Post-2008 CARP: extension with critical reforms

For decades, farmers cried out for lands they could call their own. Earlier efforts were implemented but they were limited only to rice and corn farmlands.

The enactment of the Comprehensive Agrarian Reform Law (CARL) or Republic Act 6657 covering more lands was a bold move, not to mention a revolutionary measure then, and until now.

At a glance, the country’s land redistribution program has been successful and even comparable with the land reform programs of other nations, with about 6.8 million hectares of private and public agricultural lands already distributed by the Department of Agrarian Reform (DAR) and the Department of Environment and Natural Resources (DENR) (Table 1).

With such huge amounts of land already distributed, the Comprehensive Agrarian Reform Program or CARP is expected to have similarly made a huge impact on addressing the poverty and equity problems in the country.

Studies, however, have shown otherwise. In reality, the program was not able to target majority of the landless and the poor, and those who benefited were not provided with the appropriate support services. Thus, CARP’s impact on poverty, productivity, or investments in the agriculture sector has been limited.

CARP is approaching its 20th year of implementation. Its land acquisition and distribution program would have been completed by now. That it has now almost reached its termination date and a substantial amount of private agricultural lands remains undistributed has made CARP even more controversial, with the question of whether to approve a bill that would extend...
it to at least another five years or to finally put it to rest, at the center of the debate. Given its shortcomings and the changing rural landscape, the stakeholders now face this big question: should it still be extended?

Many believe that there is still need to extend the CARP but with the necessary institutional reforms in its agrarian justice system, land administration and management, and rural development architecture. Extending it without these reforms would just entail huge costs without the expected benefits on poverty alleviation and productivity, according to discussions at the recently concluded Round Table Discussion (RTD) on the CARP Institutional Assessment in a Post-2008 Transition Scenario held at the Carlos P. Romulo Hall of the NEDA sa Makati Bldg. in Makati City.

In the said RTD, three research studies, namely, Reform for the Agrarian Justice System authored by Atty. Marvic Leonen; Implications for Land Administration and Management (LAM) written by Dr. Marife Ballesteros and Engr. Felino Cortez; and Towards a New Rural Development Architecture by Dr. Fermin Adriano highlighted certain recommendations that are crucial to correct the inconsistencies and conflicts in the program in order for the extension period, if it happens, to truly benefit its intended beneficiaries.

The said research papers were conceived under the initiative of the Rural Development, Natural Resources and Environment Sector of the World Bank and funded through the Food and Agriculture Organization, in collaboration with the PIDS.

**Agrarian justice system**

Numerous laws, statutes, and presidential decrees dating as far back as the Commonwealth time are still in effect today. A number of these are in conflict with the CARL and normally used by landowners in their efforts to delay coverage of their lands in the agrarian reform program, according to Atty. Leonen, Dean of the College of Law, University of the Philippines, and a prominent figure in CARP judicial cases.

In view of this, when conflict arises, the different laws, statutes, and decrees are pitted against one another, prolonging the solution of cases in court. Such conflicts arise when the release of certificates of land ownership award (CLOA) or emancipation patents (EP) would not result to increase of productivity or when a reversion of the original relationship takes place.

The paper enumerated six types of conflict in the agrarian reform sector. Type one concerns disputes between landowners and the farmer beneficiary while type two involves conflicts between the landowner and the State. Type three involves the conflict between the farmer beneficiary and the State, and type four refers to conflicts among farmer beneficiaries themselves.

Conflict disputes between putative landowners that delay or affect the implementation of any part of the agrarian reform program comprise type five while type six conflicts...
cover disputes among participants in the agrarian reform program and third parties. At present, these conflicts are resolved through adjudication; however, the same problems that hamper the judicial process, such as the need for lawyers’ appearances, delays in the presentation of evidences, crowded dockets, and potential for abuse and corruption derail the proceedings.

