation to its LAD scope, current LAD balance, and number of ARBs yield interesting results. It is observed that Region 3 was given the highest appropriation, since the most number of ARBs live in this region. Regions 4 and 6 also received a generous share of appropriation, since LAD scopes, balances, and number of ARBs in these regions are relatively high. On the other hand, Region 1 received greater appropriation compared with Region 12, even if LAD scope, balance, and the number of ARBs are less than the former compared with the latter.

Regional appropriation, 2007 16% 14% 12% ■ Appropriation 10% ■ LAD scope 8%■ LAD balance 6% ■ ARBs 4%2% 0%Region 8 Region 9 Region 1 Region 13 Region ? Regions

Figure 4. Regional Appropriation, 2007

Ideally, a similar analysis should be done for the ARF. However, the research team was not able to gather regional data from DAR or PARC.

## C. LAD Budget vs. Accomplishment

As LAD is the heart of agrarian reform, it is worth noting to compare the budget allocated with the target and accomplishments for this component. Data for allotment and obligation in the table below is from the ARF and includes all LAD activities implemented by the DAR, DENR, LRA, and LBP, as well as operational support.

Table 11. I	AD budget and a	accomplishments,	2000-2007

Year	Allotment (in PhPM)	Obligation (in PhPM)	Target (in has.)	Ac complishment (in has.)	Number of ARBs
2000	6,545.701	7,033.979	158,406	110,478	77,275
2001	6,319.877	6,954.502	101,318	104,261	72,188
2002	5,680.177	6,364.689	110,917	111,722	75,560
2003	3,446.724	6,228.302	109,750	97,795	71,962
2004	10,103.519	7,648.966	110,046	104,069	71,682
2005	7,807.205	7,801.244	130,000	131,069	88,152
2006	5,470.186	7,587.245	130,000	125,178	72,280
2007	9,728.555	8,403.452	130,000	134,042	94,807

Computing for the budget and land distribution variances yields the table below. Four scenarios are observed: a) expenditure or obligation exceeded the allotment and the area of land distributed exceeds the target [in 2001 and 2002], b) expenditure or obligation exceeded the allotment but the area of land distributed falls below the target [in 2000, 2003, and 2006], c) expenditure or obligation is short of allotment but the area of land distributed exceeds the target [in 2005 and 2007], and d) expenditure or obligation is short of allotment and the area of land distributed falls below the target as well [2004].

Table 12. Budget and land distribution variances, 2000-2007

Year	Budget variance, in PhP M (Obligation – Allotment)	Land distribution variance, in has. (Accompli shment – Target)
2000	488.28	-47,928
2001	634.63	2,943
2002	684.51	805
2003	2,781.58	-11,955
2004	-2,454.55	-5,977
2005	-5.96	1,069
2006	2,117.06	-4,822
2007	-1,325.10	4,042

# D. Utilizing the OPIF

The Organizational Performance Indicators Framework (OPIF) is one of the two reform components of the Public Expenditure Management (PEM). It is an approach to expenditure management that directs resources towards results and accounts for performance. The first release of the OPIF of the various agencies was in 2007.

For the DAR, its OPIF reflects the total target and budget for the CARP. The Department has three major final outputs (MFOs): 1) land tenure security provided to farmers, 2) legal intervention provided to ARBs, and 3) support services implemented, facilitated, and coordinated for delivery to ARBs. Figure 5 shows the logical framework for DAR. The budget per MFO is also broken down by expense class.<sup>4</sup>

In 2007, the proposed budget for the CARP amounted to more than PhP15 billion. By MFO, budget for land tenure security services got the biggest share, at 60%, while agrarian justice delivery received a meager share of 5%. In addition, for MFO1, two-thirds of the total budget is allocated to MOOE. For MFO2, PS comprises 63% of total budget. Finally, for MFO3, two-thirds of the budget goes to CO.

By expense class, MOOE comprises more than half of the total budget. It is observed that the budget for PS and MOOE of MFO1 is three-fourths of total budget. Finally, allocation for CO is only for MFO3.

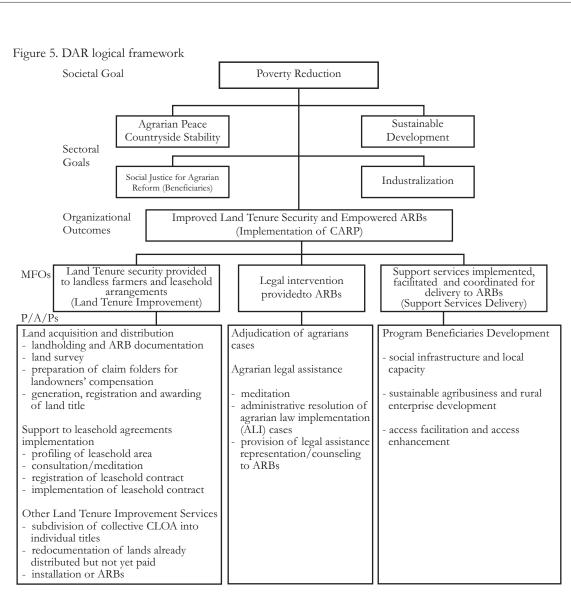
Table 13. MFOs by expense class, in PhP M

No.	MFO	PS	% exp*	% MFO**	MOOE	% exp*	% MFO**	СО	% exp*	% MFO**	Total	%
1	Land tenure security services	2,764	72%	31%	6,245	78%	69%				9,009	60 %
2	Agrarian justice delivery services	487.2	13%	63%	292	4%	37%				779	5%
3	Support services	567	15%	11%	1,482	18%	28%	3,299	100%	62%	5,349	35 %
	To ta l	3,819			8,019			3,299			45405	
	%	25%			53%			22%			15,137	

<sup>\*</sup> percent by expense class

Budget expense class: PS - personal services, MOOE - maintenance and other operating expenses, CO - capital outlays

<sup>\*\*</sup> percent by MFO



The table below shows selected performance targets and budget of DAR for 2007. As earlier mentioned, the proposed budget for CARP in 2007 was PhP15 billion. However, the target budget amounts to only PhP8.6 billion. The OPIF details the target per MFO, such as area size and number of ARBs served.

Table 14. Selected performance targets and budget, 2007

Particulars	2007 Targets	Amount (in PhP M)	0/0
MFO1: Land tenure security services			
1.1 LAD		5,310.7	62%
LAD area distributed	130,000 has.		
ARBs covered	87,000 ARBs		
% reduction of CARP scope balance	20%		
Area surveyed	130,000 has.		
Area in claim folders approved for payment	100,000 has.		
Area of EPs/CLOAs registered	130,000 has.		
Area of public lands surveyed	150,000 has.		
No. of free patents processed	95,188 patents		
Area covered by processed patents	126,450 has.		
1.2 Leasehold agreements implementation		16.4	>1%
Area placed under leasehold	25,000		
ARBs covered	12,748 ARBs		

Particulars	2007 Targets	Amount (in PhPM)	0/0
1.3 Other LTI services		166.6	2%
CLOA subdivision:			
Area of CLOAs subdivided	50,000 has.		
Area of individual CLOA redocumented and registered	50,000 has.		
Redocumentation of DNYP:	,		
Area of redocumented lands covered/identified as DNYP	10,000 has.		
Installation of ARBs	,		
No. of ARBs installed	10,000 ARBs		
MFO2: Agrarian justice delivery	,		
2.1 Adjudication of AR cases		25.9	>1%
No. of cases resolved	16,000 cases		
No. of cases resolved/total caseload as of Dec. 2005	62%		
ARBs served	17,043 ARBs		
Area involved	41,572 has.		
2.2 Agrarian legal assistance	11,5 /2 1105.	82.4	1%
Mediation/conciliation:		02.7	1/0
No. of disputes settled	25,000 disputes		
ALI cases:	25,000 disputes		
No. of cases resolved/disposed	25,835 cases		
No. of ARBs involved	39,962 ARBs		
Area involved	61,057 has.		
ARB representation:	01,03/ 1128.		
Judicial courts and Prosecutors office			
	1,000		
No. of cases disposed/submitted for resolution	1,000 cases		
ARBs represented	2,267 ARBs		
Area involved	9,139 has.		
Quasi-judicial courts	10,000		
No. of cases disposed/submitted for resolution	10,000 cases		
ARBs represented	14,144 ARBs		
Area involved	20,293 has.		
MFO3: Support services			
3.1 In ARCs/non-ARCs		04.0	407
3.1.1 SILCAB	05.40.0	84.9	1%
No. of ARCs launched for the year	95 ARCs		
No. of ARCs established	1,956 ARCs		
No. of ARBs served in ARCs	300,000 ARBs		
No. of ARBs served in non-ARCs	75,000 ARBs		
No. of IA's strengthened	77 IAs		
3.1.2 SARED		26.2	>1%
No. of ARBs served in ARCs/non-ARCs	300,000 ARBs		
No. of intervention packages undertaken	3,286 interventions		
3.1.3 Access facilitation and enhancement services and		2,895.5	34%
rural infrastructure*		2,075.5	3170
No. of ARBs served/covered in ARCs/non-ARCs	1,400,000 ARBs		
No. of FMR projects implemented	83 projects		
No. of FMR in kms constructed	922 kms.		
No. of CIP implemented	5,090 projects		
Area of CIP constructed/rehabilitated	14,825 sq. kms.		
No. of CBFM sites developed	30 sites		
No. of small enterprise projects implemented	1,009 projects		
No. of coops/POs assisted in credit and rural financing	688 coops/POs		
No. of linear meters of bridge constructed	950 meters		
No. of potable water supply systems provided	574 systems		
No. of classrooms provided in school buildings	95 classrooms		
10. Of classifoldis provided in school buildings			
No. of solar electrification package/systems provided	7,353 systems		

<sup>\*</sup> includes local and foreign-assisted projects

A comparison of the 2007 and 2008 budgets is seen in the table below. A 13% increase in the budget for MFO2 is observed. In addition, there was a significant decrease in the budget for MFO3, at 39%. For 2008, the proposed CARP budget was reduced by 11%.

Table 15. Comparison of MFOs, 2007-2008

No.	MFO	Budget (in thou 2007*	sand pesos) 2008	% change
1	Land tenure security provided to landless farmers (Land Tenure Security Services)	9,009,326	9,015,813	0.1%
2	Legal intervention provided to ARBs (Agrarian Justice Delivery Services)	779,124	877,421	13%
3	Support services implemented, facilitated and coordinated for delivery to ARBs	4,252,830	2,600,634	-39%
Total		14,041,280	12,493,868	-11%

<sup>\*</sup> as reported in the 2008 OPIF

## E. COA Audit Reports

The Commission on Audit (COA) performs an annual audit for all agencies and releases audit reports for public utilization. For the DAR, the 2007 audit report covered the financial accounts and operations under Funds 101, 102, and 171. A separate report is prepared for Fund 158. However, audit for Fund 158 is not done on an annual basis. Even if a significant portion of the agency's budget comes from Fund 158, it is not included in the annual audit report done by COA.

The COA's Audit Report has the following sections:

- 1. Audited Financial Statements
  - a. Audit Certificate
  - b. Statement of Management's Responsibility for Financial Statements
  - c. Consolidated Balance Sheet
  - d. Consolidated Detailed Statement of Income and expenses
  - e. Consolidated Statement of Cash Flows
  - f. Consolidated Statement of Government Equity
  - g. Notes to Financial Statements
  - 2. Observations and Recommendations
  - 3. Status of Implementation of Prior Year's Audit Recommendations

Audit opinions can be classified into four, as follow:

- Unqualified clean, fairly presented
- Qualified generally acceptable
- Adverse not reliable
- Disclaimer no opinion (transactions may not be properly recorded or recording does not follow the generally accepted accounting principles)

From 2002 to 2006, the audit opinion for the DAR had been adverse. The table below cites selected observations from the reports that led to the unfavorable opinion of the auditors. It is worth noting that the same observations recur each year, which may lead one to conclude that the department do not heed the auditors recommendations for compliance.

