

TWENTIETH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez and
Representative Maximo B. Rodriguez, Jr.*

House Bill No. 5360

EXPLANATORY NOTE

In 1988, the Philippine government launched an agrarian reform program under Republic Act No. 6657 or the Comprehensive Agrarian Reform Law of 1988. 27 years after, it seems that the goals set out by RA 6657 have yet to be fully met and a significant majority of Filipino farmers have yet to own the land that they have been tilling. Philippine Center for Investigative Journalism (PCIJ) reports that one in every three farmers is very deep in poverty.

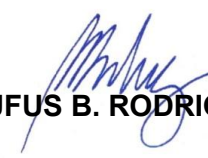
Similar to the Federal Land Development Authority (FELDA) of Malaysia, the Philippines can establish our own Land Development Authority (LDA) aimed at the development of land and relocation with the objective of poverty eradication through the cultivation of various cash crops. The LDA can carry out projects of land development and agricultural activities, industrial and commercial social economy. It will handle the resettlement of rural poor into newly developed areas and to organize smallholder farms growing cash crops.

In the case of Malaysia, settlers were drawn from rural Malay poor aged between 21 and 50 years, married, and physically fit. Priority was given to those who did not own any land to farm. New settlers were assigned to a particular settlement, and were given 10 acres - 14 acres of land to cultivate and all settlers were required to reside at the settlement itself, and were allotted .25 acres in a planned village, where their home — already built— was located. The Malaysian government set up a 3-phase plan, where in the first phase, the co-operative remained as a mechanism for the settlers to learn how to farm. In the second phase, each settler was given a specific plot of land to work, and in the third phase, he was given the land title to that plot. However, the settler was forbidden from selling the land without permission from the federal government.

Over a period of time, the standard of living and economic status of the settlers have been raised above poverty levels and now reaches an average of RM3,000/year per household. With this elevated socio-economic status, settlers are now trained to run their schemes to ensure economic sustainability and continued success.

The Philippines can enact a similar measure or program which will help alleviate poverty and increase the standard of living and economic status of our rural poor.

In view of the foregoing, immediate approval of this measure is earnestly requested.


RUFUS B. RODRIGUEZ


MAXIMO B. RODRIGUEZ, JR.

HOUSE OF REPRESENTATIVES

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House Bill No. 5360

AN ACT

**ESTABLISHING A LAND DEVELOPMENT AUTHORITY, APPROPRIATING FUNDS
THEREFORE AND FOR OTHER PURPOSES**

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. There is hereby created a Land Development Authority (LDA) tasked to develop land with the objective of poverty eradication through the cultivation of various cash crops.

SEC 2. Duties of the Land Development Authority – The LDA shall have the following duties:

- (a) to undertake and carry out land development projects;
- (b) to promote and assist in the investigation, formulation and implementation of projects for development, settlement and management of land;
- (c) to promote, stimulate, facilitate and undertake economic, social, residential, agricultural, industrial and commercial development and management and other ancillary activities and services in any area for which the LDA has been vested with the power to carry out land development projects or any other area which has been acquired, purchased, leased by or alienated to or is otherwise held or enjoyed by the LDA;
- (d) to undertake and carry out such activities as may assist in the modernization of the agricultural sector in the area mentioned under paragraph (c) and in particular activities relating to the production, utilization, processing and marketing of crops, livestock and fresh water fisheries; and
- (e) to assist, guide, advise, manage, administer and coordinate economic, social, residential, agricultural, industrial and commercial activities whether within or outside the area mentioned under paragraph (c).