In his recommendations, Atty. Leonen said that for the type one, type four, types five and six conflicts, arbitration should be pursued because these are all private cases. Types two and three conflicts should be continuously handled by the DAR Adjudicatory Board (DARAB) because they concern issues on coverage, retention limits, and valuation of covered agricultural lands.

Arbitration is an alternative to the dispute resolution process; however, provisions in the CARL disallowed it for agrarian disputes. The author stressed that arbitration offers both conflicting parties to choose neutral arbitrators from a pool of private parties. It imposes that cost must be shouldered by both parties with the state giving subsidies to those who are poor. It also gives arbitrators incentives to hone their skills because their reputation is bolstered with every successful conflict settlement.

The present openness of the Supreme Court for an alternative method of dispute processing as well as the Alternative Dispute Resolution Law of 2004 can present other solutions involving agrarian reform conflicts.

The paper recommends that DARAB and the Bureau of Agrarian Legal Assistance (BALA) be restructured to allow compulsory arbitration. In addition, continued training programs should be provided for adjudicators, arbitrators, agrarian reform lawyers, and paralegals who assist in alternative dispute methods.

It is also crucial to reduce, if not totally eradicate, ambiguity among the provisions of the Agricultural Land Reform Code, Public Land Act, and Property Registration Decree in relation to the CARL, wherein all applicable provisions should be incorporated in the statutes that will extend CARP.

The legislations that would extend CARP need to elucidate under which conditions agricultural lands can be mortgaged. Holding of agricultural land must also be dependent in terms of its possible productivity. Thus, private idle and abandoned lands must be covered by agrarian reform unless they may have other uses but only within a period of one year.

Land administration and management (LAM)

The main functional area of CARP is land acquisition and distribution (LAD). This involves the identification of the extent of CARP coverage; acquisition of private lands by the government; determination of land values or just compensation; and land titling and registration of titles.

Land redistribution from the start, however, has been problematic because of weak land policy and poor land administration in the Philippines. According to Dr. Marife Ballesteros, PIDS Senior Research Fellow, and Engr. Felino Cortez, former Director for Land Title Registration at the Land Registration Authority, landownership data on national and provincial levels are all guess estimates. This is because land information in the country is fragmented and land agencies are not harmonized. Consequently, this has resulted in poorly identified and targeted land reform.
Compounding the problem is the weak effort of the DAR to strengthen its land information base. DAR has failed to develop an effective monitoring system to allow for intervention and regulation. Moreover, DAR allowed land redistribution without completing the transfer of property rights based on the property registration laws of the country. About one-third or 2 million hectares of land distributed under CARP have collective titles. Some titles issued by DAR have not been formally registered due to problems of lost titles or title reconstitutions. Titles have also been issued pending cases or appeal of landowners which can result in the cancellation of CLOAs or EPs should the courts rule in favor of the landowner.

Second-generation problems have thus cropped up due to these practices. The awarding of CLOAs or EPs under the Torrens registration system may have given farmer beneficiaries the permanency of cultivating the land but the CARP action of issuing titles before the completion of documents weakens the indefeasibility of the titles. The tenure securities of the beneficiaries are continuously threatened when conflicts in land redistribution result to protracted court battles.

Aggravating this is the practice of trading the “unperfected” titles in the market. While the law prohibits this action for a period of 10 years after the award is granted, land transfers have been forged through direct sale, waiver of rights of beneficiary, sale via pawning, and simple land abandonment. Thus, informal land market in the rural areas proliferated and landownership has turned to more distorted land ownership information.

The authors then recommend restoring confidence on the Torrens title on agriculture lands through several measures. The DAR should establish a systematic and comprehensive database of CARP accomplishments not only of beneficiaries and land coverage but also information on auxiliary functions such as land conversion and land transfers.

The DAR has to give priority to completing transfer of property rights. There is a need to accelerate the resolution of agrarian cases; undertake parcellization on land covered by collective CLOAs; intensify the collection of land amortization and initiate the redocumentation process on land that has already been redistributed.

