

THIRD DIVISION

[G.R. NO. 149095, July 24, 2007]

**SONNY B. MANUEL, PETITIONER, VS. DEPARTMENT OF
AGRARIAN REFORM ADJUDICATION BOARD (DARAB) AND
PEDRO TEJADA, RESPONDENTS.**

D E C I S I O N

AUSTRIA-MARTINEZ, J.:

By way of Petition for Review on *Certiorari* under Rule 45 of the Rules of Court, Sonny B. Manuel (petitioner) assails the May 31, 2000 Decision^[1] of the Court of Appeals (CA) in CA-G.R. SP No. 55059, affirming the June 29, 1998 Decision^[2] of the Department of Agrarian Reform Adjudication Board (DARAB); and CA Resolution^[3] dated July 9, 2001, denying his Motion for Reconsideration.

The facts are of record.

The estate of Juan C. Cojuangco at Bakal 1, Talavera, Nueva Ecija (Cojuangco estate) was placed under Operation Land Transfer pursuant to Presidential Decree (P.D.) No. 27.^[4] A portion thereof was awarded to Pedro Tejada (Tejada) on December 10, 1987 as shown by Emancipation Patent (EP) No. 22205,^[5] with Serial No. 116447, issued in his name. EP No. 22205 was registered with the Register of Deeds, Province of Nueva Ecija, on March 24, 1988.^[6]

On May 28, 1996, petitioner filed with the Provincial Agrarian Reform Adjudication Board (PARAB), Nueva Ecija, a Petition^[7] praying that the Municipal Agrarian Reform Officer (MARO) of Talavera, Nueva Ecija and the Register of Deeds of Nueva Ecija be directed to cancel EP No. 22205 issued in the name of Tejada and to generate and register a new emancipation patent in his name. In support of his application for issuance of emancipation patent, petitioner attached the following documents:

1. A duly notarized December 15, 1987 "Affidavit of Voluntary Surrender (*Sinumpaang Salaysay*)"^[8] executed by Tejada and witnessed by his wife and children, stating that, on account of his having found gainful employment elsewhere, he is surrendering the subject property earlier awarded to him;
2. *Samahang Nayon* (SN) Resolution No. 12, series of 1987,^[9] certifying that petitioner is a qualified member and recommending to Department of Agrarian Reform (DAR) that the latter be designated beneficiary of the subject property in lieu of Tejada;

3. A "*Sinumpaang Salaysay ng Pagtanggap*"^[10] executed by petitioner, accepting the duties and obligations of an agrarian reform beneficiary;
4. A Certification dated March 8, 1996 issued by the Land Bank of the Philippines stating that "x x x Pedro Tejada paid by Sonny Manuel/Maximo Aroso x x x has on various dates x x x tendered the total value of P29,522.45 in full payment x x x equivalent to not less than two annual amortizations together with interest of six per centum per annum xxx";^[11] and
5. An undated Report and Recommendation of MARO Jovencio Lacamento, which partly reads:

Per investigation survey the information gathered Sonny Manuel had been in cultivation and possession of the subject landholding since 1987 up to present. Since then, Sonny Manuel has been paying all obligations involving the subject landholding i.e., amortization payment; land tax amortization; irrigation fee and other obligations.

x x x x

INVESTIGATION FINDINGS/ACTION TAKEN: (INDICATE NAME AND QUALIFICATIONS OF ALLOCATEE RECOMMENDED BY MARO. SPECIFY REASONS FOR ACTION TAKEN AND RECOMMENDATIONS) x x x

Qualified FB - Sonny Manuel

Reasons: 1. actual tiller 2. religiously paying obligations involving the subject landholding 3. member of a cooperative 4. presently occupying the subject property^[12]

Tejada opposed the petition, claiming that he merely mortgaged the subject property to petitioner for a loan of P50,000.00^[13] but did not execute the "Affidavit of Voluntary Surrender (*Sinumpaang Salaysay*)" or participate in the proceedings of the SN leading to the issuance of Resolution No. 12.

