

SECOND DIVISION

[G.R. No. 131457, April 24, 1998]

**HON. CARLOS O. FORTICH, PROVINCIAL GOVERNOR OF
BUKIDNON, HON. REY B. BAULA, MUNICIPAL MAYOR OF
SUMILAO, BUKIDNON, NQSR MANAGEMENT AND DEVELOPMENT
CORPORATION, PETITIONERS, VS. HON. RENATO C. CORONA,
DEPUTY EXECUTIVE SECRETARY, HON. ERNESTO D. GARILAO,
SECRETARY OF THE DEPARTMENT OF AGRARIAN REFORM,
RESPONDENTS.**

D E C I S I O N

MARTINEZ, J.:

The dramatic and well-publicized hunger strike staged by some alleged farmer-beneficiaries in front of the Department of Agrarian Reform compound in Quezon City on October 9, 1997 commanded nationwide attention that even church leaders and some presidential candidates tried to intervene for the strikers' "cause."

The strikers protested the March 29, 1996 Decision^[1] of the Office of the President (OP), issued through then Executive Secretary Ruben D. Torres in OP Case No. 96-C-6424, which approved the conversion of a one hundred forty-four (144)-hectare land from agricultural to agro-industrial/institutional area. This led the Office of the President, through then Deputy Executive Secretary Renato C. Corona, to issue the so-called "Win-Win" Resolution^[2] on November 7, 1997, substantially **modifying** its earlier Decision **after it had already become final and executory**. The said Resolution modified the approval of the land conversion to agro-industrial area only to the extent of forty-four (44) hectares, and ordered the remaining one hundred (100) hectares to be distributed to qualified farmer-beneficiaries.

But, did the "Win-Win" Resolution culminate in victory for all the contending parties?

The above-named petitioners cried foul. They have come to this Court urging us to annul and set aside the "Win-Win" Resolution and to enjoin respondent Secretary Ernesto D. Garilao of the Department of Agrarian Reform from implementing the said Resolution.

Thus, the crucial issue to be resolved in this case is: What is the legal effect of the "Win-Win" Resolution issued by the Office of the President on its earlier Decision involving the same subject matter, which had already become final and executory?

The antecedent facts of this controversy, as culled from the pleadings, may be stated as follows:

1. This case involves a 144-hectare land located at San Vicente, Sumilao, Bukidnon, owned by the Norberto Quisumbing, Sr. Management and Development Corporation

(NQSRMDC), one of the petitioners. The property is covered by a Transfer Certificate of Title No. 14371^[3] of the Registry of Deeds of the Province of Bukidnon.

2. In 1984, the land was leased as a pineapple plantation to the Philippine Packing Corporation, now Del Monte Philippines, Inc. (DMPI), a multinational corporation, for a period of ten (10) years under the Crop Producer and Grower's Agreement duly annotated in the certificate of title. The lease expired in April, 1994.

3. In October, 1991, during the existence of the lease, the Department of Agrarian Reform (DAR) placed the entire 144-hectare property under compulsory acquisition and assessed the land value at ₱2.38 million.^[4]

4. NQSRMDC resisted the DAR's action. In February, 1992, it sought and was granted by the DAR Adjudication Board (DARAB), through its Provincial Agrarian Reform Adjudicator (PARAD) in DARAB Case No. X-576, a writ of prohibition with preliminary injunction which ordered the DAR Region X Director, the Provincial Agrarian Reform Officer (PARO) of Bukidnon, the Municipal Agrarian Reform Office (MARO) of Sumilao, Bukidnon, the Land Bank of the Philippines (Land Bank), and their authorized representatives "to desist from pursuing any activity or activities" concerning the subject land "until further orders."^[5]

5. Despite the DARAB order of March 31, 1992, the DAR Regional Director issued a memorandum, dated May 21, 1992, directing the Land Bank to open a trust account for ₱2.38 million in the name of NQSRMDC and to conduct summary proceedings to determine the just compensation of the subject property. NQSRMDC objected to these moves and filed on June 9, 1992 an Omnibus Motion to enforce the DARAB order of March 31, 1992 and to nullify the summary proceedings undertaken by the DAR Regional Director and Land Bank on the valuation of the subject property.

6. The DARAB, on October 22, 1992, acted favorably on the Omnibus Motion by (a) ordering the DAR Regional Director and Land Bank "to seriously comply with the terms of the order dated March 31, 1992;" (b) nullifying the DAR Regional Director's memorandum, dated May 21, 1992, and the summary proceedings conducted pursuant thereto; and (c) directing the Land Bank "to return the claim folder of Petitioner NQSRMDC's subject property to the DAR until further orders."^[6]

7. The Land Bank complied with the DARAB order and cancelled the trust account it opened in the name of petitioner NQSRMDC.^[7]

8. In the meantime, the Provincial Development Council (PDC) of Bukidnon, headed by Governor Carlos O. Fortich, passed Resolution No. 6,^[8] dated January 7, 1993, designating certain areas along Bukidnon-Sayre Highway as part of the Bukidnon Agro-Industrial Zones where the subject property is situated.