The biggest land administration problem that will be faced by CARP is the redocumentation process involving collective CLOAs that were sold illegally by the beneficiaries.

The process would be long and tedious, even requiring judicial processes. One of the proposals to facilitate redocumentation is for the Land Bank to invoke the provisions of Section 26 of RA 6657 that would foreclose all the lands of nonpaying Agrarian Reform Beneficiaries (ARBs). It will then re-identify and redocument the current occupants of the lands covered by CARP. This will be on the basis of a will that shows that the occupants are the ARBs on record, or people who are not the ARBs on records, or were the buyers of the lands.

The approval of the proposed Land Administration Reform Act (LARA) is another solution seen to facilitate the correction of the
EP/CLOAs’ titles. The LARA will make way for the creation of the Land Administration Agency (LAA) to rationalize the fragmented system of LAM in the country. It pictures the formulation of a single office that would be efficient in the survey and mapping of land, first-time titling of alienable and disposable land, registration of land titles and title transfer, and public land management. With this, significant improvement in the titling system will be achieved.

Another solution is the lifting of restrictions on the conveyance of awarded lands that is crucial to facilitate the correction and efficient functioning of land markets. The EP/CLOA titles cannot be perfected unless the law allows its sale and transfer through the market. The lifting of land market and tenancy regulations will also allow for more efficient transfer of resources from less productive farmers to more productive ones. It will also improve access of the poor to land.

In the long run, the DAR phase-out as well as its integration with other land agencies and the Department of Agriculture (DA) is likely to happen. The combined efforts of DAR, DENR, Department of Justice, and the Land Registration Authority are required in post-land distribution. Thus, the proposed LAA will make available the means to bring together the land functions of these different agencies. Hence, DAR’s beneficiary development activities can be integrated with the DA.

New rural development architecture
This paper written by Dr. Adriano, former Vice Chancellor for Planning and Development at the University of the Philippines Los Baños, argues that (a) while agrarian reform incrementally raised productivity among agrarian reform beneficiaries, the gains were not significant enough to extirpate them from poverty and more so, make them globally competitive; (b) while there was improvement in the socioeconomic well-being of most ARBs, they remained poor and poverty situation in the rural areas hardly improved; and (c) despite implementation of agrarian reform for several decades now, communist insurgency persists in the Philippines despite its demise in most countries in the region.

He added that income inequality is still a serious problem in the Philippines, with 48.8 percent poverty level in the rural areas as compared to the 18.6 percent in the urban areas. While the agrarian reform program is anchored on the belief of land to the tillers, the rural scenario has been affected by rapid population growth and greater land scarcity and conversion of lands to nonagricultural purposes.

The rural labor force is now also largely composed of landless agricultural workers comprising 8.5 of the total 11.2 million. As such, agrarian reform does not apply to them primarily because they are not share tenants and are not entitled to own lands.

In the aspect of land acquisition and distribution (LAD), the highest balance can be found among private agricultural lands (PAL). Table 2 summarizes CARP’s accomplishments in LAD where around seven million hectares of public and private lands have already been distributed.