Table 16. COA Audit opinions of the DAR budget, 2002-2006

Year	Audit opinion	Selected observations
2002	Adverse	The Cash account is overstated by PhP4.64 million due to unliquidated advances Overstatement of PhP29.92 million in the Inventory balances due to unrecorded purchases and issuances Various Inventory balances show an unreconciled difference of PhP176.65 million between the balance per books and the inventory report
2003	Adverse	The Cash accounts include accumulated unliquidated advances to Disbursing Officers totaling PhP21.1 million  The Income accounts have a total understatement of PhP4.35 million representing unrecorded interest income and other revenues
2004	Adverse	The Cash accounts included accumulated advances to Disbursing Officers totaling PhP15.56 million which are presumed expended  The Receivable accounts included unliquidated cash advances to officers and employees and various fund transfers amounting to PhP17.25 million and PhP1,744.89 million  Undocumented recorded Other Investment and Marketable Securities amounting to PhP34.53 million
2005	Adverse	The Cash accounts included accumulated unliquidated advances totaling PhP19.02 million which have already been expended  The Receivable accounts included accounts amounting to PhP256.39 million that are practically worthless and long outstanding unliquidated advances totaling PhP1.7 billion which are presumed expended
2006	Adverse	The Receivable accounts included long outstanding advances to NGAs/GOCCs/LGUs/NGOs/POs expended for project implementation totaling PhP1.035 billion Uncollectible loans totaling PhP252.5 million from debtors/cooperatives who are either non-existing or non-operational Reported investments amounting to PhP3.62 million were undocumented and dormant

In 2007, the Audit Certificate for DAR again stated that "the financial statements are not free of material misstatements". The adverse opinion was due to the following significant findings:

1. Various accounting errors in the Cash, receivables, Inventories, PPE, and Liability accounts. The table below shows a summary of these accounts.

Table 17. Accounting errors

Account affected	Nature of errors	Effect over (under) statement
Cash	Cancelled and unreleased checks at year end not reverted to cash accounts;	(PhP29.6 M)
	Abnormal negative balances;	
	Unrecorded deposits/withdrawals, interest earned, and bank charges;	
	Unrecorded an erroneous recording of cash advances/liquidation; and	
	Other accounting errors	
Receivables	Unrecorded disallowances and liquidations;	PhP181.1 M
	Abnormal negative balances;	
	Inclusion of worthless loan receivables; and	
	Other accounting errors	
Receivables	Expended but unliquidated advances for more than 91 days to over three years	PhP1,482.3 M
PPE	Completed infrastructure projects which should have been transferred to the public infrastructure registries were still recorded as PPE;	PhP189.8 M
	Unserviceable property still recorded as PPE;	
	Erroneous recording and computation of depreciation;	
	Unrecorded PPE, small tangible items with serviceable life of more than 1	
	year recorded as PPE; and	
T : 1 '1' :	Other accounting errors	DI DOT TIL
Liabilities	Invalid, long outstanding, and undocumented or inadequately documented liabilities;	PhP37.7 M
	Payables already recorded although goods and services were not yet delivered; and	
	Other accounting errors	

- 2. The reliability of the reported cash account balances totaling PhP399.6 M cannot be ascertained because: a) subsidiary ledgers were not maintained and transaction documents were not submitted for audit to support cash balances; b) preparation of bank reconciliation statements were either significantly delayed or not prepared at all for cash balances; and c) cash balances per books and per bank were not reconciled.
- 3. There is an unreconciled difference of PhP 39.6 M between the books of DAR and the results confirmation from the Bureau of Treasury.
- 4. The validity, accuracy, and completeness of the balances of Construction-in-Progress (CP) accounts amounting to PhP3.4 B could not be established because these were not supported with documents and subsidiary ledgers.

Among the recommendations of the auditors in terms of the financial and compliance observations are for the concerned accountants to comply with the accounting rules implemented, ensure that the concerned personnel liquidate on time their long outstanding advances, strengthen the operation of preventive and monitoring controls within the department, and for the department's management to establish the validity, accuracy, and completeness of pertinent supporting documents.

The Value for Money audit also showed significant findings. These are as follow:

- 1. DAR was not able to distribute 1,839 has or 1.46% of the 126,119 has. of land programmed for distribution. According to field officials, this is due to perennial problems on documentation of titles, survey returns, claims, resistance of landowners, funding, peace and order, etc. Regions V, IX, and XII were not able to distribute their targets for 2007. Nevertheless, the deficit was offset by the performance of overachieving regions which raised the total accomplishment to 103.77% of target.
- 2. In addition, DAR had moduled 112,725 has. in 2007 representing 95.26% of the funded target of 118,333 has. The balance of 5,608 has is to be moduled only in 2008 because of late submission of additional RSS from MAROs to substitute for the hectares that were deleted from the original RSS submitted during validation (since these were already surveyed). Nevertheless, COA viewed the unmet target of 5,608 has as significant. Moreover, the DAR transmitted for approval to DENR-LMS only 70,338 has which translated to an efficiency rating of only 62.4% based on what had been moduled in 2007.
- 3. DAR Region IX could have saved PhP193,000 had proper planning and programming of activities in the conduct of survey were undertaken. A survey equipment (leased at PhP 1,000 per day) was contracted for 296 days but was used only for 103 days.
- 4. In four regions, either the GAD Plan and Budget were not prepared and at least 5% of the total budget appropriation for 2007 was not allocated for GAD implementation or the GAD plan was not carried out.
- 5. Despite the availability of funds totaling PhP246.85 M or 79% of the total estimated cost of the MINSSAD subprojects to DPWH, NIA, and LGUs, 91 subprojects still remained unimplemented.
- 6. Of the 63 infra subprojects inspected in Regions X, XII, and XIII, with a total project cost of PhP 181.43 M, 52 or 82% were already utilized, one project costing PhP 14.31 M was not fully utilized, and 10 subprojects totaling PhP 19.08 M were not utilized. Likewise, of the 63 subprojects, 51 or 81% costing PhP 135.37 M were found in good condition and 12 or 19% with project cost of PhP 46.05 M were found defective.

The auditors recommend that DAR address squarely the causes that hinder LAD. In addition, they called upon project management to implement immediately appropriate measures that would address all controllable factors that delayed project implementation and mitigate those that are uncontrollable.

In terms of DAR's implementation of prior year's audit recommendations, only 3 out of the 19 recommendations by the auditors (or 16%) were fully implemented and the rest were partially implemented.

In 2006, the COA conducted an audit on the utilization of the forfeited Swiss deposits transferred to the ARF for the implementation of the CARP, as part of the Government-wide Sectoral Performance Audit (GWSPA). The audit covers the CARP implementation of all the CIAs only for the years 2004 and 2005. The project team inquired of previous years' audit on the ARF, COA mentioned that it was the only audit they made for the ARF since CARP started.

The performance of the CIAs was assessed using the following evaluation criteria: 1) appropriate fund disposition, 2) effective project implementation, 3) rationale identification of infrastructure projects, 4) accurate reporting of accomplishments, and 5) adequate funding for landowners' compensation. The audit of funds released to DAR was limited to selected MOOE accounts and payment of allowances out of releases for PS. On the other hand, validation of reported accomplishments on infra projects implemented by the DPWH, NIA, DAR, and LGUs was limited to projects implemented in Regions II, III, IV-A, and VI, while validation of payments by the LBP to landowners and land distribution to beneficiaries were not covered in the audit.

The audit disclosed that substantial amounts intended to deliver the required services to CARP beneficiaries were not effectively utilized. The ARBs did not obtain maximum benefits from the amounts reimbursed from the ARF as they were not given preference under the program. This is manifested in the following findings:

1. An aggregate amount of PhP521 million were not appropriately disposed as these were used to finance excessive, unnecessary expenses, and regular activities of the CIAs and other government agencies and projects unlikely to benefit the ARBs. These activities are found in the table follow:

Table 18. Activities that were inappropriately funded, 2004-2005

No.	Description	Amount (in PhP M)
1	Operational requirements of the regular activities of the CIAs, unnecessary and excessive claims	419.5
2	Advertising expenses of DAR (e.g. simultaneous advertising of CARP anniversaries and DAR accomplishments in as many as 8 different print media which is considered unnecessary under existing COA regulation and advertising of various items as many as 5 times per month, in addition to simultaneous coverage of DAR commercials in different stations at almost year round)	45
3	Lease contracts for IT and other office equipments entered into by DAR exceeded the acquisition cost for similar brand new items by 27% to 297%	2.9
4	Procurement of ink cartridges exceeding the process offered by the Procurement Service by an average of 29.6%	2.2
5	Investment of DAR in projects unlikely to benefit the ARBs (one project was already non-operational without return on investment yet, while the status of 8 others were uncertain due to the absence of reports)	58.5
6	Excessive cost incurred by the LRA in distributing patents, with the assistance of Central officials and employees	3.5

In addition, the efficient utilization of ARF was also affected by the continuous allocation of funds to the CIAs' Regional Offices without commensurate accomplishments.

2. A number of projects were also not effectively implemented, depriving the ARBs benefits therefrom. Validation of available distribution list of hybrid seeds and other farm inputs/implements procured under various programs/projects revealed that PhP81.1 million were released to non-ARBs, to recipients who are unknown at their given addresses, or not released at all, while validation of releases amounting to PhP 45 million could not be undertaken as these remained unliquidated. These cases are:

Table 19. Projects/activities that were inappropriately funded, 2004-2005

No.	Description	Amount (in PhP M)
1	The reported beneficiaries of farm inputs released to 2 NGOs could not be located at their given addresses. The respective barangay officials certified that the listed recipients were not residents of their barangays.	50
2	Verification of propriety to 4 NGOs assistance to various farmers could not be undertaken as these remained unliquidated.	45
3	Out of 13,960 bags of hybrid rice reportedly sold to farmers, only 1,106 were procured by ARBs. The rest were sold to non-ARBs.	15.4
4	The 5 units of fabricated shredder were distributed in private farms and subdivision.	3
5	Liquid fertilizers procured were either undistributed, distributed but undocumented, or distributed to non-ARBs.	2.9
6	Small share of recipients of fertilizers were ARBs, majority of recipients were non-ARBs.	8.9
7	Bags of seeds that were reportedly distributed by PhilRice were apparently returned to suppliers and /or PhilRiCe while a significant amount remained undistributed.	0.8

3. Substantial amounts were used to procure items at excessive prices, contract out the same activities twice, and finance camp out/rallies of farmers at DAR and PCA offices.

Table 20. Excessive pricing, 2004-2005

No.	Description	Amount (in PhP M)
1	Procurement of farm inputs and implements exceeded the market price	42.7
2	The DAR and PCA contracted out the same activity to an NGO	2.4
3	Funds released for advocacy to finance camp out/rallies	0.7

- 4. A great number of projects amounting to PhP1.1 billion were not among the priority projects validated for implementation, some of which were constructed in areas without ARBs, while 96 projects implemented by NIA in the amount of PhP362.1 million have no corresponding releases.
- 5. Of the 535 farm-to-market roads inspected, 353 costing PhP381.5 million were road gravelling, which did not provide long term benefits to ARBs. In addition, some projects constructed already needed rehabilitation.