9. What happened thereafter is well-narrated in the OP (TORRES) Decision of March 29, 1996, pertinent portions of which we quote:

"Pursuant to Section 20 of R.A. No. 7160, otherwise known as the Local Government Code, the Sangguniang Bayan of Sumilao, Bukidnon, on March 4, 1993, enacted Ordinance No. 24 converting or re-classifying 144 hectares of land in Bgy. San Vicente, said Municipality, from agricultural to industrial/institutional with a view of providing an opportunity to attract investors who can inject new economic vitality, provide more jobs and raise the income of its people.

“Parenthetically, under said section, 4th to 5th class municipalities may authorize the classification of five percent (5%) of their agricultural land area and provide for the manner of their utilization or disposition.

“On 12 October 1993, the Bukidnon Provincial Land Use Committee approved the said Ordinance. Accordingly, on 11 December 1993, the instant application for conversion was filed by Mr. Gaudencio Beduya in behalf of NQSRMDC/BAIDA (Bukidnon Agro-Industrial Development Association).

“Expressing support for the proposed project, the Bukidnon Provincial Board, on the basis of a Joint Committee Report submitted by its Committee on Laws, Committee on Agrarian Reform and Socio-Economic Committee approved, on 1 February 1994, the said Ordinance now docketed as Resolution No. 94-95. The said industrial area, as conceived by NQSRMDC (project proponent) is supposed to have the following components:

“1. The Development Academy of Mindanao which constitutes the following: Institute for Continuing Higher Education; Institute for Livelihood Science (Vocational and Technical School); Institute for Agribusiness Research; Museum, Library, Cultural Center, and Mindanao Sports Development Complex which covers an area of 24 hectares;

“2. Bukidnon Agro-Industrial Park which consists of corn processing for corn oil, corn starch, various corn products; rice processing for wine, rice-based snacks, exportable rice; cassava processing for starch, alcohol and food delicacies; processing plants, fruits and fruit products such as juices; processing plants for vegetables processed and prepared for market; cold storage and ice plant; cannery system; commercial stores; public market; and abattoir needing about 67 hectares;

“3. Forest development which includes open spaces and parks for recreation, horse-back riding, memorial and mini-zoo estimated to cover 33 hectares; and

“4. Support facilities which comprise the construction of a 360-room hotel, restaurants, dormitories and a housing project covering an area of 20 hectares.

“The said NQSRMDC Proposal was, per Certification dated January 4, 1995, adopted by the Department of Trade and Industry, Bukidnon Provincial Office, as one of its flagship projects. The same was likewise favorably recommended by the Provincial Development Council of Bukidnon; the municipal, provincial and regional office of the DAR; the Regional Office (Region X) of the DENR (which issued an Environmental Compliance Certificate on June 5, 1995); the Executive Director, signing ‘By Authority of PAUL G. DOMINGUEZ,’ Office of the President – Mindanao; the Secretary of DILG; and Undersecretary of DECS Wilfredo D. Clemente.

“In the same vein, the National Irrigation Administration, Provincial Irrigation Office, Bagontaas Valencia, Bukidnon, thru Mr. Julius S. Maquiling, Chief, Provincial Irrigation Office, interposed NO OBJECTION to the proposed conversion ‘as long as the development cost of the irrigation systems thereat which is ₱2,377.00 per hectare be replenished by the developer x x x.’ Also, the Kisolon-San Vicente Irrigators Multi Purpose Cooperative, San Vicente, Sumilao, Bukidnon, interposed no objection to the proposed conversion of the land in question ‘as it will provide more economic benefits to the community in terms of outside investments that will come and employment opportunities that will be generated by the projects to be put up x x x.’

“On the same score, it is represented that during the public consultation held at the Kisolan Elementary School on 18 March 1995 with Director Jose Macalindong of DAR Central Office and DECS Undersecretary Clemente, the people of the affected barangay rallied behind their respective officials in endorsing the project.

“Notwithstanding the foregoing favorable recommendation, however, on November 14, 1994, the DAR, thru Secretary Garilao, invoking its powers to approve conversion of lands under Section 65 of R.A. No. 6657, issued an Order denying the instant application for the conversion of the subject land from agricultural to agro-industrial and, instead, placed the same under the compulsory coverage of CARP and directed the distribution thereof to all qualified beneficiaries on the following grounds:

- “1. The area is considered as a prime agricultural land with irrigation facility;
- “2. The land has long been covered by a Notice of Compulsory Acquisition (NCA);
- “3. The existing policy on withdrawal or lifting on areas covered by NCA is not applicable;
- “4. There is no clear and tangible compensation package arrangements for the beneficiaries;
- “5. The procedures on how the area was identified and reclassified for agro-industrial project has no reference to Memo Circular No. 54, Series of 1993, E.O. No. 72, Series of 1993, and E.O. No. 124, Series of 1993.