<table>
<thead>
<tr>
<th>Land Type</th>
<th>Scope</th>
<th>Accomp</th>
<th>% Accomp</th>
<th>Balance</th>
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<td>DAR</td>
<td>5.324</td>
<td>3.718 2/</td>
<td>70</td>
<td>9.095</td>
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<tr>
<td>Total (DAR)</td>
<td>5.324</td>
<td>3.718 2/</td>
<td>70</td>
<td>9.095</td>
</tr>
<tr>
<td>DENR</td>
<td>2.502</td>
<td>1.601</td>
<td>64</td>
<td>0.901</td>
</tr>
<tr>
<td>Public A and D lands</td>
<td>2.502</td>
<td>1.601</td>
<td>64</td>
<td>0.901</td>
</tr>
<tr>
<td>ISF/CBFMA lands</td>
<td>1.269</td>
<td>1.336</td>
<td>105</td>
<td>0.067</td>
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<tr>
<td>Total (DENR)</td>
<td>3.771</td>
<td>2.937</td>
<td>78</td>
<td>2.507</td>
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<tr>
<td>Total (CARP)</td>
<td>9.095</td>
<td>6.655</td>
<td>73</td>
<td>2.507</td>
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Source: DAR 2006
1/ Note that PAL is composed of Voluntary Offers to Sell (VOS), Voluntary Land Transfers (VLT), and Compulsory Acquisition. VOS and VLT constitute most of the lands distributed under PAL.
2/ Covers all regions, including ARM.
3/ Straight deduction of accomplishment from the scope.
4/ DENR already completed/exceeded its scope by 66,588 hectares on the issuance of CSC/CBFM agreement in the forestry areas. Total balance refers to the issuance of patents for public A and D lands.
The agrarian justice delivery (AJD), on the other hand, has been impressive since with only 30 lawyers in the DARAB attending to the thousands of cases, they have resolved more than the average 16,500 cases filed to them in the last four years.

The support services afforded to the ARBs, namely farm-to-market roads, irrigation systems, post harvest facilities, and extension services, among others, comprise the program beneficiaries development (PBD). The PBD aims to support higher farm productivity among ARBs after their lands are awarded to them.

Agrarian Reform Communities (ARCs) in turn were formed from clusters of ARBs adjacent to each other to promote economies of scale in terms of service delivery and production. There have been 1,800 ARCs organized by DAR since 1993. However, the paper also noted that only three out of the 10 ARB beneficiaries are provided support services with the remaining seven, left out on their own. This indeed may partly explain the ongoing poverty among farmer beneficiaries.

In light of all these, Dr. Adriano recommends two options. In Scenario/Option 1, CARP would be extended for another 7–10 years. He explained that under this option, there is a need first to shift manpower resources to the DAR units engaged in LAD and AJD and to provinces where land balance remains high.

Second, there should be identification and publication of private agricultural lands (PAL) in high LAD balance provinces. This will be covered by the LAD component in the extension period, and categorized into land size where the distribution priority must be imposed on large-sized PAL lands.

Third, there is a need for the retooling of DAR personnel for them to be more effective in their task of establishing agricultural enterprises out of a partnership between ARBs and agribusiness firms. Fourth, LGUs’ capacity building training in providing support services to ARBs in preparation for the end of the program should be strengthened. Fifth, as accountability must be imposed on both the LGUs and the ARBs, efforts to collect amortization from ARBs must be pursued.

On the other hand, Scenario/Option 2 envisions the closure of the CARP in the next three to five years and requires that an attractive retirement package be offered to DAR personnel. The Agrarian Reform Fund (ARF) may be considered as the funding source for this. This option also includes the forming of a Land Tenure Administration (LTA) that will encompass AJD and LAD cases as well as land-related cases covered by ancestral domain claims and forest lands. The Presidential Agrarian Reform Council (PARC), which acts as the policymaking office of CARP, should be converted into a Joint Commission on Rural Development (JCRD) that will give policy direction and oversight role to agencies related to rural development.

Other recommendations in this option include the renaming of the DA to Department of Agriculture and Rural Development (DARD), reiterating its expanded role in rural development, specifically in supporting small farmers and ARBs as well as the absorption of some DAR personnel to the renamed organization. Funding from the ARF must be created for proposals of LGUs for projects geared to assist ARBs and cover capacity building programs.

To discourage ownership of vast lands, specifically those that are idle or abandoned, there is a need to pass the “Progressive Agricultural Land Tax” for private agricultural lands and “Progressive Rents” for public lands under lease agreements. Lastly, deregulation of land tenure contracts and land markets must be implemented and made a part of the “Progressive Agricultural Land Tax” and “Progressive Rents.”
Valuable reactions

“CARP is a clear constitutional mandate with a sound social perspective. It reduces poverty, stimulates economic growth, and promote social justice,” Apayao Rep. Elias C. Bulos, Jr., Chair of the Committee on Agrarian Reform, said in a written statement read by his staff, Ms. Rita Macabulos.

