GUIDELINES ON THE DEVELOPMENT OF AGRO-TOURISM AREAS IN ACCORDANCE WITH THE TOURISM MASTER PLAN

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I
Introduction

In order to facilitate and expedite the development of agro-tourism facilities in the country, in accordance with the government's Tourism Master Plan, and to enhance the role and participation of the Agrarian Reform Beneficiaries (ARBs) in such a scheme, the following guidelines are hereby promulgated.

II
Legal Basis

Section 27 of RA 6657 provides: "Lands acquired by beneficiaries under this Act may not be sold, transferred or conveyed except through hereditary succession, to the government, or the Land Bank of the Philippines (LBP), or to other qualified beneficiaries for a period of ten (10) years xxx"

This section prohibits the transfer of title of the awarded property within a period of ten (10) years; however, the DAR, may, in meritorious cases, allow the lease or joint venture arrangement of such property in order to fulfill the general objective of agrarian reform in terms of uplifting the quality of life of the ARBs.

III
Policy Directives

A. The objectives and goals of agro-tourism and agrarian reform shall be deemed complementary and in support of one another, provided the guidelines and safeguards under this Order are adhered to.

B. ARBs who have title over the property under the Comprehensive Agrarian Reform Program (CARP), and whose lands earmarked for agro-tourism development, may adopt the following schemes:

- Direct lease to the investor/developer under RA 6752;

- Lease to a responsible government entity, who in turn may sublease the property to the investor/developer;

- Lease back to the former landowner, who in turn will develop the area for tourism purposes; or

- Joint venture agreement whereby ARB's lease rights shall be exchanged for shares of stocks, provided the ARB's shall organize into a farmers cooperative.

C. The above-mentioned schemes shall be allowed only on the following conditions:

- The area has been identified by government as priority development area under the Medium-Term Philippine Development Plan, or certified by the Department of Tourism (DOT) as a priority area for tourism development.

- The dominant use of the area shall be maintained as agricultural, such that the area to be developed for tourism purposes shall be less than 50% of the total area subject to agrarian reform.

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Strict compliance of the provisions of Administrative Order No. 20, Series of 1992, issued by President Fidel V. Ramos, pertinent to the non-negotiability of irrigated or irrigable lands shall be required.

- The agricultural area of the project shall be continuously maintained by the ARBs who shall supply the tourism project with agricultural products.

- The ARBs or their direct descendants shall be given preference in employment in the tourism project.

- All improvements related to tourism shall accrue to the ARBs or their association at the expiry of the lease period.

- Profit sharing and other benefits may be negotiated by DAR in behalf of the ARBs, depending on the exigencies of the situation.

- The lease agreement shall specify the time frame for development of the subject property but not exceed five (5) years reckoned from the date of approval of lease or joint venture agreement.

- The agreements shall contain provisions for the violations of the agreements, including cancellation, penalties/sanctions and the like within the ten-year period pursuant to Section 27 of R.A. No. 6657.

D. In the event that the project meets all the conditions herein stated, the DAR shall consider the project as supportive of the aims and objectives of CARP. The lease or joint venture agreement may be executed within the ten-year period provided in Section 27 of RA 6657, and no conversion order would be required considering that the dominant use of the project is still agricultural.

IV
Operating Procedures

A. The project documents and the pertinent lease or joint venture agreements shall be submitted by the DOT to the DAR Regional Director who shall be principally in charge of the review of the project to conform with the spirit and objectives of this Order.

B. The Regional Director, in consultation with field personnel, shall then propose his recommendations to the Secretary who shall approve or disapprove the same.

C. All lease/sublease or joint venture agreements shall have the conformity of DAR Secretary.

V
Monitoring

The Undersecretary for Field Operations and Support Services shall monitor and evaluate the operations of the project through the DAR Regional Office and submit a quarterly report to the Secretary.

VI
Effectivity

This Administrative Order shall take effect ten (10) days after its publication in two (2) national newspaper of general circulation pursuant to Section 49 of R.A. 6657. All orders, circulars, rules and regulations inconsistent herewith are hereby revoked, amended, or modified as the case may be.

Adopted: 23 Mar. 1994

(SGD.) ERNESTO D. GARILAO
Secretary

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