

Title: Confederation of Coconut Farmers Organizations of the Philippines, Inc. (CCFOP) vs. President Benigno Simeon C. Aquino III, et al., G.R. No. 212553 (2017)

Facts:

- Origins of Coconut Levy Funds (1971-1972):** In 1971, Republic Act No. 6260 established a coconut levy fund to support the coconut industry by charging a levy on coconut sales. The Philippine Coconut Authority (PCA) and other associated organizations managed these funds. The funds were subsequently determined, via presidential decrees, to be privately held by coconut farmers.
- Series of Presidential Decrees (1972-1978):** Post-martial law in the Philippines saw the promulgation of Presidential Decrees such as P.D. Nos. 276, 582, 755, 961, and 1468, concerning the use and administration of these funds. The decrees aimed to improve the coconut industry but controversially characterized the funds as private, fostering the disposition of levy funds into various projects and assets.
- Supreme Court Decisions (2012):** The Supreme Court's decisions in *COCOFED v. Republic and Pambansang Koalisyon ng mga Samahang Magsasaka at Manggagawa sa Niyugan v. Executive Secretary* declared these funds as public funds, not private, reversing earlier decrees and securing the funds for public purposes.
- Executive Orders by President Aquino (2015):** New Executive Orders (E.O. Nos. 179 and 180) aimed to inventory, privatize, and utilize the proceeds from coconut levy assets. The Confederation of Coconut Farmers Organizations of the Philippines, Inc. (CCFOP) petitioned to prevent the implementation of these EOs, arguing they were unconstitutional.
- Procedural History:** Petitioner CCFOP filed for prohibition under Rule 65 with the Supreme Court to challenge the EOs, resulting in a Temporary Restraining Order issued by the Court. The respondents, represented by the Solicitor General, countered, questioning procedural propriety and the standing of the petitioner while defending the legitimacy of the EOs.

Issues:

- Constitutionality of the Executive Orders:** Did President Aquino's issuance of E.O. Nos. 179 and 180 without prior legislative authority violate Section 29 of Article VI of the Constitution?

2. **Authority of the PCA:** Did the executive orders infringe upon the exclusive powers and the mandate of the PCA as contained in prior laws and PDs?
3. **Judicial Authority in Executing Final Decisions:** Did the President usurp judicial authority in executing the final judgments pertaining to the coconut levy funds without an appropriate writ of execution from the Sandiganbayan?
4. **Legislative Power and Appropriation:** Whether the Executive Orders went beyond the legislative parameters regarding the disposition of public funds.

Court's Decision:

1. **On Legal Standing:** The Supreme Court upheld the standing of the CCFOP to bring the case, recognizing petitioner organizations representing coconut farmers properly questioned the issue since they were directly impacted by the coconut levies.
2. **Nature of the Coconut Levy Funds:** The Court recognized that the funds were of public character as previously declared in COCOFED and Republic decisions. It categorically stated that the levy funds are public special funds raised through taxation for the benefit of the coconut industry and its farmers, thus resolving assertions of them being private.
3. **Constitutionality of the Executive Orders (E.O. Nos. 179 and 180):** The Court found that the inventory, transfer, or disposition, including the utilization of the funds, were consistent with the legislative parameters previously established. However, the lack of clear legislative guidelines particularly in Sections 6, 7, 8, and 9 of E.O. No. 180, led the Court to declare these provisions as exceeding presidential authority, highlighting the necessity of specific laws for disbursement.
4. **Judicial Authority Concerns:** The Court found no evidence of usurpation of judicial power by the President. With the finality of COCOFED, the funds being public, the government is authorized to take actions to preserve and utilize such assets without needing a writ of execution.

Doctrine:

1. **Public Character of Coconut Levy Funds:** Coconut levy funds, despite being subjected to special levies and earmarked for the coconut industry, are public funds and should be treated as special accounts within the General Fund as prescribed by law and are subject to

appropriate legislative control.

2. **Legitimate Use Per Statutory and Constitutional Provisions:** The disposition and utilization of these public funds must strictly adhere to the specific purposes legislated by statutes, and the executive branch must not overreach beyond the authority provided by existing laws.

Class Notes:

1. **Public vs. Private Funds:** Definitions hinge on the collection through state power and intended public purposes.

2. **Article VI, Section 29, Philippine Constitution:** Money collected through taxes must be used exclusively for their intended special purposes, and any residue transferred to the general funds.

3. **Legislative Parameters in Fund Utilization:** The legality of executive orders related to fund utilization depends on adherence to explicit legislative guidelines, avoiding over-extension of executive power.

4. **Supreme Court Authority on Final Judgments:** Courts maintain authority regarding execution of final judgments, but executive actions within legal bounds to enforce such decisions do not per se require judicial processes like writs.

Historical Background:

- **Martial Law Era Legislation:** During the martial law era, several decrees were aimed at agricultural development, with heavy state intervention and control.

- **Subsequent Legal Controversies:** Years of legal battles surrounding the management and ownership of coconut levy funds, allegations of misuse by cronies, and continuous assertions of public vs. private nature of these funds.

- **Supreme Court Rulings (2012):** Provided landmark decisions affirming the public nature of coconut levy funds, nullifying laws implying otherwise.

- **Executive Branch Actions (2015):** Continued efforts to manage and repurpose funds for the benefit of coconut farmers were challenged for constitutional validity, culminating in partial affirmation but necessity for specific legislative authorization.