Further, he clarified that it is not the CARP that will end but the land acquisition and distribution program and its funding support. He added that CARP would only be useful as long as it is extended.

As the Chair of the House Committee on Agrarian Reform, he shared the various house committee hearings and out-of-town consultations the committee conducted. In the said consultations, farmers have consistently aired their support for CARP and clamor for extension with reforms.

For his part, Fr. Francis Lucas, Chairperson of the Asian NGO Coalition for Agrarian Reform and Rural Development, stressed that unfulfilled social reform and constitutional commitment that remain to be undistributed are some of the reasons CARP should be extended. These constitute 1,007 million hectares of DAR targeted lands and another 600,000 hectares from the DENR.

He added that the civil society clamor not just for an extended CARP but a complete CARP, mainly in the implementation of LAD. Fr. Lucas also agreed on the important aspects that needed reforms for CARP as stated in the findings of the three papers that were presented.

However, as opposed to the general findings that CARP has not made the necessary impact on the poverty situation of farmers, he said that there exist successful ARCs and ARBs because of the full implementation of the agrarian reform in the aspects of land tenure improvement (LTI) and PBD.

Moreover, he cited studies that confirm that giving full ownership and control of lands to the farmer beneficiaries encourage them to invest more to attain land productivity. Stressing his point further, he said that increased landless tillers are a natural course of booming rural population, as children of new owner-cultivators with better education opt for nonfarm occupations.

Conclusion

In closing, there may be strength in numbers, specifically when considering the millions of hectares of lands that were already acquisitioned and distributed to farmer beneficiaries. These numbers, however, have failed to completely address inequalities and promote financial gains in the agricultural sector.

An extension with reforms is indeed seen by many as crucial to ensure that prior gains will also be attainable for the others who have yet to receive their lands, because not being able to achieve this will only create new inequalities. But assurances have to be made clear on the specific period of completion for the remaining tasks to be done.

References


When Republic Act 7160, better known as Local Government Code (LGC) of 1991, was enacted, it not only gave the Local Government Units (LGUs) the power to be self-reliant and broaden their power in exercising their duties, it also made the LGUs recipients of the Internal Revenue Allotment (IRA) to fund various programs and projects crucial to the economic and social development of their areas.

The LGC of 1991 mandated that LGUs shall receive a share in the national internal revenue taxes based on the collection from the first fiscal year preceding the current fiscal year. This was accomplished given the following schedule: 30 percent on the first year of the LGCs’ effectivity; 35 percent on the second year; and 40 percent on the third and succeeding years.

However, many years after the IRA was implemented, there still remained questions and inconsistencies on how it is being distributed and the impact it has created in the local setting.

Dr. Rosario Manasan, Senior Research Fellow at the Philippine Institute for Development Studies (PIDS), in her presentation during the recently concluded forum conducted by the PIDS, the National Economic and Development Authority (NEDA) Regional Office 2, and the Philippine Chamber of Commerce and Industry (PCCI) Cagayan Chapter, at the NEDA Conference Hall in Carig Sur, Tuguegarao City, Cagayan Valley.

Dr. Manasan presented the findings of her study *Internal Revenue Allotment Design: Issues and Challenges*, citing that IRA design issues have impeded the correction of the imbalance in the revenue-raising capacities and expenditure needs of the LGUs.

She then enumerated the issues as: “first, a vertical imbalance leading to the inadequacy of the IRA to fund the expenditure functions assigned to them; second, the lack of an equalizing feature in the IRA distribution formula that results in disparities in the fiscal capacities of LGUs, thus widening the geographic disparities in human development outcomes and level of economic development; third, the distinctive effects on local revenue generation; and fourth, the poor predictability in size of the IRA which undermines the ability of LGUs to effectively plan and manage their expenditures.”