The audit team forwarded the draft audit report for comment to PARC Secretariat and DAR Secretary. Upon review, they recognized the existence of the deficiencies raised in the report, with some reservations, and submitted explanations on the circumstances surrounding the issues.

In view of the noted deficiencies, some of the audit recommendations to the CIAs, including the DAR, are as follow:

- 1. Stop the practice of using the ARF for purposes other than those that would benefit the ARBs and financing unnecessary and excessive claims.
- Require the refund of fund transfers which could not be liquidated, with inappropriate liquidation
  reports, used in payments of expenditure in excess of the prescribed limits, and not within the CARP
  coverage.

- 3. Conduct thorough validation of all projects intended to be funded under CARP, evaluation of the benefits derived by the ARBs for each project, identification of the targeted beneficiaries before any release is undertaken, monitoring of project implementation to ensure that all programs and projects redound to the benefits of the ARBs and price evaluation before any procurement is undertaken.
- Stop the practice of transferring funds to suspicious NGOs for procurement of farm inputs, implements, and other items.

#### V. Conclusions

The following are the study's significant findings based from the quantitative and qualitative analyses done:

- 1. Overreleases were observed in the years 2004 and 2007, which also happen to be election years.
- 2. In terns of regional allocation for Fund 101, Region 3 was given the highest appropriation, since the most number of ARBs live in this region. Regions 4 and 6 also received a generous share of appropriation, since LAD scopes, balances, and number of ARBs in these regions are relatively high. On the other hand, Region 1 received greater appropriation compared with Region 12, even if LAD scope, balance, and the number of ARBs are less than the former compared with the latter.
- 3. In the years 2000, 2003, and 2006, expenditure or obligation exceeded the allotment but the area of land distributed falls below the department's target.
- 4. DAR was given an adverse opinion by COA in all its audit reports, from 2002 to 2007.

It is clear that funds intended for the CARP to benefit ARBs were not appropriately expended. Factors that contribute to this conclusion include ineffective project implementation, inaccurate reporting of accomplishments, non-compliance with proper accounting and reporting guidelines, lax in monitoring and evaluation by management, and transactions that reflect overpricing, among others. These factors could have been avoided or mitigated, if there are deliberate efforts from the department.

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# **DISCUSSION PAPER NO. 2**

How to gut a CARP: An analysis of the 2009 DAR budget by Ernesto Lim Jr., Coordinator, AR Now!

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#### I. Introduction

Contrary to public knowledge, it was NOT the Comprehensive Agrarian Reform Program (CARP) that expired last December 2008 but rather only Republic Act No. 8532 which merely extended (up to 2008) and replenished (with another fifty billion pesos) the Agrarian Reform Fund (ARF).

Nowhere in Republic Act No. 6657 (the Comprehensive Agrarian Reform Law) or in Republic Act No. 8532 was a specific time frame or deadline for the completion of the implementation of CARP was ever set. Although section 5 of R.A. No. 6657 stated that "the distribution of all lands covered by this Act shall be implemented immediately and completed within ten (10) years" an opinion issued by the Department of Justice in 1997 (DOJ Opinion No. 9, series of 1997) already clarified that the said provision was merely "directory" and not "mandatory." Said opinion has been reiterated by the current DOJ leadership.

This explains why R.A. No. 8532, the supposed first "extension" law passed by Congress in 1998, was merely an amendment to Section 63 of R.A. No. 6657 - a section on the "Funding Source" for CARP.

On the other hand, the 1987 Philippine Constitution is clear in its mandate, as stated in Article XIII, Section 4, that the "State shall encourage and undertake the just distribution of ALL agricultural lands…" Thus, it is argued that CARP is only completed when ALL agricultural lands have been acquired and distributed under CARP.

Thus, it is clear that only funding for CARP and not CARP (the program) itself expired last December 2008.

However, anti-CARP groups and legislators have been continuously attempting to muddle the issue by creating the misconception that it is CARP or RA No. 6657 itself that is expiring in December 2008. The intention is clearly to condition the minds of the people that CARP has truly expired or ended so that land still unacquired and undistributed (some 1.3 million hectares more of private agricultural lands) would no longer be covered under CARP.

At the same time, anti-CARP groups and legislators have been bullying their way into passing legislation that would "terminate" CARP or, at least, remove the "heart and soul" of CARP or any agrarian reform program – its land acquisition and distribution component.

Such an agenda have been manifested in documents like Joint Resolution No. 19, issued by Congress last December 17, 2008, DAR Secretary Pangandaman's Memorandum No. 09-1804 and the 2009 General Appropriations Act (GAA).

#### II. Joint Resolution No. 19, DAR Memorandum on J.R. No. 19 and the 2009 DAR Budget

## Joint Resolution No. 19

Joint Resolution No. 19 was approved by both chambers of Congress last December 17, 2008 as a measure to supposedly give it another six months to act on House Bill No. 4077 and Senate Bill No. 2666, which are the respective consolidated bills of the House and Senate that seeks to extend the funding for the Comprehensive Agrarian Reform Program (CARP) and, also, introduce reforms or "perfecting amendments" to Republic Act No. 6657 or the Comprehensive Agrarian Reform Law (CARL).

An earlier joint resolution (Joint Resolution No. 21) was drafted and passed by the House of Representatives (said joint resolution, however, was not approved by the Senate) last June 10, 2008 to maintain the status quo in the implementation of CARP and extend the "implementation" up to December 31, 2008 to also supposedly give Congress ample time to act on the said proposed legislations.

Joint Resolution No. 19 basically "extended" for six (6) months from January 1, 2009 to June 30, 2009 the "period of coverage of the Agrarian Reform Program" but only for private agricultural lands whose landowners have offered their lands under the Voluntary Offer to Sell (VOS) and under the Voluntary Land Transfer (VLT). This means that lands under Compulsory Acquisition (CA) shall not be acquired and distributed during the said six-month extension period.

However, deliberations in the Senate clearly indicated that all landholdings already in the pipeline (CA, VOS, VLT, etc.) would not be included among those landholdings which would not be covered by the deferment on land acquisition and distribution within the said six-month "extension" period. This would be material as the approved joint resolution was adopted en toto by the House of Representatives (HOR) when it failed to file its own version of the said joint resolution. Also, deliberations at the HOR also did not touch on whether or not landholdings under CA but already on the pipeline or under process would be included or excluded during the "extension" period.

This also would be manifested in the Special Provision No. 3 of the DAR 2009 budget which states:

I. Suspension of land acquisition and distribution. Notwithstanding any provision or appropriation in this bill or any other law to the contrary, no amount whether from the national treasury, special funds, remittances from the PCGG/APT or ill-gotten wealth cases, shall be appropriated/used for land acquisition or distribution, except for those whose acquisition and distribution procedures have already commenced as of December 31, 2008.

Joint Resolution No. 19 also mandated the Department of Agrarian Reform (DAR) to continue delivery of support services to beneficiaries of lands that have been acquired and distributed as of December 15, 2008. However, the Joint Resolution falls short or failed to include increase in budget allocation for support services as highlighted in the proposed CARP extension with reforms bills in the Congress.

#### DAR Memorandum No. 09-1804

In response to the issuance of Congress' Joint Resolution No. 19, the DAR issued last January 12, 2009 Memorandum No. 09-1804 entitled, "2009 Operational Directives Relative to the Congressional Joint Resolution." The said memorandum was issued way before the said joint resolution became effective. The said joint resolution was signed by both chambers of Congress last December 17, 2008 but was received by the Office of the President only on December 23, 2008. The said joint resolution to be effective had to be signed by the President or be allowed to lapse into law after thirty (30) days upon receipt of the said joint resolution. The said joint resolution was not signed by President Arroyo and lapsed into law last January 22, 2009. However, publication of the said joint resolution in a gazette is also required. It then finally becomes effective after fifteen days from publication.

The said DAR memorandum served as a guide for the different DAR departments in the preparation of their respective "specific sectoral directives and quantitative targets."

However, the said memorandum deferred "the processing of compulsory acquisition (CA), including those landholdings in the pipeline, and survey activities for lands under CA until further notice."

# 2009 DAR Budget

The 2009 DAR budget provides for a total of P13,057,128,000.00. The said amount is around P3.5 billion less than the submitted amount by the DAR of around P 16.5 billion. The said appropriation is P 671,173,000 higher than the DAR's 2008 total appropriation of P12,385,955,000 (i.e. P1,762,158,000 for DAR-regular and P 10,623,797,000 for the Agrarian Reform Fund).

However, DAR's land acquisition & distribution (LAD) budget was slashed by P2,988,056,000 from 2008's P8,919,202,000 to 2009's P5,931,146,000.

Below is the summary of the approved DAR budget for 2009, including the DAR-AFMA budget:

I. II.	General Admin Support Support to Operations	P	190,135,000 103,198,000
III.	Operations		7,475,188,000
	a. Agrarian Legal Assistance		15,359,000
	b. AR Information and Education		22,150,000
	c. Agrarian Legal Services		145,763,000
	d. Land Acquisition & Distribution		1,288,299,000
	e. Land Use Mgt & Land Devt		59,225,000
	f. ARB Devt		13,246,000
	g. For the requirement of the CARP		5,931,146,000
IV.	DAR-AFMA		5,288,607,000
	=	=====	=======

Of the P 5,288,607,000 appropriated for DAR-AFMA (which shall be utilized for the Program Beneficiaries Development Component of CARP or support services delivery) P3,795,146,000 is allocated for Foreign-Assisted Projects while the rest are for Locally-Funded Projects and distributed among the following CARP-implementing agencies:

DAR	P	935,920,000
DENR		150,000,000
DA-NIA		235,227,000
DTI		72,314,000
DPWH		100,000,000
	-	
TOTAL	P	1,493,461,000

It should be noted that most of locally-funded support services have been traditionally farm-to-market roads and irrigation which are usually constructed by the DA-NIA and DPWH and yet for 2009 the DAR has been allocated P 935,920,000 significantly bigger than the budgets for DA-NIA (P 235,227,000) and DPWH (P 100,000,000).

Also, in 2008 the total amount appropriated for foreign-assisted and locally-funded projects was only P1,704,595,000. This almost tripled in 2009 with P5,288,607,000.

Entering the Bi-cameral Conference Committee meeting for the 2009 General Appropriations Act (GAA) the DAR's budget (including the DAR-AFMA) totaled P14,353,536,000. However, the budget item "g. For the requirement of the CARP" which at that time totaled P7,227,554,000 was slashed to P5,931,146,000 or by P1,296,408,000.

Below is the breakdown and comparison of the of the said budget item prior to and post the Bi-cameral Conference Committee meeting:

Implementing Agency	Pre Bi-Cam	Post Bi-Cam	Difference
DAR	4,038,299,000	4,103,460,000	65,161,000
DENR	456,351,000	446,720,000	(9,631,000)
DOJ-LRA	105,829,000	102,059,000	(3,770,000)
DOF-LBP	2,627,075,000	1,278,907,000	(1,348,168,000)
TOTAL	7,227,554,000	5,931,146,000	(1,296,408,000)

It should be noted that the biggest cut in the said budget item was the amount due to the DOF-LBP which basically is the budget for landowner's compensation or initial cash payment for lands acquired. This is basically consistent with Special Provision No. 3 which prohibited the use of funds for LAD except for landholdings already in the pipeline. Thus, some P1.3 billion pesos were still appropriated.

It is just interesting that as all of the above-mentioned CARP implementing agencies (i.e. DENR, DOJ-LRA and DOF-LBP) received cuts in their respective budgets for the said line item the DAR, on the other hand, received an additional P65 million.

