

THIRD DIVISION

[G.R. No. 183279, January 25, 2010]

**LAND BANK OF THE PHILIPPINES, PETITIONER, VS.
DEPARTMENT OF AGRARIAN REFORM ADJUDICATION BOARD
AND HEIRS OF VICENTE ADAZA, HEIRS OF ROMEO ADAZA, AND
HEIRS OF CESAR ADAZA, REPRESENTED BY RUSSEL ADAZA,
RESPONDENTS.**

D E C I S I O N

VELASCO JR., J.:

The Case

Appealed under Rule 45 are the Decision^[1] and Resolution^[2] of the Court of Appeals (CA) dated December 14, 2007 and June 3, 2008, respectively, in CA-G.R. SP No. 00984, affirming the orders of the Department of Agrarian Reform Adjudication Board (DARAB) that granted private respondents' motion to withdraw amended valuation.

The Facts

Private respondents, namely, the heirs of Vicente, Romeo, and Cesar, all surnamed Adaza, represented by Russel Adaza (Adazas, collectively), were owners of a tract of land with an area of 359 hectares, more or less, situated in Patagan, Manukan, Zamboanga del Norte and covered by Transfer Certificate of Title No. T-42963. Of the total, the Department of Agrarian Reform (DAR) identified a 278.4092-hectare portion as suitable for compulsory acquisition under the comprehensive agrarian reform program (CARP) pursuant to the Comprehensive Agrarian Reform Law of 1988 or Republic Act No. (RA) 6657, otherwise known as the CARP Law. In August 1991, the DAR sent out a notice of coverage. The claim folder profile was then endorsed to petitioner Land Bank of the Philippines (LBP) to determine the value of the land.

The LBP assigned the covered 278.4092-hectare area an aggregate value of PhP 786,654.46. The DAR, in turn, offered the same amount to the Adazas as just compensation for their landholding, but the latter considered the valuation for their developed property unreasonably low and rejected the offer. This prompted DAR to order the LBP to deposit the amount aforesaid to the account of the Adazas, who then secured the release of that amount without prejudice to their right to a final determination of just compensation. The DAR then subdivided the property into smaller lots and, in December 1992, distributed them to identified beneficiaries.

Pursuant to the pertinent provision of the then governing 2003 DARAB Rules of Procedure in relation to Section 16(d) of RA 6657 in case of contested valuation, the Provincial Agrarian Reform Adjudicator (PARAD) of Zamboanga del Norte conducted

a summary administrative hearing to determine just compensation. In the course of the hearing and on its preliminary estimation that the computation was unconscionably low, the PARAD, by Order of December 22, 2003,^[3] asked the LBP to undertake another landsite inspection and recomputation of the value of the subject landholding in accordance with the latest formulae on land valuation. The LBP later submitted its compliance report,^[4] in which it came out with a new revalued figure and prayed that the PARAD adopt the recomputed value in the amount of PhP 3,426,153.80 as just compensation for the Adazas' CARP-covered property. On May 23, 2005, the PARAD issued another Order^[5] disposing as follows:

WHEREFORE, x x x order is hereby issued affirming the recomputed valuation of the covered landholding in the sum of P3,426,153.80 to be in accordance with the latest applicable administrative order and guidelines, without prejudice to the right of the [Adazas] to appeal, or go to the Special Agrarian Court whenever proper.^[6]

The Adazas found the reevaluated amount level still too low, prompting them to appeal to the DARAB, docketed as DARAB Case No. 13719LV. Pending resolution of their appeal, the Adazas interposed a **Motion to Withdraw Amended Valuation**^[7] on August 9, 2005, seeking the release to them of the amount representing the difference between the initial valuation and the second valuation. The Adazas alleged having long been dispossessed of the subject property, while the farmer-beneficiaries installed on it are enjoying full possession of it.

In its Comment^[8] dated October 6, 2005, the LBP disputed the Adazas' right to lay claim on the recomputed valuation, and, at the same time, questioned the legality of their right before the DARAB. Thus, pending finality of the resolution setting just compensation, the LBP added, no execution shall lie insofar as the incremental value is concerned.

By Order^[9] dated January 2, 2006, the DARAB granted the motion to withdraw amended valuation, with a directive to its Secretariat to issue the necessary writ of execution, on the strength of the ensuing ratiocination:

Execution pending appeal is allowed when superior circumstances demanding urgency outweigh the damages that may result from the issuance of the writ. [The Adazas] were already deprived of the beneficial ownership of the subject landholding effective December 1992. x x x

To the mind of this Board, the long years of waiting by the [Adazas] for the final determination of just compensation of the subject landholding outweighs the damages that may result from the issuance of the writ of execution pending appeal.