The study recommends that the vertical imbalance be primarily addressed through greater tax decentralization or the assignment of more taxes to LGUs so as to improve accountability at the local level. At the same time, this reform should be coupled with a re-design of the IRA toward achieving greater equalization across LGUs.

However, this would entail the amendment of the LGC because it is the only way for the IRA distribution to be redesigned. According to Dr. Manasan, the amendment of the LGC is long overdue and there are moves to gradually amend the LGC giving priority to Book 2 or the fiscal part.

Dr. Manasan, meanwhile, also said that the second-best reform involving matching grant programs may likewise be considered. This will ensure that LGUs acquire the appropriate financing for them to accomplish key basic social services even at the minimum service standard level.
Overdependence of LGUs in the IRA, even if they now have the power to raise local tax revenues, hinders the performance of the LGUs, as raised by Dr. Venancio del Rosario, Secretary of the Sangguniang Panlalawigan ng Cagayan. With that, he shared with fellow participants his campaign of monitoring the programs and projects of the Sangguniang Panlalawigan to ensure that public funds are wisely spent.

Another forum attendee, Ms. Elita Dayag, representative from the Tuguegarao City Council, opined that vesting additional taxing power to LGUs does not automatically make them more responsible, particularly in using their funds.

Dr. Manasan, however, said that experiences in other countries suggest that the granting of more taxing powers to LGUs promote greater accountability. She added that LGUs become more economical in the use of their resources that come from taxes that they themselves raise. In addition, giving LGUs the power to collect more taxes would also make them more accountable to provide better social services to their constituents because the latter tend to demand better services if and when asked later to pay more taxes.

Further discussing the recommendation on matching grant scheme, Dr. Manasan expounded on the importance of a performance-based second-level grant that is different from the IRA. In this scenario, an LGU may be given more funding in exchange for a certain level of performance on service delivery.

In light of this, the status of the Philippine economy affects LGUs performances. Discussing the findings of his paper *Philippine Economy in 2008: Key Issues and Prospects*, PIDS President Dr. Josef Yap enumerated certain factors that would probably lead to an economic slowdown in 2008.

Primarily, these would be the appreciation of the peso against the US dollar as a result of the weakening of the dollar, and the trend of rising profit and falling wages. He also added that the drop in output growth of industrialized countries, more prominently the impending US recession, will also take a toll in the country’s economic performance. Other issues he cited are the low investment rate and the decline of government infrastructure programs.

Ms. Perla Vissoro of the Cagayan Valley Partners in People Development aired her concerns on the heightening poverty conditions of Filipinos in contrast to an increasing Gross Domestic Product (GDP) rate. Dr. Yap said that the lack of investments from Filipino businessmen has been the problem. Investments do create jobs and provide income for the employed workers that could help alleviate their hardships. The private sector as a whole is open to invest but companies are constrained with poor infrastructure and governance problems.

Mr. Archimedes Articulo of the Cagayan State University, in reaction to the proposed framework recommending the shift to nonfarm activities, commented that instead, the government should invest more on agricultural development given that a significant percentage of employment is in agriculture.

Dr. Yap explained that developing the agriculture and nonfarm sectors are not mutually exclusive but feed on each other. He emphasized that the problem with agriculture is low productivity. Thus, there is a need to find a way to employ workers in more productive activities.

More than 66 participants from nongovernment organizations, the Regional Legislative Assembly of Region 2, LGUs, academe, and the media, attended the research dissemination forum, which is a regular networking activity of the Institute in the various regions across the country. Primarily, it aims to provide a forum for PIDS studies to be presented and discussed with stakeholders. Its purpose is to help LGUs and NGOs in their planning, policymaking, and decisionmaking processes. Moreover, it serves as a tool for the continued linkage of PIDS with various government agencies, private entities, and organizations in the country.
Senate-PIDS economic forum tackles agrarian reform

The year 2008 marks the expiration of the Comprehensive Agrarian Reform Program (CARP), particularly its land acquisition and distribution component. This would mean that government’s purchase of private lands to be distributed to tenants and agricultural workers will cease. Justifications of the possible program extension are necessary for this controversial issue.