The DAR's memorandum, which allows for the acquisition and distribution of VLT and VOS claims but not those under CA (even if already in the pipeline) would have to adjust to the said budget provisions as it provides funds for pipeline projects regardless if to be acquired under CA, VOS, VLT, etc.

The special provision, however, does not provide for funding for any LAD that is not in the pipeline. Thus, DAR would have no funds for VLT and VOS claims.

This special provision is also inconsistent with Congress' Joint Resolution No. 19, which allows the acquisition and distribution of lands under the VOS and VLT scheme.

On the other hand, the 2009 GAA also exceeds the mandate of Joint Resolution No.19 which is only effective up to June 30, 2009. Special Provision No. 3 of the 2009 DAR budget covers the whole year of 2009.

It should also be noted that the budget item DAR-AFMA amounting to P 5,288,607,000, which is to be used for the Program Beneficiaries Development Component of CARP, is equivalent to 40% of the whole 2009 DAR budget. This is a significant increase from the 25-30% usually allocated for support services delivery for CARP beneficiaries. (This does not violate Section36 of RA 6657 which states that "at least twenty five [per cent] (25%) of all appropriations for agrarian reform shall be immediately set aside and made available for" support services delivery.

The table below illustrates the inconsistencies between the three major documents discussed. Joint Resolution No. 19 should be considered the framework document for the other documents.

	Time Frame	CA	VOS & VLT	CA pipeline	VOS/VLT pipeline
JR 19	6 mos.	No	Yes	Yes*	Yes*
'09 GAA-DAR	1 yr.	No	No	Yes	Yes
DARMemo-09-1804	6 mos.	No	Yes	No	Yes

# III. Conclusion/Implications of the 2009 DAR Budget

There is full budget for support services for CARP beneficiaries in 2009. There is also appropriations for 2009 for the acquisition and distribution of landholdings (regardless if under CA, VLT, VOS, etc.) in the pipeline or whose acquisition have already commenced as of December 31, 2008. Apparently, the "wisdom" for this is to allow the DAR to settle first all pending and backlogs in its land acquisition and distribution target before it is allowed to proceed with new land acquisitions.

Subsequently, that is why there also are no funds for the acquisition and distribution of NEW lands for 2009 even after the efficacy of Joint Resolution No. 19 expires in June 30, 2009.

There appears to be significant amount of money being placed under the office of the DAR Secretary in the form of support services projects and operations activities. Having been lambasted in public hearings for at both the Senate and House for its inefficiency, it is quite surprising that Congress would now "reward" the DAR/Office of the Secretary with significant and additional funding.

Having issued its memorandum prematurely, the DAR should re-issue a memorandum adopting the implications of the 2009 GAA i.e. to proceed with the acquisition and distribution of all landholdings in the pipeline including those under CA.

# Case Study: Field Monitoring in Compostela Valley

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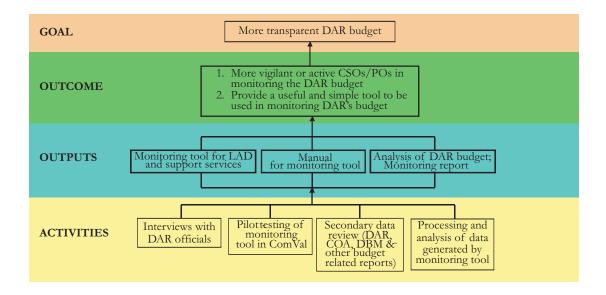
# I. Project background

The DARBM project is a research and advocacy project spearheaded by PhilDHRRA. This initiative is supported by the Foundation Open Society Institute (FOSI). The project seeks to establish a mechanism for civil society monitoring of the DAR's budget and itsutilization. In line with this general objective, the project aims to achieve the following specific objectives:

- To write and publish a manual for field monitoring of the Comprehensive Agrarian Reform Program (CARP) land acquisition and distribution (LAD) and support services delivery projects, including the development of field monitoring tools;
- 2. To conduct a training of on the conduct of field monitoring of CARP LAD accomplishments and support services delivery projects;
- To conduct field monitoring of CARP LAD accomplishments and support services delivery
  projects vis-à-vis approved and released CARP budget for 2007 in the province of Compostela
  Valley as pilot site; and
- 4. To disseminate data and field monitoring reports generated by the project to stakeholders.

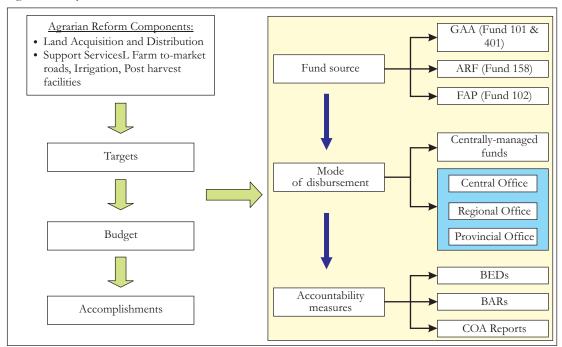
Figure 1 below shows the performance framework of the project. The project generally focused on the accountability component of the budget process. The project developed user-friendly tools and easily replicable procedures for monitoring the actual execution of targets and projects as reflected in the national and provincial budgets of the DAR. By developing such tools and building the capacity of other agrarian reform CSOs to use such tools and procedures, CSOs can collectively develop a comprehensive alternative source of information for agrarian reform implementation in the country which in turn will assist CSOs and policy makers for the effective monitoring and analysis of the DAR budget.

Figure 1. Performance framework



As earlier mentioned, the project focused on the accountability component of the budget process. The project team identified "monitorable" items of LAD and support services. Basically, analysis will be done by comparing the targets set by DAR at the beginning of the year and the accomplishments reported at year-end. Corresponding budget in delivering the set targets will be evaluated as to its allocative efficiency. If the targets had been met, this translates that the funds were expended efficiently and rightfully. In looking at the budget, considerations will be given to fund source, mode of disbursement, and accountability measures internal to DAR and other relevant government agencies (e.g. the Department of Budget and Management and the Commission on Audit). In addition, the reported accomplishments will be validated by reviewing budget execution documents (BEDs), budget accountability reports (BARs), and audit reports of COA. Figure 2 below shows the project's analysis framework.

Figure 2. Analysis framework



This report will show the findings of the pilot testing of the monitoring tools/survey conducted in Compostela Valley. Learnings in this pilot testing had been considered for enhancement of the tools/survey forms, to make them more accurate, useful, and user-friendly for POs and NGOs who may embark on similar monitoring in their respective provinces. As earlier mentioned, the study's findings will be compared with the accountability measures in place, such as review of the BEDs and BARs. However, upon inquiry at the DAR Central Office and at the DBM Bureau E, these documents were not submitted by DAR in 2007. On the other hand, COA audit reports are available at the agency's website and the reports were used to substantiate the study findings.

# II. Field monitoring design

The project chose Compostela Valley as pilot site for the field monitoring. Compostela Valley is a province in Mindanao, with Nabunturan as its municipal capital. The province is composed of 11 municipalities divided into 237 barangays. In terms of CARP scope, 90% had already been distributed. The province is home to more than 37,000 ARBs. The table below shows the LAD scope and cumulative accomplishment per municipality.

Table 1. Cumulative LAD accomplishment per municipality, 1972-2007

Marai ain alitar	Contro	Accomplishment		No. of ARBs	
Municipality	Scope	Hectares	Percent	No. of ARDs	
Compostela	2,973	2,333	78%	1,826	
New Bataan	2,545	1,885	74%	1,604	
Maco	1,774	1,568	88%	1,621	
Mabini	2,261	2,159	95%	1,056	
Mawab	1,793	1,639	91%	1,319	
Monkayo	8,966	7,451	83%	7,046	
Montevista	4,014	3,606	90%	3,550	
Nabunturan	4,798	4,018	84%	3,763	
Pantukan	5,303	4,719	90%	3,387	
Maragusan	6,197	5,966	96%	2,943	
Laak	17,557	17,143	98%	9,079	
Total	58, 181	52,487	90%	37,194	

In 2007, DAR was able to accomplish more than its target hectares of land to be distributed in the province, as reflected in the table below.

Table 2. LAD accomplishment per municipality, 2007

Maniainalita	S and a	Accomplis	hment
Municipality	Scope	Hectares	Percent
Compostela	276	289	103%
New Bataan			
Maco	60	60	100%
Mabini			
Mawab	178	172	79%
Monkayo	192	192	100%
Montevista	146	162	111%
Nabunturan	227	239	105%
Pantukan	178	212	119%
Maragusan	77	77	100%
Laak	233	181	81%
Total	1,567	1,584	101%

#### A. Support services monitoring

For the support services monitoring, the project team secured the list of projects funded by DAR in 2007 from the Provincial Agrarian Reform Office (PARO). There were 3 farm-to-market road projects and 10 post-harvest facilities (all of which are multi-purpose pavements) projects under the Mindanao Sustainable Agrarian Reform Community Settlement Area Development (MinSSAD) project identified. The 13 projects, enumerated in the table below, are all situated in the municipality of Laak. These projects were all subjected to field monitoring.

Table 3. Support services covered in the monitoring

No. Name of project			Units	
	* /	Municipality	ARC	Cints
Farm	Farm-to-Market roads			
1	Rehab of Purok 3 – Macopa Road	Laak	Davao Settlement No. 2	3.52 kms
2	Rehab of Magtagoktok-Ceboleda Road	Laak	Davao Settlement No. 2	7.03 kms
3	Rehab of Macopa Proper-Sitio	Laak	Davao Settlement No. 2	2.08 kms
	Linumbaan Road	Laak	Bavao Setucificiti 140. 2	2.00 KIIIS
Post-	harvest Facilities (Multi-purpose pavements	s or MPPs)		
1	Const. of Sitio New Cebu MPP	Laak	Davao Settlement No. 2	400 sq m
2	Const. of Barubo MPP	Laak	Davao Settlement No. 2	400 sq m
3	Const. of Purok 14 MPP	Laak	Davao Settlement No. 2	400 sq m
4	Const. of Sitio Old Laak MPP (1)	Laak	Davao Settlement No. 2	400 sq m
5	Const. of Sitio Old Laak MPP (2)	Laak	Davao Settlement No. 2	400 sq m
6	Const. of Sitio Upper San Roque MPP	Laak	Davao Settlement No. 2	400 sq m
7	Const. of Lower Macopa MPP	Laak	Davao Settlement No. 2	400 sq m
8	Const. of Sitio Tabon MPP	Laak	Davao Settlement No. 2	400 sq m
9	Const. of Sitio Baugo MPP	Laak	Davao Settlement No. 2	400 sq m
10	Const. of Sitio Tugpahan MPP	Laak	Davao Settlement No. 2	400 sq m

#### B. LAD Monitoring

To generate the sample beneficiaries that will be covered by the survey for field monitoring, the project team secured the list of ARBs from the PARO. The list from the PARO have the following information: 1) Mode of land acquisition (ex. voluntary offer to sell, government owned lands), 2) Certificate of Land Ownership (CLOA) number, 3) Date generated, 4) Date registered, 5) Title number, 6) Survey number, 7) Lot number, 8) Land area, 9) Location (barangay, municipality), 10) Lot type, 11) Name of beneficiaries, and 12) Name of landowner. In 2007, the number of farmer-beneficiaries in the province awarded by CLOA is 1,462. With a confidence interval of 10 and confidence level of 95, the sample size computed, using an online sample size calculator, is 90. Getting the weighted share of the number of ARBs by mode of acquisition will give the number of respondents that will be surveyed. The breakdown of ARBs and respondents by mode of acquisition is seen in the table below.