“A Motion for Reconsideration of the aforesaid Order was filed on January 9, 1995 by applicant but the same was denied (in an Order dated June 7, 1995).”^[9]

10. Thus, the DAR Secretary ordered the DAR Regional Director “to proceed with the compulsory acquisition and distribution of the property.”^[10]

11. Governor Carlos O. Fortich of Bukidnon appealed^[11] the order of denial to the Office of the President and prayed for the conversion/reclassification of the subject land as the same would be more beneficial to the people of Bukidnon.

12. To prevent the enforcement of the DAR Secretary’s order, NQSRMDC, on June 29, 1995, filed with the Court of Appeals a petition for certiorari, prohibition with preliminary injunction,^[12] docketed as CA-G.R. SP No. 37614.

13. Meanwhile, on July 25, 1995, the Honorable Paul G. Dominguez, then Presidential Assistant for Mindanao, after conducting an evaluation of the proposed project, sent a memorandum^[13] to the President favorably endorsing the project with a recommendation that the DAR Secretary reconsider his decision in denying the application of the province for the conversion of the land.

14. Also, in a memorandum^[14] to the President dated August 23, 1995, the Honorable Rafael Alunan III, then Secretary of the Department of the Interior and Local Government (DILG), recommended the conversion of the subject land to industrial/institutional use with a request that the President “hold the implementation of the DAR order to distribute the land in question.”

15. On October 23, 1995, the Court of Appeals, in CA-G.R. SP No. 37614, issued a Resolution^[15] ordering the parties to observe status quo pending resolution of the petition. At the hearing held in said case on October 5, 1995, the DAR, through the

Solicitor General, manifested before the said court that the DAR was merely “in the processing stage of the applications of farmers-claimants” and has agreed to respect status quo pending the resolution of the petition.^[16]

16. In resolving the appeal, the Office of the President, through then Executive Secretary Ruben D. Torres, issued a Decision in OP Case No. 96-C-6424, dated March 29, 1996, reversing the DAR Secretary’s decision, the pertinent portions of which read:

“After a careful evaluation of the petition vis-à-vis the grounds upon which the denial thereof by Secretary Garilao was based, we find that the instant application for conversion by the Municipality of Sumilao, Bukidnon is impressed with merit. To be sure, converting the land in question from agricultural to agro-industrial would open great opportunities for employment and bring about real development in the area towards a sustained economic growth of the municipality. On the other hand, distributing the land to would-be beneficiaries (who are not even tenants, as there are none) does not guarantee such benefits.

“Nevertheless, on the issue that the land is considered a prime agricultural land with irrigation facility it maybe appropriate to mention that, as claimed by petitioner, while it is true that there is, indeed, an irrigation facility in the area, the same merely passes thru the property (as a right of way) to provide water to the ricelands located on the lower portion thereof. The land itself, subject of the instant petition, is not irrigated as the same was, for several years, planted with pineapple by the Philippine Packing Corporation.

“On the issue that the land has long been covered by a Notice of Compulsory Acquisition (NCA) and that the existing policy on withdrawal or lifting on areas covered by NCA is not applicable, suffice it to state that the said NCA was declared null and void by the Department of Agrarian Reform Adjudication Board (DARAB) as early as March 1, 1992. Deciding in favor of NQSRMDC, the DARAB correctly pointed out that under Section 8 of R.A. No. 6657, the subject property could not validly be the subject of compulsory acquisition until after the expiration of the lease contract with Del Monte Philippines, a Multi-National Company, or until April 1994, and ordered the DAR Regional Office and the Land Bank of the Philippines, both in Butuan City, to `desist from pursuing any activity or activities covering petitioner’s land.

“On this score, we take special notice of the fact that the Quisumbing family has already contributed substantially to the land reform program of the government, as follows: 300 hectares of rice land in Nueva Ecija in the 70’s and another 400 hectares in the nearby Municipality of Impasugong, Bukidnon, ten (10) years ago, for which they have not received ‘just compensation’ up to this time.

“Neither can the assertion that ‘there is no clear and tangible compensation package arrangements for the beneficiaries’ hold water as, in the first place, there are no beneficiaries to speak about, for the land is not tenanted as already stated.

“Nor can procedural lapses in the manner of identifying/reclassifying the subject property for agro-industrial purposes be allowed to defeat the very purpose of the law granting autonomy to local government units in the management of their local affairs. Stated more simply, the language of Section 20 of R.A. No. 7160, supra, is clear and affords no room for any other interpretation. By unequivocal legal mandate, it grants local government units autonomy in their local affairs including