SEC 3. Powers of the LDA – The LDA shall have the power to carry out activities which are not contrary to law and the Constitution, necessary for the discharge of its duties under subsection SEC 2, including but not limited to:

- (a) to carry on all activities which are required, advantageous or convenient for or in connection with the discharge of its said duties including the provision of infrastructure and social amenities and other ancillary services;
- (b) with the approval of the President, to enter into a partnership, joint venture, undertaking, co-operation in any manner, an arrangement for the sharing of profits or to carry on such activities in association or otherwise, with any person, public authority, corporation, company or other body carrying on or engaging in any such activities and to take or otherwise acquire shares and securities of any such public authority, corporation, company or other body, and to sell, hold on, reissue with or without guarantee, such shares and securities or otherwise dispose of or deal with them;
- (c) to make loans, subject to such conditions as the LDA may think fit, in accordance with this Act;
- (d) to do anything and to enter into any transaction which in its opinion is calculated to facilitate the proper discharge of its functions or is incidental or conducive thereto.

SEC 4. The Land Development Fund – There is hereby established a Land Development Fund where all advances, whether by way of grant, loan or otherwise, made under this Act, shall be made out and shall be administered and controlled by the LDA. Authority into which shall be paid—

SEC 5. The Land Development Fund shall be used to pay out:

- (a) such capital sums as may be provided from time to time for the purposes of the LDA;
- (b) such capital sums as may be allocated from time to time to the LDA;
- (c) sums borrowed by the LDA for the purpose of meeting any of its obligations or discharging any of its duties;
- (d) any property, investments, mortgages, charges or debentures acquired by or vested in the LDA; and
- (e) all other capital assets which may in any manner become payable to or vested in the LDA in respect of any matter incidental to its powers and duties;

SEC 6. Duty to Conserve Fund - It shall be the duty of the LDA to conserve the Fund by so exercising and performing its functions and duties under this Act as to secure that the total revenues of the LDA are sufficient to meet all sums properly chargeable thereto.

SEC 7. Investment of Funds — The funds of the LDA which are not needed to meet the current obligations may be invested under such terms and conditions and rules and regulations as may be prescribed by the LDA: Provided, That investments shall satisfy the requirements of liquidity, safety/security and yield in order to ensure the actuarial solvency of the funds of the LDA: Provided, further, That the LDA shall submit an annual report on all investments made to both Houses of Congress of the Philippines, to wit:

- a) in interest-bearing bonds or securities or other evidence of indebtedness of the Government of the Philippines;
- b) In interest-bearing deposits or securities in any domestic bank doing business in the Philippines: Provided, That in the case of such deposits, these shall not exceed at any time the unimpaired capital and surplus or total private deposits of the depository bank, whichever is smaller: Provided, further, That said bank has prior designation as a depository for the purpose by the Monetary Board of the Central Monetary Authority;
- c) in direct housing loans to members and group housing projects secured by first mortgage, giving priority to the low income groups and in short-and-medium-term loans to members such as salary, policy, educational, emergency, stock purchase plan and other similar loans: Provided, That no less than forty percent (40%) of the investable fund of the LDA shall be invested for these purposes;
- d) in bonds, securities, promissory notes or other evidence of indebtedness of educational or medical institutions to finance the construction, improvement and maintenance of schools and hospitals;
- e) in real estate property including shares of stocks involving real estate property and investments secured by first mortgages on real estate or other collaterals acceptable to the LDA: Provided, That such investments shall, in the determination of the LDA, redound to the benefit of the LDA;
- f) In debt instruments and other securities traded in the secondary markets;
- g) In loans to, or in bonds, debentures, promissory notes or other evidence of indebtedness of any solvent corporation created or existing under the laws of the Philippines;
- h) In common and preferred stocks of any solvent corporation or financial institution created or existing under the laws of the Philippines listed in the stock exchange with proven track record or profitability over the last three (3) years and payment of dividends at least once over the same period;
- i) In domestic mutual funds including investments related to the operations of mutual funds; and

- j) In foreign mutual funds and in foreign currency deposits or foreign currency-denominated debts, non-speculative equities and other financial instruments or other assets issued in accordance with existing laws of the countries where such financial instruments are issued: Provided, That these instruments or assets are listed in bourses of the respective countries where these instruments or assets are issued: Provided, further, That the issuing company has proven track record of profitability over the last three (3) years and payment of dividends at least once over the same period.

