

As it is, annual reports and continuing disclosure requirements do not specify the individual loans extended by the financial institutions, and further inquiry is stopped by the data privacy and bank secrecy laws. The BSP took its own major step toward meeting the SDGs by issuing Circular 1085 series of 2020 in April 2020 that establishes the Sustainable Finance Framework. This is in recognition of the fact that climate change and other environmental and social risks could pose financial stability concerns because of their implications on banks' operations and financial interest.

The BSP said that it recognizes “the critical role” of the financial industry in pursuing sustainable growth “by enabling environmentally and socially responsible business decisions.”

The framework as spelled out currently does not make direct mention of rampant land conversion as a key business risk, but financial institutions could be made aware of the dire implications on food security, the consequences of which are already being seen through rising costs of basic commodities.

Reforms in the Agri-Agra Law

The BSP, along with the Departments of Agriculture and Agrarian Reform recently approved amendments to the implementing rules and regulations of the Agri-Agra Reform Credit Act, which they say will mean improved access to financing for the agriculture, fisheries, and agrarian reform sectors. “The amendments to the Agri-Agra rules are the product of the concerted efforts of the DA, DAR, and the BSP to mobilize bank sector financing towards the agrarian reform, fisheries and agricultural sector by addressing challenges identified in the operationalization of the law,” BSP Governor Benjamin Diokno said in a 19 March 2021 statement.

The amendments include expanding the eligible modes for compliance with the 10-percent agrarian reform credit requirement by including loans to members of agrarian reform households and financing of activities that generally benefit agrarian reform beneficiaries, their households, as well as their communities.

Recommendations

Based from the demands of the affected farmers and inputs provided by CSOs and farmer organizations during an online focus group discussion organized by ANGOC, the following recommendations are thus forwarded:

In relation to the Bulacan cases

- The farmers of Brgy. Sta. Barbara of Baliuag, Bulacan who have valiantly continued to press their claim over the land where they had raised their families recommend, among others, that legal services for farmers be strengthened, either from professional or alternative law groups. They related that farmers are usually up against powerful and deep-pocketed landowners and thus will need strong support from the legal profession. Unfortunately, such services are beyond the reach of most farmers, prompting many to just give up their claim and accept any compromise agreement. With the assurance that quality services will be in place, then the farmers will be in a better and stronger position to pursue their rightful claim over their land.
- It is also recommended that civil society support groups and legal support groups conduct a dialogue with the Department of Agrarian Reform (DAR) Regional and Provincial Offices to discuss the Sta. Barbara case and explore actions for the halting of illegal conversion activities on the subject landholding through:

- ⇒ Issuance by the DAR of a Cease-and-Desist order or other orders/resolutions.
- ⇒ Filing of illegal conversion and other cases against the owners/claimants.

- It is also recommended that farmers as well as local civil society organizations in Bulacan be organized to present a united front against those pushing for illegal conversion of prime agricultural property in the province.
- The cases discussed above may also be disseminated by civil society through traditional and social media to generate greater public awareness and support.

In relation to actions sought from the national government

- Legislative measures
 - ⇒ An enabling law should be passed to prohibit the conversion of ricelands (whether irrigated, irrigable, or rainfed) into residential, commercial, and industrial developments.
 - ⇒ Congress should also immediately pass the National Land Use Bill, with the clear provision that irrigated, irrigable, and rainfed prime agricultural lands be protected in perpetuity to ensure food security. What constitutes prime agricultural land should be harmonized across the various versions of the NLUA.
- Executive/Program Implementation
 - ⇒ DA, DAR, in coordination with other land agencies, are urged to produce and disseminate a comprehensive inventory of lands devoted to rice production, that may be disaggregated (by *barangay*, municipality/city, province, and region), is regularly updated, and that is easily available to the public, for the government to determine and be transparent about the total area still planted and harvested with rice per riceland classification (i.e., irrigated, irrigable, rainfed).
 - ⇒ Similarly, the DAR, NIA, and other agencies involved in land conversion must also provide updated data on land conversion, where they are and who are the companies or landowners involved.
 - ⇒ The DAR must strictly carry out and implement Sec. 22 of RA 9700 that provides that failure to implement the conversion plan within five years from approval will mean that the land will be automatically covered by CARP.
 - ⇒ In instances when the land covered by the conversion order is found to be irrigated and irrigable, land that has not yet been redeveloped can be reclaimed through the CARP, and the land may be distributed to rice farmers who are more than willing to cultivate and make the land productive.
 - ⇒ DAR is urged to repeal the administrative orders (AOs 1 and 6 of 2019) that seek to hasten the conversion process.
 - ⇒ DAR and the DOJ are also implored to convene a meeting to discuss the proposed Joint Administrative Order on the cooperation in the implementation of the agrarian reform program.
- Local government units
 - ⇒ LGUs from the *barangay* up, are requested to be more transparent on the proposals to convert agricultural lands into industrial and commercial uses. Proposals must be publicly announced. Legal conversion” can easily happen if the public is not even aware that the land is already up for conversion.

- ⇒ LGUs are also urged to strictly implement Section 20 of Local Government Code which sets limits on LGU's authority to reclassify lands. LGUs' implementation of this, on the other hand, should be monitored by the Department of Human Settlements and Urban Development.
- For the Securities and Exchange Commission and the Bangko Sentral ng Pilipinas
 - ⇒ In light of Memo Circular 4 of 2019, the Securities and Exchange Commission must monitor the required submission of sustainability reports by the publicly listed companies, including the banks and other financial institutions, whose funds may end up with companies leading land conversion efforts.
 - ⇒ In line with its recently issued Sustainability Framework, the BSP is urged to require banks and other financial institutions under its purview to strictly adhere to due diligence requirements and submit sustainability reports. Measures should be taken to inspect banks' dealings with companies involved in rights violations against communities.
 - ⇒ The BSP is also recommended to promote stricter implementation of the Agri-Agra Law and to recommend reforms to financial policies that may facilitate better credit support for farmers. Implementing more farmer-responsive loan programs will also be in line with BSP's Sustainability Framework and will allow banks to be more competitive.
 - ⇒ Both agencies must also expressly recognize that unsustainable land conversion and erosion of food security that do present key business risks for banks and financial institutions.

In relation to actions that civil society organizations should pursue

- Civil society must engage the DAR Central Office in discussions on policy reforms related to access to legal services and speedy disposition of agrarian related cases. The issuance of joint orders between DAR and DOJ may be explored further to facilitate the filing of and resolution of cases related to agrarian disputes.
- Support groups should also organize a high-level inter-agency dialogue on land conversion between civil society, the National Anti-Poverty Commission, the DAR, and other land agencies involved in the conversion process.
- It is the civil society's role to also conduct campaigns and information dissemination workshops with the private sector and other business-regulating agencies. Networks of businesses must continually be engaged in discussions and made partners in implementing actions related to sustainable development as well a business and human rights. After all, triple bottom-line (social, environmental, financial) sustainability also ensures more stable profit.
- CSOs must also engage the banking sector (both public and private entities) to further explore how banking decisions may affect the rights of small farmers and other marginalized groups, and to make these actors more circumspect and aware of land rights when extending loans to large infrastructure of property development projects. The banking sector must also be engaged to jointly work on how financial policies may be more cohesive, and to discuss how adhering to sustainability guidelines by SEC and BSP may lead to less regulatory risk for banks.
- Finally, a strategy meeting among civil society and other advocates should be organized to discuss lobbying strategies for pertinent bills, particularly those related to agrarian reform and preventing land conversion.