Table 4. Number of respondents, by mode of acquisition

No.	Mode of acquisition	No. of ARBs (in 2007)	Weight	Number of respondents
1	Voluntary offer to sell (VOS)	445	0.30	27
2	Voluntary land transfer (VLT)	941	0.64	58
3	Government-owned lands (GO)	60	0.04	4
4	Undefined program dass	16	0.01	1
	Total	1,462		90

Once the sample size and number of respondents per mode of acquisition had been determined, the project team conducted a random sampling selection from the list of ARBs. The distribution of respondents per municipality is shown in the table below.

Table 5. Number of respondents, by municipality

No.	Municipality	No. of respondents	Percent
1	Compostela	9	10%
2	Laak	9	10%
3	Maco	6	7%
4	Maragusan	5	6%
5	Mawab	15	17%
6	Monkayo	10	11%
7	Montevista	8	9%
8	Nabunturan	15	17%
9	New Bataan	4	4%
10	Pantukan	9	10%

The names of respondents randomly generated are included in this report as Attachment A.

#### C. Field monitoring mechanics

The project team established partnership with a local partner to conduct the actual field monitoring in Compostela Valley. The local partner tapped is the TRIPARRD Federation of Agrarian Reform Beneficiaries Cooperative, Inc. (TRIFED-ARBC). The organization was an offshoot of previous projects of PhilDHRRA on ARB development and its General Manager, Mr. Elmer Mailwas, is currently a member of the Provincial Agrarian Reform Committee (PARCOM) as the NGO representative. Four monitors were identified and Mr. Mailwas acted as Field Supervisor. Training of field monitors was conducted in November 2008 where the final field monitoring tools and manual/guide were distributed as training materials. Attachment B shows the survey for ARBs for LAD monitoring and Attachments C to E shows the monitoring tools for supports services.

<sup>&</sup>lt;sup>1</sup>The Sample Size Calculator is presented as a public service of Creative Research Systems (http://www.surveysystem.com/sscalc.htm)

Actual field monitoring proceeded in the months of December 2008 to January 2009. Three monitors were assigned to cover the 90 ARB respondents. Moreover, one monitor and the field supervisor were assigned for the support services. The monitors submit the furnished monitoring tools/survey form to the field supervisor on a weekly basis, given the distance of the municipalities. The field supervisor ensured that all questions in the monitoring tools were answered accurately and that pictures were taken for all the support services projects. Field monitoring notes were also required for submission, in case the monitors were able to generate information that will be relevant to the project. Upon completion of the monitoring, the furnished tools and field notes were submitted to the project team for data checking, consolidation, and processing.

#### III. Field monitoring findings

#### A. Support services monitoring

As earlier mentioned, 3 farm-to-market roads and 10 multi-purpose pavements were included in the monitoring. Farm-to-market roads are infrastructure projects that aim to lower the cost of transporting farm goods from the farm to the market. These road projects may vary on surface, such as cement concrete, asphalt concrete, gravel, and earth surface. Meanwhile, multi-purpose pavements are concrete structures mainly used as solar dryers by farmers for their crops.

Out of the 13 support services projects included in the monitoring, 11 projects are present in the site or specified location. 2 projects were not found in the site. These 2 projects are found in the table below, including a description of the current use of the site.

Table 6. Projects not found in the site

No.	Name of project	Barangay	Project cost	Current use of site
1	Multi-purpose pavement	Poblacion	PhP274,839.11	Vacant land
2	Multi-purpose pavement	Purok 14, Poblacion	PhP274,839.11	Purok center

These 2 projects had been allocated funds by DAR. However, because these have not materialized, resources had not been put to good use. The combined amount of these 2 projects is PhP549,678—a considerable amount that could have been allotted to other services.

Project cost is included in the data given by the PARO. Computation of per unit costing is shown in the table below. Some of the variables that affect project cost are the materials used, distance of the project from town proper or source of materials, and project area or size of the project. From the table below, highlighted in yellow, the 2 roads have similar surface finish of concrete portions and gravel portions, however, the Purok 3 Macopa Road has a higher per unit cost. A hypothesis that can be made is that there may have been overpricing or overestimation of materials in this road construction. There is a need for closer inspection of the scopes of work for the two roads to conclude that funds had indeed been misused.

For the MPPs, the standard size of the constructed structures is 400 sq m. Average unit cost per sq m. is PhP712.

Table 7. Project and unit costs

No.	Name of project	Unit	Project cost (in PhP)	Unit cost (in PhP)
Farm-	to-Market roads			
1	Rehab of Purok 3 – Macopa Road	3.52 kms	10,080,052	2,863,651/km
2	Rehab of Magtagoktok-Cebole da Road	7.03 kms	10,719,163	1,524,774/km
3	Rehab of Macopa Proper-Sitio Linumbaan Road	d 2.08 kms	2,343,506	1,126,686/km
Post-h	arvest Facilities (Multi-purpose pavements or M	APPs)		
1	Const. of Sitio New Cebu MPP	400 sq m	289,000.00	723/sq m
2	Const. of Barubo MPP	400 sq m	274,839.11	687/sq m
3	Const. of Purok 14 MPP	400 sq m	274,839.11	687/sq m
4	Const. of Sitio Old Laak MPP (1)	400 sq m	274,839.11	687/sq m
5	Const. of Sitio Old Laak MPP (2)	400 sq m	289,000.00	723/sq m
6	Const. of Sitio Upper San Roque MPP	400 sq m	289,000.00	723/sq m
7	Const. of Lower Macopa MPP	400 sq m	289,000.00	723/sq m
8	Const. of Sitio Tabon MPP	400 sq m	289,000.00	723/sq m
9	Const. of Sitio Baugo MPP	400 sq m	288,800.00	722/sq m
10	Const. of Sitio Tugpahan MPP	400 sq m	289,000.00	723/sq m

Of the 8 multi-purpose pavements found in the site, 2 had observable defects. There were cracks in the middle of the pavement, which diminishes the full utilization of the facility. According to the field notes of the monitor, farmers were not able to dry their crops properly because of the cracks. Since these pavements have been constructed for only a year, the cracks in the facility may show poor quality upon which they were constructed. Another hypothesis is that the appropriate materials may not have been used or that good quality materials were replaced by low quality, in effect, cheaper materials. Further verification is needed to arrive at a valid conclusion.

For the 3 roads, they were all reported to be in good condition or passable. Although there were some potholes in certain portions of the road, the monitors deemed that these were caused by continuous rains in the past months. They generally rated these roads to be in good condition. The monitors also noted that the LGU in Laak allot funds for road maintenance.

Pictures of the support services projects taken during the field monitoring and some observations per project are included in this report as Attachment G.

#### B. LAD monitoring

The main objective of conducting the survey of ARBs is to validate if the reported accomplishments or beneficiaries of the program is indeed accurate. There were documented cases in the literature where fictitious names are included in the list of ARBs and who were even reportedly beneficiaries of support service programs.

Of the 90 respondents included in the study sample, 83 or 93% were found living in the awarded lands or specified locations based from the list given by the PARO. There were 7 persons who were not found and according to inquiry of the monitors in the Municipal Agrarian Reform Office (MARO), these persons were not residents of their respective barangays. The information below is culled from the field notes of the monitors.

Table 8. Number of ARBs not found on site

Municipality	No. of ARBs	Remarks
	not found	
Commontale	4	The names in the list are not residents of the municipality of Compostela,
Compostela	4	according to the MARO. No one knew these people.
		The names in the list are not residents of the municipality of Mawab. One of the
Mawab	2	two was a resident of Samal Islands, as identified by a MARO staff, and was
		informed that this person is not an ARB.
Nabunturan	1	The person is not a resident of the municipality of Nabunturan, according to the
nabunturan	1	MARO.

In the CARP Briefer and Statistical Handbook, average cost of LAD per hectare was estimated (see table below). If we were to get the mean land value of PhP200,000/ha, the cost of LAD for 7 ARBs is PhP450,233. It may be assumed that this is the cost corresponding to the "reported" distribution of land to the fraudulent 7 ARBs.

Table 9. Average cost of LAD per hectare

Land values Average cost of LAD (First year costs)	
PhP 100,000/ha	PhP34,319
PhP200,000/ha	PhP64,319
PhP300,000/ha	PhP94,319

It is worth noting that for only a small sample of 90 ARBs, 7% are already validated as "fictitious" ARBs. Covering a larger sample may show an even greater number of persons reported as ARBs but are not really beneficiaries of the program.

By mode of acquisition, two-thirds were given lands that were covered under VOS.

Table 10. Number of respondents, by mode of acquisition

Mode of acquisition	Freq	Percent (n=83)
Voluntary offer to sell (VOS)	21	68%
Voluntary land transfer (VLT)	56	25%
Government-owned lands (GO)	3	4%
Undefined program class	1	1%
Information not provided	2	2%

When the respondents were asked if they are the awardee or beneficiary of the land, a majority (82%) affirmed that they are. Respondents who were not awardees mentioned that they acquired the land thru bequest (9 respondents) or the land was sold to him by the former beneficiary (2 respondents). For the affirmed awardees, more than half are holders of individual Certificate of Land Ownership Award (CLOA).

Table 11. Type of CLOA

Type of CLOA	Freq	Percent (n=68)
Individual CLOA	40	59%
Collective CLOA	25	37%
Don't know/don't remember	3	4%

One measure of efficiency of the department is how long it takes for land titles to be processed. One-third of the respondents (34%) stated that it took one year for their titles to be awarded to them since they applied. Another third of the respondents (35%) mentioned that their CLOAs have not yet awarded to them. These farmers have already been included in the list of beneficiaries, but still, they do not have security over their lands because their land titles were not yet given to them.

Table 12. Processing time of CLOA

Processing time	Freq	Percent (n=68)
Less than a year	7	10%
One year	23	34%
More than a year but less than 5 years	2	3%
More than 5 years but less than 10 years	2	3%
More than 10 years	4	6%
Data not remembered	6	9%
CLOA not yet awarded	24	35%

Published in 2007 by the Planning Service of the DAR

On another note, 2 respondents affirmed that a survey or mapping was not conducted in their area prior to the awarding of their lands. In addition, 4 respondents who were not living in their awarded lands were apparently not installed. Activities that should have been implemented, such as land mapping and ARB installation, but did not materialize can be translated to inefficient spending of resources.

Finally, more than half of the ARBs (56%) affirmed that they are not paying amortization.

Table 13. Payment of amortization

Payment of amortization	Freq	Percent (n=68)
Paying regularly	27	40%
Paying but not regularly	3	4%
Not paying amortization	38	56%

#### **IV.** Conclusions

The pilot testing of the monitoring tools in Compostela Valley has achieved its purpose of validating reported accomplishments of the DAR. Inconsistencies with DAR's data and the actual accomplishments in the province reflect that there were resources spent for other things and not for its true intent. This study's findings also confirmed the findings of 2 audit reports reviewed by the project team (i.e. 2007 Audit Report on DAR and the 2006 Audit Report on the ARF). These 2 reports reveal some inaccurate reporting of DAR of their accomplishments and selected cases of ineffective project implementation.

Attachment A.