SEC 8. The LDA may from the fund and its other resources:

- (a) pay any expenses lawfully incurred by the LDA, including survey, legal and other fees and costs, and the remuneration of agents, technical advisers, officers or servants appointed or employed by the Authority, including travelling expenses, subsistence allowances and contributions to any provident fund established by the LDA under this Act;
- (b) pay any other expenses, costs or expenditure properly incurred or accepted by the LDA in the execution of its duty or in the discharge of its functions under this Act;
- (c) purchase or hire plant, equipment, machinery, stores and any other materials and pay the cost of the acquisition of any land and the erection of any buildings and the carrying out of any works and undertakings in the execution of its duty or in the discharge of its functions under this Act;
- (d) repay any moneys borrowed under this Act and the interest due thereon or set apart any sum required to be transferred to a sinking fund for the purpose of making provision for the repayment of such moneys and the interest thereon.

SEC 9. The LDA shall keep or shall cause to be kept proper accounts and other records in respect of its operations and shall cause to be prepared statements of account in respect of each financial year.

The accounts of the LDA shall be audited annually by the Commission on Audit.

After the end of each financial year, as soon as the accounts of the LDA shall have been audited, the LDA shall cause copies of the statements of account to be transmitted to the President of the Republic of the Philippines and both Houses of Congress.

SEC 10. The LDA shall be composed of a Chairman and 4 members who shall be appointed by the President and who shall continue to hold office at the discretion of the appointing authority. The Chairman shall be vested with rank, rights, privileges, disqualifications, and prohibitions of a cabinet member while the members shall have be vested with rank, rights, privileges, disqualifications, and prohibitions of an Undersecretary.

SEC 11. The Chairman and the members shall be assisted by a general manager, an assistant general manager for finance and administration, an assistant general manager for planning and assistant general manager for operations, all of whom shall be appointed by the President with the consent and concurrence of the majority of the LDA, subject to civil service laws, rules and regulations. They will enjoy security of tenure and may be removed for cause in accordance with law.

SEC 12. Powers and Functions of the Chairman – The Chairman shall:

- (a) Appoint, subject to civil service laws, rules and regulations, all subordinate officers and employees, who shall enjoy security of tenure and may be removed only for cause in accordance with law. The chairman is hereby authorized to engage the services of experts/consultants either on full time or part-time basis, as may be required in the performance of his functions and duties as may be determined by him;
- (b) Execute the policies and measures approved by the LDA and be responsible for the efficient and effective day-to-day management of the operations of the LDA;
- (c) Prepare the annual budget for the operations of the LDA;
- (d) Submit for consideration of the President of the Philippines such other duties and measures as he may deemed necessary to carry out the purposes and provisions of this Act;

- (e) Subject to the guidelines and policies set by the Civil Service Commission and the Department of Budget and Management, fix the staffing pattern and the number of subordinate officials and employees of the LDA and exercise the power to discipline subordinate officials and employees under the provisions of law;
- (f) Prepare an annual report on the accomplishments of the LDA at the close of each calendar year for submission to the President of the Philippines and both Houses of Congress; and
- (g) Perform such other duties as may be assigned to him by the President.

SEC 13. Implementing Rules and Regulations (IRR). – The Office of the President, in coordination with other concerned government agencies, shall promulgate rules and regulations to implement the intent and provisions of this Act within one hundred twenty (120) days from the effectivity of this Act. Such rules and regulations shall take effect fifteen (15) days following its publication in a newspaper of general circulation in the Philippines.

SEC 14. Separability Clause. – The provisions of this Act are hereby declared to be separable and, in the event any of such provisions is declared unconstitutional, the other provisions which are not affected thereby, shall remain in force and effect.

SEC 15. Repealing Clause. – All laws, executive orders, presidential decrees, proclamations, rules, regulations, issuances and enactments of parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SEC 16. Effectivity. – This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in a newspaper of general circulation, whichever is earlier.

Approved,