



Executive Summary

The Department of Agrarian Reform (DAR), now called Department of Land Reform, was created by virtue of Republic Act 6389 signed into law on September 10, 1971. It is the lead implementing agency of the government's Comprehensive Agrarian Reform Program (CARP). It undertakes land tenure improvement, development of beneficiaries, land surveys in resettlement areas, land acquisition and distribution and delivery of support services to farmer beneficiaries.

Ten dimensions were assessed under the Integrity Development Review Project namely, Leadership, Code of Conduct, Gifts and Benefits Policy, Human Resource Management, Financial Management, Performance Management, Whistleblowing, Internal Reporting and Investigation, Corruption Risk Management, and Interface with the External Environment. The assessment provided a thorough diagnosis of corruption vulnerability and resistance, availability of control mechanisms and the effectiveness of existing systems.

Agency strengths include compliance to minimum standards of laws pertinent to corruption prevention except for Gifts and Benefits and Whistleblowing and Internal Reporting, which are both fairly new concepts being integrated into government systems. The agency has a fairly high rating for Human Resources Management as it has achieved level of enforcement of policies required in this dimension. For Performance Management and Financial Management, adaptation and deployment of relevant approaches were achieved.

Among the many good practices in the agency include setting of organizational values, directions and performance expectations; utilizing a Manual of Operations as guide for standard operating procedures; adaptation of RA 6713; monitoring of SALN submissions; conduct of corruption prevention trainings; recruitment, placement and promotion of personnel follow the DAR and CSC guidelines. On Performance Management, good practices include accomplishment of targets, specifically of Regions 3 and 6. In Procurement, maintenance of database of prices and suppliers of frequently procured items, records of BAC decisions and minutes of meetings and presence of Citizens Graft in BAC proceedings in Region 6. The Agency is implementing austerity measures to improve its financial systems. Region 3 attained zero unliquidated cash advances for CY 2004 to 2006. IAS has been operating since 1993 to prevent and detect corruption. Reg. 11 has a service manual with flowcharts and processing time of transactions. Dialogues and consultations with external stakeholders are conducted regularly.

Based on the Integrity Development Review conducted in the first half of 2007, the agency weaknesses and areas for improvement are restated herein as specific recommendations to minimize corruption vulnerability and improve corruption resistance in the agency, as follows:

- Take proactive stance in corruption prevention;
- Identify high risk functions and enjoin employees to help improve these functions;
- Make anti-corruption champions out of senior leaders ;
- Formulate a corruption prevention policies that will cover a customized Code of Conduct, post-employment guidelines, policy on gifts and bribes, sanctions for poor performance, use of organizational and individual performance results to improve corruption prevention efforts, guidelines for whistleblowing and internal reporting;
- Conduct lifestyle check;
- Adoption of quality managements systems such as ISO 9000;
- Strict implementation of the Procurement Law;
- Setting up of listening posts, processing feedback and responding to them



- Circulation of information materials on corruption prevention
- Conduct of trainings on the Code of Conduct (or Agency Code of Conduct) and other related policies
- Communication of systems and processes to develop employee vigilance against corruption
- Professionalization of the BAC, TWG and Procurement Units
- Training of relevant personnel in reporting, handling and investigating corruption
- Provision of appropriate trainings to BAC, DARAB, RCLUPPI Secretariat and others to improve performance
- Conduct of capacity-building interventions for Execom and Mancom members in the area of corruption detection and prevention.
- Continuous improvement of systems and processes
- Update job descriptions based on actual job performance
- Strict enforcement of budgeting and accounting policies and guidelines
- Use of findings on financial reports in coming up with a corruption resistance system integrated in the financial process
- Provision of full audit trail for major financial transactions
- Use of financial statements and audit findings to assist and enhance decision making
- Ensure that invited observers attend BAC proceedings
- Require disclosure of potential conflict of interest from BAC members and relevant personnel
- Strict monitoring of supplier and contractor performance against obligations
- Consistent review, evaluation and update of database of prices to reflect current /best market prices
- Procurement of materials and supplies from DBM-PS and incorporate electronic procurement into the agency's procurement system
- Ensure that existing rules, regulations and systems for Voluntary Offer to Sell, Land Use Conversion and Agrarian Reform Adjudication are strictly followed
- Establishment of an independent DARAB as proposed in the NARAC Bill.
- Installation of a Resident Ombudsman who can provide assistance to IAS and other units in the agency in translating the IDR recommendations into action plans.

The Department of Agrarian Reform is faced with major challenges, first of which is the imminent folding of agency operations in July 2008 and second is the presidential directive to relocate the central offices to Davao since mid 2007. CARP is still one of the most significant programs of the government. It deserves life and attention beyond 2008 until genuine land reform is achieved. With the strong clamor for the extension of DAR operations beyond 2008, and even stronger lobbying for reforms in the department, formulation of a comprehensive Integrity Development Plan is both timely and relevant. Furthermore, a resolute leadership bent on improving agency performance and corruption resistance will be one of the most important requirements for DAR beyond 2008.