List of ARB respondents

No	Municipality	Barangay	Lot no.	CLOA no.	Name of ARB	Name of landowner	Mode*
1	Compostela	Alegria	8297-C	00845501	Charito E. Cortes	Andres Bernados	VOS
2	Compostela	Bagongon	4299-A	00845440	Annabelle I. Tesado	Victoriane Evale	VLT
3	Compostela	Lacab	1327-B	00846428	Malvin L. Malla	RB Tagum, Inc.	VOS
4	Compostela	Lacab	1315	00846352	Avelina A. Figuro	Deogracias Alvarez	VLT
5	Compostela	Мараса	5939-D	00846432	Marwini Arguelles	Gabriel Arguelles	VOS
6	Compostela	Tamia	2279-C	00879105	Irish Mae E. Embuscado	Antonio Fernandez	VOS
7	Compostela	Mangayon	2817-B	00845413	Pedro M. Allonar	Alberto Allonar	VLT
8	Compostela	Osmeña	1759-A	00879109	Marcelo A. Abao	Davao Fruits Corp.	VOS
9	Compostela	Osmeña	1759-A	00879109	Aurelio D. Aretano	Davao Fruits Corp.	VOS
10	Laak	Kidawa	484	00847023	Evelyn A. Tuyod		VLT
11	Laak	Poblacion	472-C	00818893	Richard S. Nacion	Vicente Nacion	VOS
12	Laak	Poblacion	472-G	00818895	Rogelio N. Romblon	Vicente Nacion	VOS
13	Laak	Longanapan	565	00847059	Rosita C. Aceberos		VLT
14	Laak	Longanapan	518-H	00845553	Romulo G. Tonlay	Petronilo Rosello	VOS
15	Laak	Longanapan	517-D	00845585	Noe L Montales, Jr.	Melanio Rosello	VOS
16	Laak	Longanapan	514-E	00845429	Demetrio C. Catulong	Gomercindo Rosello	VOS
17	Laak	San Antonio	633	00818883	Roberto B. Baquido, Sr.	Inocencio Udarbe, Jr.	VOS
18	Laak	San Antonio	613	00847028	Jerando T. Isidoro	Angelito Ferraris	VOS
19	Maco	Lumatab	5	00845579	Diosdado Y. Inalisan	NA	UPC
20	Maco	Dumlan	10764- B-2	00786766	Jernalyn S. Boctot	Prudencia Sajolan	VLT
21	Maco	Concepcion	7039-B	00786780	Isagani P. Querubin	Andres Querubin	VLT
22	Maco	Panibasan	43-A	00818700	Epefania B. Omega	Fructuosa Camiling	VLT
23	Maco	Limbo	2179-B	00845356	Teresita M. Rosales	Teofilo Acaso	VLT
24	Maco	Dumlan	108	00845424	Mike G. Taverno	Crisanta Boctot	VLT
25	Maragusan	New Albay	677-C-1	00846354	Salvador Talde	Epifanio Mendones	VLT
26	Maragusan	New Albay	677-C-2	00846355	Dolores R. Catorce	Epifanio Mendones	VLT
27	Maragusan	New Albay	617-A-1	00846391	Jerry M. Amaranto	Narciso Amaranto, Sr.	VLT
28	Maragusan	New Panay	919	00846368	Bernardo E. Daanoy	Lemuel Daanoy	VLT
29	Maragusan	Pamintaran	1267	00847026	Arlene E. Allawan		VLT
30	Mawab	Nuevo Iloco	173-F	00209503	Asuncion C. Pencerga	NA	GO

No	Municipality	Barangay	Lot no.	CLOA no.	Name of ARB	Name of landowner	Mode*
31	Mawab	Nuevo Iloco	173-G	00209505	Jacinto C. Josol	NA	GO
32	Mawab	Nuevo Iloco	145-B	00847049	Manuel B. Estam		VLT
33	Mawab	Andili	81	00209507	Eduardo C. Bungabong	NA	GO
34	Mawab	Andili	83-I	00845278	Vilma N. dela Cruz	Perfecta Quezon	VLT
35	Mawab	Andili	83-B	00845271	Ismael Pr. Corpuz	Perfecta Quezon	VLT
36	Mawab	Concepcion	12168- B	00818682	Renato L. Masiga	Gaudencio Francisco	VLT
37	Mawab	Saosao	4742	00845254	Aquino R. Tambis	Simplicio Tambis	VLT
38	Mawab	Saosao	8398	00845287	Ernesto F. Monta	Juan Monta	VLT
39	Mawab	Saosao	4619- A	00845403	Drexan Y. Refamonte	Apolonio Refamonte	VLT
40	Mawab	Saosao	4619- B	00845404	Ferdinar R. Tambis	Apolonio Refamonte	VLT
41	Mawab	Malinawon	292	00846351	Jason Ray A. Maghuyop	Rosario Maghuyop	VLT
42	Mawab	Tuboran	7923	00847013	Angeliza R. Gura		VLT
43	Mawab	Tuboran	792	00818661	Berbardino S. Baring	Basilio Baring	VLT
44	Mawab	Poblacion	817-E	00847089	Adelina C. Daliva	Felipe Bingil	VOS
45	Monkayo	Baylo	3695	00847202	Roger L. Gentugaya		VLT
46	Monkayo	Poblacion	3227- B	00847062	Dutchie D. Abregoso		VLT
47	Monkayo	Poblacion	3227- H	00847067	Elma C. Diales		VLT
48	Monkayo	Poblacion	3227-I	00847068	Danny Jun D. Albarracin		VLT
49	Monkayo	Poblacion	H-V- 72293	00846396	Martin A. Navarro	Edilberto Tuazon	VOS
50	Monkayo	Poblacion	2652	00846397	Nemesio G. Lanzaderas	Nilo Tuazon	VOS
51	Monkayo	Poblacion	H-V- 72292	00846398	Glenn P. Niog	Angelina Tuazon	VOS
52	Monkayo	Pasian	5134	00879104	Melecio C. Sagunod, Sr.	Donato Fabros	VOS
53	Monkayo	Tubo-tubo	381-A- 3	00845212	Francisco Meroy	Geronimo Meroy	VLT
54	Monkayo	Tubo-tubo	381-A- 10	00845219	Betty Pelare	Geronimo Meroy	VLT
55	Montevista	Concepcion	805	00845253	Mercy S. Valencia	Juanito Valencia	VLT
56	Montevista	Caman- tangan	308	00845389	Evangeline S. Goles	Isidro Goles	VLT
57	Montevista	Poblacion	724	00845390	Eliezer B. de Jesus	Patrocinia de Jesus	VLT
58	Montevista	Tapia	817	00845588	Rosauro F. Espinosa	Legaspi Espinosa	VLT
59	Montevista	Kanidkid	120-C	00818886	Randy T. Tabanao	Norma Ibarrientos	VOS
60	Montevista	Banag- banag	1041- C-2-B	00845547	Ricardo R. Antonio		VOS
61	Montevista	San Vicente	12335- B	00845205	Felexmar P. Dagatan	Felixberto Dagatan	VLT
62	Montevista	San Vicente	12349	00845563	Mary Jane U. Bartolaba	Agripina Isugan	VLT
63	Nabunturan	Antiquera	4036-	00847096	Roberto M. Abella		VLT

No	Municipality	Barangay	Lot no.	CLOA no.	Name of ARB	Name of landowner	Mode *
64	Nabunturan	Magsaysay	0973-B	00209509	Leonardo G. Macatumbas	NA	GO
65	Nabunturan	Cabacungan	2252	00845450	Henry V. Lamela	Felipe Dasalla	VLT
66	Nabunturan	Pangutusan	093-G	00818877	Marcos G. Saplan	Antonio dela Rama	VLT
67	Nabunturan	Pangutusan	093-E	00818874	Jay Anthony T. Lanoy	Antonio dela Rama	VLT
68	Nabunturan	Anislagan	11610- A-1	00845497	Jeffrey G. Camiso	Corazon Camiso	VLT
69	Nabunturan	Tagnocon	4411-B	00845554	Juanito D. Lumagbas	Leonardo Divinagracia	VLT
70	Nabunturan	New Sibonga	2954-C	00845567	Ma. Glenda Valyn V. Lao	Matias Chispa	VLT
71	Nabunturan	New Sibonga	2752-C	00847011	Araceli T. Astillo	Jose Felisco	VLT
72	Nabunturan	New Sibonga	3128-B	00847033	Nestor N. Conde	Perfecto Reyes	VOS
73	Nabunturan	Ogao	4017	00818679	Casimera B. Ayco	Gaudencia Aleria	VLT
74	Nabunturan	Sasa	3524	00847090	Cels a Abelita		VLT
75	Nabunturan	Antiquera	4036-G- 1	00847092	Eladio M. Abella		VLT
76	Nabunturan	Santa Maria	903-A	00846444	Albert L. Cunado	Espiridion Lupiba	VLT
77	Nabunturan	Santa Maria	903-C	00846446	Florencia M. Ones	Espiridion Lupiba	VLT
78	New Bataan	Magangit	6830-A	00818869	Sernel P. Pagalan	Nemesio Estorba	VLT
79	New Bataan	Magangit	9820-I	00854231	Pedro P. Sambilad, Jr.	Cesario Panorel	VLT
80	New Bataan	Andap	244	00846360	Ranilo J. Remarca	Ireneo Remarca	VLT
81	New Bataan	Cabinuanga n	6716-A	00847014	Maria M. Hurano		VLT
82	Pantukan	Poblacion	363-B- 55-H	00845240	Katrina A. Ignacio	Southern Cross Plantation Co.	VLT
83	Pantukan	Poblacion	363-B- 55-J	00845242	Peter Paul V. Sarenas	Southern Cross Plantation Co.	VLT
84	Pantukan	Poblacion	1-C	00845411	Danny T. Liberio	Francisco Tano	VLT
85	Pantukan	Poblacion	109162	00847027	Emiliano Ardiner	Brokenshire Memorial Hospital	VOS
86	Pantukan	Napnapan	97	00848034	Reynaldo Claudio	Tagalinao Mansaca	VOS
87	Pantukan	Tambongon	6006	00847091	Agustina L. Alavaren		VLT
88	Pantukan	Tambongan	853	00848100	Fernando Villaver	Buenaventura Leon	VOS
89	Pantukan	Tagdangua	182329	00818888	Feliciano Incipido	RB Tagum Inc.	VOS
90	Pantukan	Tagdangua	1266-J	00847212	Cristituto R. Camporedondo		VLT

<sup>\*</sup> Mode:VLT – Voluntary land transfer VOS – Voluntary offer to sell

GO – Government-owned lands UPC – Undefined program class

<sup>--</sup>Information not provided NANot applicable

#### Attachment B.

## Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDHRRA) DAR Budget Monitoring Project Form No.

## SURVEY FOR AGRARIAN REFORM BENEFICIARIES SURVEY PARA SA MGA BENEPISYARYO NG REPORMANG PANG-AGRARYO

Introduction:

PhilDHRRA is currently undertaking the DAR Budget Monitoring Project. The project seeks to establish a mechanism for civil society monitoring of the DAR's budget and its utilization at the provincial level. This survey will enable us to gather relevant data from agrarian reform beneficiaries that will be used to monitor budget utilization. We will greatly appreciate your participation in this study. Thank you!

Ang PhilDHRRA ay kasalukuyang isinasagawa ang isang proyekto ukol sa pag-monitor sa budget ng DAR. Ang proyekto ay naglalayong bumuo ng isang mekanismo para i-monitor ang budget ng DAR ng civil society hanggang sa lebel ng probinsiya. Sa pamamagitan ng survey na ito ay makpangangalap kami ng mga kinakailangang datos mula sa mga benepisyaryo ng repormang pang-agraryo na magagamit sa pag-monitor ng paggugol ng budget. Maraming salamat sa inyong pakikiisa!