Staying the execution of the 23 May 2005 Decision of the Adjudicator a quo who affirmed the valuation made by the LBP, would bring more injustice to [the Adazas]. x x x

Besides, Section ^[1]6 of RA 6657 does not make a distinction as to initial valuation or amended valuation made by the LBP. Any valuation made by the LBP on CARP-covered land is made pursuant to Executive Order No. 405, Series of 1990.

LBP then moved for reconsideration, but the DARAB, per its Order^[10] of March 14, 2006, denied the motion and reiterated its earlier directive on the issuance of a writ of execution.

Therefrom, the LBP went to the CA on certiorari under Rule 65.

Ruling of the Appellate Court

By Decision dated December 14, 2007, as effectively reiterated in a Resolution of June 3, 2008, the CA found the allegations on grave abuse of discretion on the part of the DARAB to be baseless and accordingly denied the LBP's petition for certiorari, disposing:

WHEREFORE, the petition is **DENIED**. The assailed Orders of the DARAB dated January 2, 2006 and March 14, 2006 are hereby **AFFIRMED *in toto***.

Hence, this petition for review, on the following legal issue:

WHETHER OR NOT THE [DARAB] CAN ORDER THE RELEASE TO THE LANDOWNERS, BY WAY OF EXECUTION PENDING APPEAL, OF THE INCREMENTAL DIFFERENCE OF A LANDBANK RECOMPUTATION UPHELD IN A DECISION OF THE DAR ADJUDICATOR A QUO WITHIN THE PURVIEW OF SECTION 16, ET SEQ. OF THE CARP LAW (R.A. 6657) AND ITS IMPLEMENTING RULES.

In the main, it is the LBP's posture that the DARAB cannot validly order the release of the incremental difference (amended valuation amount of PhP 3,426,153.80 - original valuation amount of PhP 786,564.46 = incremental amount or difference) by way of execution pending appeal inasmuch as the amended valuation has yet to be approved by DAR. Without such approval, so LBP's argument goes, there is really no amended valuation within the ambit of Sec. 16 of the CARP Law, which contemplates of a DAR-LBP valuation. In the absence, thus, of a duly DAR-approved valuation, there is no subject for execution.^[11] And at any event, LBP also argues that it has no statutory duty to release any amount resulting from any subsequent reevaluation based on an order which is not yet final and executory.^[12]

Our Ruling

The petition is without merit.

Three points need to be emphasized at the outset. *First*, the amount of PhP

3,426,153.80 the Adazas want to be released pending appeal, or pending final determination of just compensation, to be precise, was arrived at by LBP, its re-evaluation efforts taken pursuant to Executive Order No. 405,^[13] Series of 1990, Sec. 1 of which reads:

SECTION 1. The [LBP] shall be primarily responsible for the determination of the land valuation and compensation for all private lands suitable for agriculture under the Voluntary Offer to Sell (VOS) or Compulsory Acquisition (CA) arrangement as governed by [RA] 6657. The [DAR] shall make use of the determination of the land valuation and compensation by the [LBP] in the performance of functions.

After effecting the transfer of titles from the landowner to the Republic of the Philippines, the [LBP] shall inform the DAR of such fact in order that the latter may proceed with the distribution of the lands to the qualified agrarian reform beneficiaries x x x.

Second, the LBP, no less, had asked the PARAD to adopt LBP's recomputed value of PhP 3,426,153.80 as just compensation for the subject property.

And *third*, the Adazas' landholding had already been distributed before full payment of just compensation could be effected. In fact, the Adazas have been deprived of the beneficial use and ownership of their landholding since 1992 and have received only PhP 786,564.46 for their 278.40-hectare CARP-covered lands.^[14]

In light of the foregoing considerations, it is but just and proper to allow, with becoming dispatch, withdrawal of the revised compensation amount, albeit protested. The concept of just compensation contemplates of just and timely payment; it embraces not only the correct determination of the amount to be paid to the landowner, but also the payment of the land within a reasonable time from its taking.^[15] Without prompt payment, compensation cannot, as *Land Bank of the Philippines v. Court of Appeals*^[16] instructs, be considered "just," for the owner is made to suffer the consequence of being immediately deprived of his land while being made to wait for years before actually receiving the amount necessary to cope with his loss.

The LBP's argument that by allowing withdrawal of the incremental amount, the government may be placed at a losing end, citing the possibility that the recomputed amount may be more than the just compensable value of the 278.40 hectares taken, is specious.

For one, as an exercise of police power to complement eminent domain, the forced taking of private property under the CARP puts the landowners, and not the government, in a situation where the odds are already stacked against them. One thing going for the landowners, though, is that they cannot, as a matter of law, be compelled to accept the LBP's valuation of their expropriated land and/or accept DAR's offer by way of compensation.

And for another, the stated risk which the DAR or the government will allegedly be exposed to if immediate withdrawal of the rejected compensation is allowed is at the