In view of this, the Senate Economic Planning Office (SEPO), in partnership with the Philippine Institute for Development Studies (PIDS) and the Senate Committee on Agrarian Reform, held a forum titled “Institutional Assessment of CARP in a Post-2008 Transition Scenario” on March 5, 2008 at the Tañada Room of the Philippine Senate.

The discussion on the CARP focused on three major issues: land administration and management (LAM) presented by PIDS Senior Research Fellow Dr. Marife Ballesteros; rural development architecture presented by former Vice Chancellor for Planning and Development at the University of the Philippines Los Baños Dr. Fermin Adriano; and agrarian justice presented by Atty. Marvic Leonen, Dean of the University of the Philippines College of Law (see related banner article-Ed.).

Dr. Marife Ballesteros, PIDS Senior Research Fellow, pointed out the critical role of effective land administration and management in the successful implementation of land reform in the country, emphasizing that land administration issues continue to challenge CARP due to problems on land titling, land valuation, and illegal conveyance of lands awarded under the program.

Dr. Adriano, on the other hand, stressed the need to explore possible institutional arrangements among the Department of Agrarian Reform (DAR), Department of Agriculture (DA), and the Department of Environment and Natural Resources (DENR) that will provide better coordination with local government units and effective delivery of support services to small farmers.

In terms of agrarian justice concerns, Atty. Leonen highlighted the need for compulsory arbitration as the principal mode to settle disputes among three out of six types of conflicts in the agrarian sector rather than the traditional process of adjudication.

Based on the discussions on the three major CARP issues, should the program be extended? The proposed program extension still depends on the approval of the Congress. What matters is not just the content of the program but the actual execution that would essentially and equally benefit all the agrarian groups, particularly the land tenants and small farmers. APQ
PIDS Senior Research Fellow, Dr. Gilbert Llanto, continues his summon for a reformed build-operate-transfer (BOT) Law.

In a joint Congressional Planning and Budget Department (CPBD) and PIDS seminar on improving BOT governance held at the Minority Conference Room of the House of Representatives (HOR) on March 14, Dr. Llanto emphasized that governance on the review and approval of infrastructure projects should be immensely improved. He said that as early as the initial stage of a BOT process, project quality is put at stake because government agencies bear problems such as lack of technical capacity, insufficient legal and financial expertise, and lack of project development funds.

These drawbacks, according to Dr. Llanto, are manifested by the following results: lack of projects for competitive bidding, creation of a window for unsolicited proposals, and multiplicity of unsolicited bids backed by strong private proponents.

It is emphasized that competitive bidding is the rule of law; however, in reality, this is hardly followed. Along this line, Dr. Llanto cited BOT projects that have failed or have become controversial; mostly those developed under less transparent terms or have been awarded to incompetent bidders.

He likewise stressed the importance of implementing the traditional process of approving BOT projects wherein oversight agencies headed by the NEDA-ICC are responsible for project review and approval, while line agencies are responsible for identifying and preparing project proposals.

He further explained that conflict-of-interest situations and breeding grounds for corruption are created when line agencies are the ones identifying, selecting, and approving projects, as what has been recently proposed. He strongly suggested that competitive bidding procedures should remain as the central tenet of government procurement policy so that the government—the public—will actually get value for its money.

Lastly, Dr. Llanto called on policymakers who believe that unsolicited proposals should be retained, saying that detailed project proposals should be reviewed and approved only under a competitive process. Unsolicited proposals should be rejected because they are breeding grounds for nontransparent negotiations. APQ
A genuine land reform program is one way to help the government in its efforts to alleviate poverty. To make the CARP work, however, critical reforms in its enabling law, backed by a strong political will so that it can truly benefit its intended beneficiaries, should accompany the program, if and when an extension of the program takes place.

Whatever the decision is—either an extension or termination—we should all be one in saying that on a broader perspective, there is a need to win the battle against poverty.