## RESPONDENT'S BASIC INFORMATION Pangunahing impormasyon ukol sa respondent Name of respondent: Pangalan ng respondent Barangay: \_ Municipality: Province: Barangay Munisipalidad Contact nos: Mga numerong maaaring tawagan II. LAND ACQUISITION AND DISTRIBUTION (LAD) Pagbili at pagbabahagi ng lupa 1. Are you the awardee/beneficiary of this land? Ikaw ba ang benepisyaryo/sa iyo ba inaward ang lupang ito? Yes (Answer the next questions) Oo (Sagutin ang susunod na mga tanong) No (Proceed to #8) Hindi (Pumunta sa #8) What type of land title do you have? Anong uring titulo ng lupa ang ibinigay sa iyo? Individual CLOA Sarili/indibidwal na CLOA Collective CLOA Pang-grupong CLOA Emancipation Patent (EP) 3. When did you apply for your land title? (Month/Year) Kelan ka nag-apply para sa titulo ng iyong lupa? When was the land title awarded to you? (Month/Year) Kelan ibinigay/inaward sa iyo ang titulo ng iyong lupa? (Buwan / Taon)\_ 5. Was mapping or survey conducted prior to the awarding of this land? Meron bang isinagawang pagsukat ng iyong lupa bago ito ibinigay sa iyo? Yes Meron No Wala Don't know/Don't remember Hindi alam/bindi matandaan 6. Are you living in the land prior to the awarding of this land? Ikaw ba ay nakatira na sa lupang ito bago pa ibinigay sa iyo ang titulo nito? Yes Oo No Hindi Were you installed in the awarded land? Ikaw ba ay inilipat ng gobyerno sa lupang ito? No Hindi Are you paying your amortization? Ikaw ba ay nagbabayad ng buwanang amortization? Yes, I am regularly paying Oo, ako ay regular na nagbabayad Yes, but not regularly Oo, pero hindi regular ang aking pagbabayad

No, I am not paying any amortization Hindi ako nagbabayad

8.	How did you acquire this land? Paano mo no.  Given to me by my relative as bequest 1h  This land was sold to me by the owner of the land was mortgaged to me by the owner could be pang rason:  Other reason Iba pang rason:	inigay sa akin ng kamag-anak ko bilang mana Ang lupang ito ay ibinenta sa akin ng may-ari				
9.	Other comments/observations on the respondent or the land Iba pang komento/obserbasyon patungkol sa respondent o sa lupa					
Pangalan ng	ation:	Date accomplished: Petsa ng pagsagot				

### Attachment C.

Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDHRRA)

## DAR Budget Monitoring Project

Form No.

## MONITORING FORM: FARM-TO-MARKET ROADS MONITORING FORM: MGA LANSANGAN/DAAN

	Municipality				
ingay	Munisipalidad	Rehiyon	Probinsiya		
	oject:	Road length:			
alan ng lansangan		Sukat ng lansangan Project cost:			
emulan ng pondo		Halaga ng pr			
		0 01	9		
II. PROJEC	T SPECIFICATIONS PAGLAL	<u>ARAWAN SA PROYEKTO</u>			
	ad project in the site? Ang lansang				
Yes; If y	es, answer #2-5 Oo; Kung oo, sagutin	ang #2-5			
☐No; If n	o, answer #6 Hindi; Kung hindi, sagui	tin ang #6			
2. What tvt	an of mond in it? A	4.2			
	be of road is it? Anong uring lansanga				
	cement concrete pavement Sem				
	concrete pavement Aspaltong konks urface Graba	reto			
_					
Earth su	rface Lupa				
3. Is the ro	ad under construction or alread	dy in-use/passable? Ang lansang	an ba ay ginagawa o nagagamit/nada		
3. Is the ro	ad under construction or alread	ly in-use/passable? Ang lansang	an ba ay ginagawa o nagagamit/ nada		
na?	ad under construction or alread	ly in-use/passable? <i>Ang lansang</i>	an ba ay ginagawa o nagagamit/nada		
na? Under co		ly in-use/passable? <i>Ang lansang</i>	an ba ay ginagawa o nagagamit/nade		
na? Under co	onstruction Kasalukuyang ginagawa	ly in-use/passable? <i>Ang lansang</i>	an ha ay ginagawa o nagagamit/ nada		
na? ☐ Under co ☐ In-use/p	onstruction Kasalukuyang ginagawa				
na? ☐ Under co ☐ In-use/p	onstruction <i>Kasalukuyang ginagawa</i> passable <i>Nagagamit/ nadadaanan na</i> the present condition of the ro				
Under co	onstruction <i>Kasalukuyang ginagawa</i> passable <i>Nagagamit/ nadadaanan na</i> the present condition of the ro	ad? (Check one) Ano ang kasalu			
na? Under co ☐ In-use/p  4. What is lamang ang	onstruction Kasalukuyang ginagawa passable Nagagamit/ nadadaanan na the present condition of the ro i-tsek)  Good condition	ad? (Check one) Ano ang kasaln  Fair condition	kuyang kundisyon ng lansangan? (Isa <b>Bad condition</b>		
In-use/p  4. What is lamang ang  Type of road Uning	onstruction <i>Kasalukuyang ginagawa</i> passable <i>Nagagamit/ nadadaanan na</i> the present condition of the ro i-tsek)	ad? (Check one) Ano ang kasalu	kuyang kundisyon ng lansangan? (Isa		
In-use/p  4. What is lamang ang	onstruction Kasalukuyang ginagawa passable Nagagamit/ nadadaanan na the present condition of the ro i-tsek)  Good condition	ad? (Check one) Ano ang kasaln  Fair condition	kuyang kundisyon ng lansangan? (Isa <b>Bad condition</b>		
In-use/p  4. What is lamang ang  Type of road Uning	onstruction Kasalukuyang ginagawa passable Nagagamit/ nadadaanan na the present condition of the ro i-tsek)  Good condition Mainam/mabuting kundisyon	Fair condition  Katamtamang kundisyon	kuyang kundisyon ng lansangan? (Isa Bad condition Masamang kundisyon		
In-use/p  4. What is lamang ang  Type of road Uning	onstruction Kasalukuyang ginagawa passable Nagagamit/ nadadaanan na the present condition of the ro i-tsek)  Good condition Mainam/mabuting kundisyon  Smooth surface, no	Fair condition Katamtamang kundisyon  Some surface	Bad condition  Masamang kundisyon  Severely		
In-use/p  4. What is lamang ang  Type of road Uri ng lansangan  Portland cement	construction Kasalukuyang ginagawa passable Nagagamit/ nadadaanan na the present condition of the ro i-tsek)  Good condition Mainam/mabuting kundisyon  Smooth surface, no major cracks, less	Fair condition  Katamtamang kundisyon  Some surface irregularities	Bad condition  Masamang kundisyon  Severely  cracked road		
In-use/p  4. What is lamang ang  Type of road Uri ng lansangan  Portland cement concrete /	construction Kasalukuyang ginagawa passable Nagagamit/ nadadaanan na the present condition of the ro i-tsek)  Good condition Mainam/mabuting kundisyon  Smooth surface, no major cracks, less patched areas (good riding	Fair condition Katamtamang kundisyon  Some surface irregularities (cracks, potholes and less	Bad condition  Masamang kundisyon  Severely cracked road surface, corrugation		
In-use/p  4. What is lamang ang  Type of road Uri ng lansangan  Portland cement concrete / asphalt concrete	construction Kasalukuyang ginagawa passable Nagagamit/ nadadaanan na the present condition of the ro i-tsek)  Good condition Mainam/mabuting kundisyon  Smooth surface, no major cracks, less patched areas (good riding quality)	Fair condition Katamtamang kundisyon  Some surface irregularities (cracks, potholes and less patched areas)	Bad condition  Masamang kundisyon  Severely cracked road surface, corrugation potholes, and ruts		
In-use/p  4. What is lamang ang  Type of road Uri ng lansangan  Portland cement concrete / usphalt concrete avement	construction Kasalukuyang ginagawa passable Nagagamit/ nadadaanan na the present condition of the ro i-tsek)  Good condition Mainam/mabuting kundisyon  Smooth surface, no major cracks, less patched areas (good riding quality) Makinis ang daan, walang bitak sa	Fair condition Katamtamang kundisyon  Some surface irregularities (cracks, potholes and less patched areas) May mga ingularidad sa daan	Bad condition  Masamang kundisyon  Severely cracked road surface, corrugation potholes, and ruts Lubhang maraming bitak,		
In-use/p  4. What is lamang ang  Type of road Uri ng lansangan	construction Kasalukuyang ginagawa passable Nagagamit/ nadadaanan na the present condition of the ro i-tsek)  Good condition Mainam/mabuting kundisyon  Smooth surface, no major cracks, less patched areas (good riding quality)	Fair condition Katamtamang kundisyon  Some surface irregularities (cracks, potholes and less patched areas)	Bad condition  Masamang kundisyon  Severely  cracked road surface, corrugatio potholes, and ruts		

Type of road Uri ng lansangan	Good condition Mainam/mabuting kundisyon	Fair condition Katamtamang kundisyon	Bad condition Masamang kundisyon		
Gravel surface Graba	Well-graded gravel, well defined cross falls and adequate side drains Patag ang graba, maayos at pantay-pantay ang ibabaw ng daan	Presence of loose gravel and minor depressions on the surface May mga kalat na graba, hindi patag ang ilang bahagi ng daan, may ilang parte na mababa o nakalubog	Aggregates accumulate along the roadside, major depressions on traveled way and presence of sizeable potholes May malalaking bahagi ng graba na naipon sa gilid ng daan, malaking bahagi ng daan ay nakalubog o mababa, may mga malalaking butas/lubak		
Earth surface Lupa	Well compacted earth surface  Patag o siksik ang lupa, patag ang daan	Loose earth sediments and depressions on traveled way May mga kalat na lupa, hindi patag, mababa o nakalubog ang ilang bahagi	Presence of Heavy depressions along traveled way Malaking bahagi ay mababa o nakalubog, hindi patag ang lupa, may mga butas/lubak		
	Ieron ka bang iba pang obserbasyon sa	this road project? (After ans lansangang ito? (Pagkatapos sagutin ang			
	rrent use of the site where ang paggamit o naririyan sa lugar kung	the road project should be? saan dapat ay may daan o lansangan?			
Place the date when the		t there, take a photograph of itrato ang lansangan/daan. Kung ang lan elan ito kinunan.			
Pangalan ng monitor Organization:		Date accompli	shed:		
rganisasyon Petsa ng pagsagot					

## Attachment D.

# Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDHRRA) DAR Budget Monitoring Project

## MONITORING FORM: POST HARVEST FACILITIES MONITORING FORM: MGA PASILIDAD NA GINAGAMIT SA ANI

#### I BASIC INFORMATION PANCINIAHING IMPORMACYON

			Region:			
angay Munisipa Type of post harvest facility: Uri ng			Rehiyon	Probinsiya		
Type or post na	rvest facility: Un ng p	Sasilidad (Como ociter	Vamanidad.	`		
Multi tum	Doaega o imbakan	(Capacity	Kapasidad:	)		
Tractor To	Tractor Traktora		(Capacity Kapasidad:)         (Size Sukat:)         (Type Uri:)			
Corp /rico	etora	(Capacity	(Type Uri:)			
	IIIII Gungan		(Capacity Kapasidad:) Project cost:			
gmulan ng pondo			Halaga ng proyekto			
girinai igponao			1.100	ga ng projetao		
II. PROJECT	SPECIFICATIO	NS PAGLA	LARAWAN SA PROYEKTO	2		
•						
1. Is the facili	ty present? Ang pasilio	dad ba ay kasalu	kuyang nariyan?			
	answer #2-4 Oo; k					
No; If no,	answer #5 Hindi; Kun	ig hindi, sagutin d	ang #5			
		_				
			nga kapuna-punang depekto o ka			
	fill in the table belo	ow Meron; Kun	g meron, punan ang talaan sa iba	ba		
No Wala						
Tyne o	f nost harvest facility		Descriptio	on of defects observed		
	f post harvest facility Iri ng pasilidad		_	on of defects observed mga kapuna-punang depekto		
			_			
			_			
			_			
			_			
			_			
			_			
			_			
			_	0 0		
			_	0 0		
			_	0 0		
			_	0 0		
			_	0 0		
			_			
			_	0 0		
			_	0 0		
			_			
			_			
	ri ng pasilidad		Paglalarawan sa			
3. Is the facili		asilidad ba ay gun	Paglalarawan sa i	0 0		

Form No.

4.		ations with the facilities? (After answering, proceed to the end of erbasyon sa lansangang ito? (Pagkatapos sagutin ang tanong na ito, pumunta na sa dulo ng form)
5.		site where the facility should be?
	Ano ang kasalukuyang paggamit o naririya.	n sa lugar kung saan dapat ay may pasilidad?
* Take	a photograph of the facility. If the	he facility is not there, take a photograph of what is currently in
		ras taken. Kunan ng litrato ang pasilidad. Kung ang pasilidad ay wala doon, kunan ng litrato
kung ano i	ang naroroon. Isulat sa likod ng litrato ang pets	a kung kelan ito kinunan.
Name (	of monitor:	
Pangalan i		<del></del>
	zation:	Date accomplished:
Organisas		Petsa ng pagsagot

### Attachment E.

## Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDHRRA) DAR Budget Monitoring Project

## MONITORING FORM: COMMUNAL IRRIGATION PROJECTS MONITORING FORM: MGA PROYEKTONG PANG-IRIGASYON

Form No.

<u>I.</u>	BASIC INFORMATI	<b>ON</b> <u>PANGUNAHING IMPOR</u>	<u>MASYON</u>	
Baranga	ny:	Municipality:	Region:	Province:
Barangay		Munisipalidad	Rehiyon	Probinsiya
Name o	of irrigation project:	Municipality: Munisipalidad	Size/length	of irrigation:
Pangalan n	g proyektong pang-irigasyon	Su	kat ng irigasyon	
Name o	of Irrigators Associatio	n 1n-charge:		
Pangala:	n ng asosasyon na nang	gangalaga sa irigasyon		
Fund sc	ource:		Projec	t cost:
Pinagmular	n ng pondo			ng proyekto
	·	CATIONS PAGLALARAWAN		
1.	Is the communal irrig	gation project in the site? A	ng proyektong pang-irigasyon ba	ay kasalukuyang nariyan?
	Yes: If yes answer#	2-5 Oo; Kung oo, sagutin ang #2-5		
		Hindi; Kung hindi, sagutin ang #6		
2.	What type of irrigation	on is it? Anong uring irigasyon ito?		
			pounding project or S	WIP) Irigasyon na nag-iipon ng tubig
	Small farm reservoir	(SFR) Imbakan ng tubig para sa ma	ıliit na sakahan	
	Diversion dam Dam/p	atubigan		
		syon na gumagamit ng mga tubo		
3.	Is the irrigation unde	r construction or already in	n-use/functional? Ang i	rigasyon ba ay kasalukuyang ginagawa c
	Under construction I	Kasalukuyang ginagawa		
	In-use/functional Na			
4.		ondition of the irrigation s syon ng irigasyon? (Isa lamang ang i-tse		

<b>Type of irrigation</b> Uri ng irigasy on	Good condition Main am   m ab uti ng kun disyon	Fair condition Katamtamang kundisyon	<b>Bad condition</b> Masamang kundisyon
Rain water harvesting project/Small farm reservoir Ingasyon na nag-iipon ng tubig ulan/imbakan ng tubig para sa mahit na sakahan	Water flows unobstructed to the whole farm land; Walls are high enough to impound water Tuloy-tuloy ang daloy ng tulnig sa buong sakalan; Sapat ang taas ng pader o mga gilid para makaipon o makaimbak ng tuhig	There is water flowing from the farmland but there are portions that are not reached; some debris (ex. weeds, stones) are present in the canals; presence of soil erosion in some part.  May tukig na dumadaloy sa sakahan pero may mga bahagi na hindi naaabot ng tukig; may mga kalat o dumi (hal. mga damo, bato) sa mga kanal; may mga bahagi ng pader o gilid ng imbakan kung saan ang lupa ay gumuho na	Water is obstructed from flowing to the farmland due to the presence of debris irregular/incomplete construction of slopes and canals; rampant soil erosion Nahaharangan ang pagdaloy ng tubig ng mga dumi o kalat; hindi maayos o hindi pa tapos ang paghuhukay ng mga kanal; malaking bahagi ng pader o mga gilid ng imbakan ng tubig ay gumuho na

Type of road <i>Urin ng</i>	Good condition Mainam / mabuting	Fair condition Katamtamang kundisyon	Bad condition Masamang kundisyon
lansangan	kundisyon	0 9	g g
Diversion dam Dam/patubigan	The facility is functional and there is no obstruction in water flow Ang dam ay gumagana at walang sumasagabal sa pagdaloy ng tubig	Some water overflows in the dam; there are some observed cracks in the dam walls  May babagi ng dam kung saan ang tubig ay umaapaw; may mga kapansin-pansing mga lamat o bitak sa pader ng dam	Water overflows and the dam is not functioning properly; a large portion of the dam walls are cracked; the construction is incomplete.  Umaapaw ang tubig at ang dam ay hindi gumagana ng maayos; malaking bahagi ng bader ng dam ay may mga lamat o bitak; lindi tapos ang pagkakagawa sa dam
Shallow tube well Irigasyon na gumagamit ng mga tubo	Water is distributed efficiently to all parts of the farmland; there are no holes or clogs in the pipes/tubes; the length of the tubes are sufficient Ang tubig ay maayos na dumadaloy sa lahat ng babagi ng sakahan; nalang mga butas o bara ang mga tubo; tama ang baba ng mga tubo	Water is not distributed in all areas; some of the pipes are dogged; some pipes are not correctly installed or too short Hindi dumadaloy ang tulig sa ibang babagi ng sakaban; may ilang mga tubo na barado; may ilang mga tubo na hindi tama ang pagkakalagay o maiksi	There is no water coming out from the pipes/tubes; There are holes or clogs in majority of the pipes Walang tubig na dumadaloy mula sa mga tubo; may mga butas o bara sa karamihan ng mga tubo
end of t  Meron ka b	he form) ang iba pang obserbasyon sa proyektong p	here the irrigation should be?	After answering, proceed to the tanong na ito, pumunta na sa dulo ng form)
photograph of wl	hat is currently in place. Plac	on system. If the irrigation system the date when the picture wawala doon, kunan ng litrato kung ano ang n	
	::		
Pangalan ng monitor		D :	1:-11:
			complished:
Organisasyon		Petsa ng pa	\$20K01

#### ATTACHMENT F.

Pictures and observations on support services projects

#### Farm-to-Market Roads

## 1. Purok 3 – Macopa Road

Type of road: Cemented pavement (portions), Gravel surface (portions)

Road length: 3.52 kms.
Project cost: PhP 10,080,052

Field monitor's observations: There are portions of the road that are cemented. The

barangay allots funds for the maintenance of the road.

The residents of the barangay ensure roadside

cleanliness.

Date picture was taken: 26 December 2008









## 2. Magtagoktok – Ceboleda Road

Type of road: Gravel surface
Road length: 7.03 kms.
Project cost: PhP 10,719,163

Field monitor's observations: There are portions of the road with potholes. This may

be due to heavy rains that washed away the gravel.

Date picture was taken: 27 December 2008







## 3. Macopa Proper – Sitio Linumbaan Road

Type of road: Gravel surface
Road length: 2.08 kms.
Project cost: PhP 2,343,506

Field monitor's observations: There are portions of the road with potholes. This may

be due to heavy rains that washed away the gravel.

Date picture was taken: 26 December 2008









## **Multi-Purpose Pavements**

### 1. Sitio New Cebu Multi-Purpose Pavement

Size: 400 sq. m. Project cost: PhP 289,000

Field monitor's observations: The pavement is currently used. The actual size of

the pavement conforms to the stipulated size in

the project documents of DAR.

Date picture was taken: 26 December 2008





#### 2. Barubo Multi-Purpose Pavement

Size: 400 sq. m. Project cost: PhP 274,839

Field monitor's observations: No fee is charged for the use of the pavement. The barangay is still

waiting for the result of the tax ordinance regarding user's fee.

Date picture was taken: 27 December 2008



#### 3. Sitio Old Laak 1 Multi-Purpose Pavement

Size: 400 sq. m. Project cost: PhP 289,000

Field monitor's observations: The construction of the pavement was finished

just recently. It was not fully utilized because the farmers just changed the crop they are planting,

from corn to sweet potato ("camote").

Date picture was taken: 27 December 2008



## 4. Sitio Upper San Roque Multi-Purpose Pavement

Size: 400 sq. m. Project cost: PhP 289,000

Field monitor's observations: The use of the pavement was not fully utilized

because the farmers just changed the crop they are planting, from corn to sweet potato ("camote"). There are observed cracks in the middle of the

pavement.

Date picture was taken: 27 December 2008





## 5. Lower Macopa Multi-Purpose Pavement

Size: 400 sq. m. Project cost: PhP 289,000

Field monitor's observations: The location of the pavement is far from the

farmlands. There is a road beside the pavement.

Date picture was taken: 26 December 2008



## 6. Sitio Tabon Multi-Purpose Pavement

Size: 400 sq. m. Project cost: PhP 289,000

Field monitor's observations: There is a road beside the pavement. The base of

the pavement is not fully constructed.

Date picture was taken: 10 January 2009





### 7. Sitio Baugo Multi-Purpose Pavement

Size: 400 sq. m. Project cost: PhP 288,800

Field monitor's observations: The use of the pavement is free of charge if the

user is within the "purok". The actual size of the pavement is less than the stipulated size in the DAR documents. There are cracks in the middle

of the pavement.

Date picture was taken: 27 December 2008





### 8. Sitio Tugpahan Multi-Purpose Pavement

Size: 400 sq. m. Project cost: PhP 289,000

Field monitor's observations: The pavement is also used as a basketball court.

Date picture was taken: 10 January 2009



#### 9. Purok 14 Multi-Purpose Pavement

Size: 400 sq. m. Project cost: PhP 274,839

Field monitor's observations: The pavement is not present in the site. The

residents said that the project was transferred to Purok 13 because they don't have crops to dry under the sun. But they are not sure if the pavement was indeed constructed in Purok 13. Instead of a pavement, a Purok Center was in the

site.

Date picture was taken: 26 December 2008



#### 9. Sitio Old Laak 2 Multi-Purpose Pavement

 Size:
 400 sq. m.

 Project cost:
 PhP 274,839

Field monitor's observations: The pavement is not present in the site. A vacant

land can be found in the site where the pavement

should be constructed.

Date picture was taken: 10 January 2009



## DAR Budget Monitoring (DARBM) Project Overview

The DARBM project is a research and advocacy project spearheaded by the Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDHRRA). This project is supported by the Foundation Open Society Institute (FOSI). The project seeks to establish a mechanism for civil society monitoring of the DAR's budget and its utilization. It generally focused on the accountability component of the budget process. The project developed user-friendly tools and easily replicable procedures for monitoring the actual execution of targets and projects as reflected in the national and provincial budgets of the DAR. By developing such tools and building the capacity of other agrarian reform CSOs to use such tools and procedures, CSOs can collectively develop a comprehensive alternative source of information for agrarian reform implementation in the country which in turn will assist CSOs and policy makers for the effective monitoring and analysis of the DAR budget.