PARAB rendered a Decision on November 11, 1996, the dispositive portion of which reads:

WHEREFORE, in view of the foregoing considerations, judgment is hereby rendered as follows:

1. Ordering the Municipal Agrarian Reform Officer (MARO) of Talavera, Nueva Ecija and/or the Provincial Agrarian Reform Officer (PARO) of DAR North, Nueva Ecija to cancel TCT EP No. 22205 issued to respondent Pedro Tejada and generate a new Emancipation Patent in the name of petitioner Sonny Manuel; and
2. Ordering the Register of Deeds of Nueva Ecija to cancel TCT EP No. 22205 issued in the name of respondent Pedro Tejada and register the new Emancipation Patent thus generated by the DAR in the

name of Sonny Manuel.

SO ORDERED.^[14]

On appeal by Tejada, the DARAB issued on June 29, 1998 a Decision affirming the cancellation of EP No. 22205 but, at the same, denying petitioner's application for emancipation patent, thus:

However, the Board notes that Petitioner is a government engineer working somewhere else. How can he give meaning to the Philosophy behind the issuance of Presidential Decree No. 27 which is to award lands to the actual tiller or to a qualified farmer who will cultivate the land himself?

WHEREFORE, premises considered, the decision appealed from dated November 11, 1996 is affirmed in the sense that Emancipation [sic] No. 22205 previously awarded to Respondent-Appellant should be cancelled but disqualifying Petitioner-Appellee as the new allocatee of subject landholding. The Provincial Agrarian Reform Officer of the Province of Nueva Ecija, through the Samahang Nayon concerned (if one exists) shall award the subject landholding to a qualified farmer beneficiary.

SO ORDERED.^[15]

The DARAB also denied petitioner's Motion for Reconsideration in its September 2, 1999 Resolution.^[16]

Petitioner filed a Petition for Review^[17] with the CA but to no avail for, in the May 31, 2000 Decision assailed herein, the CA affirmed in toto the DARAB Decision, adding that petitioner's employment as a Municipal Engineer and his having established residence in a municipality different from where the subject property is located constitute abandonment.^[18] Petitioner's Motion for Reconsideration was also denied in CA Resolution dated July 9, 2001.

The cancellation of EP No. 22205 is already final for Tejada did not appeal from the CA decision.

In the present recourse, petitioner impugns the ruling of the CA on this sole question of law: Whether, incidental to the exercise of its original jurisdiction to resolve an application for emancipation patent, the DARAB may inquire into and reverse the finding of DAR on the status of the applicant as an agrarian reform beneficiary.

We grant the petition.

Section 50 of Republic Act (R.A.) No. 6657,^[19] reiterating Section 17,^[20] Chapter IV of Executive Order (E.O.) No. 229,^[21] vested in DAR both quasi-judicial authority to adjudicate agrarian reform issues and administrative prerogative to determine matters involving implementation of agrarian laws, viz.:

Section 50. Quasi-Judicial Powers of the DAR. - The DAR is hereby vested with primary jurisdiction to determine and adjudicate

agrarian reform matters and shall have **exclusive original jurisdiction over all matters involving the implementation of agrarian reform**, except those falling under the exclusive jurisdiction of the Department of Agriculture (DA) and the Department of Environment and Natural Resources (DENR).

x x x x (Emphasis ours)

Previously, however, E.O. No. 129-A^[22] created the DARAB and authorized it to exercise said quasi-judicial powers,^[23] to wit:

Section 13. *Agrarian Reform Adjudication Board* - There is hereby created an Agrarian Reform Adjudication Board under the Office of the Secretary. The Board shall be composed of the Secretary as Chairman, two (2) Undersecretaries as may be designated by the Secretary, the Assistant Secretary for Legal Affairs and (3) others to be appointed by the President, upon the recommendation of the Secretary, as members. A Secretariat shall be constituted to support the Board. **The Board shall assume the powers and functions with respect to the adjudication of agrarian reform cases under Executive Order No. 229 and this Executive Order.** These powers and functions may be delegated to the regional offices of the Department in accordance with rules and regulations to be promulgated by the Board. (Emphasis ours)

while it geared DAR primarily toward implementation of agrarian laws, thus:

Section 5. *Powers and Functions*. Pursuant to the mandate of the Department, and in order to ensure the successful implementation of the Comprehensive Agrarian Reform Program, the Department is hereby authorized to: x x x b) Implement all agrarian laws, and for this purpose, punish for contempt and issue *subpoena*, *subpoena duces tecum*, writs of execution of its decisions, and other legal processes to ensure successful and expeditious program implementation; the decisions of the Department may in proper cases, be appealed to the Regional Trial Courts but shall be immediately executory notwithstanding such appeal; x x x e) **Acquire, administer, distribute, and develop agricultural lands for agrarian reform purposes;** x x x.

Inherent in the power of DAR to undertake land distribution for agrarian reform purposes is its authority to identify qualified agrarian reform beneficiaries.^[24] Corollary to it is also the authority of DAR to select a substitute to a previously designated beneficiary who may have surrendered or abandoned his claim, and to reallocate the land awarded to the latter in favor of the former. For this purpose, DAR is governed by the requirements and procedure set forth in DAR Memorandum Circular (MC) No. 4,^[25] series of 1983, in relation to Ministry of Agrarian Reform Circular No. 8-80, specifically: 1) that the waiver/surrender be made in favor of the government such as through the SN;^[26] 2) that the SN recommend other qualified beneficiaries;^[27] and 3) that, based on an investigation or hearing, an order or decision be rendered declaring the disqualification and removal of the abandoning/surrendering beneficiary.^[28] Under paragraph V of MC No. 4, such selection/reallocation order issued by DAR becomes final and executory upon the lapse of 30 days from receipt thereof by the beneficiaries and/or parties-in-interest.

In *Department of Agrarian Reform v. Department of Education, Culture and Sports*,^[29] we held that the administrative prerogative of DAR to identify and select agrarian reform beneficiaries holds sway upon the courts:

In the case at bar, the BARC certified that herein farmers were potential CARP beneficiaries of the subject properties. Further, on November 23, 1994, the Secretary of Agrarian Reform through the Municipal Agrarian Reform Office (MARO) issued a Notice of Coverage placing the subject properties under CARP. ***Since the identification and selection of CARP beneficiaries are matters involving strictly the administrative implementation of the CARP, it behooves the courts to exercise great caution in substituting its own determination of the issue, unless there is grave abuse of discretion committed by the administrative agency.*** (Emphasis ours)^[30]

It should also be equally binding on the DARAB for the simple reason that the latter has no appellate jurisdiction over the former:^[31] the DARAB cannot review much less reverse the administrative findings of DAR.^[32] Instead, the DARAB would do well to defer to DAR expertise when it comes to the identification and selection of beneficiaries,^[33] as it did in *Lercana v. Jalandoni*^[34] where we noted with approval that, in the dispositive portion of its decision, the DARAB left to the concerned DAR Offices the determination of who are or should be agrarian reform beneficiaries. In fact, this course of action available to the DARAB is now embodied in Rule II of its 2003 Rules of Procedure, thus:

Section 5. *Referral to Office of the Secretary (OSEC).*- In the event that a case filed before the Adjudicator shall necessitate the determination of a prejudicial issue involving an agrarian law implementation case, the Adjudicator shall suspend the case and, for purposes of expediency, refer the same to the Office of the Secretary or his authorized representative in the locality x x x.

This brings us to the scope of the quasi-judicial powers of the DARAB as defined in its rules, the most relevant to the instant case being its 1994 New Rules of Procedure which states:^[35]

Section 1. *Primary and Exclusive Original and Appellate Jurisdiction* -The Board shall have primary and exclusive jurisdiction, both original and appellate, to determine and adjudicate all agrarian disputes involving the implementation of the Comprehensive Agrarian Reform Program (CARP) under Republic Act No. 6657, Executive Order Nos. 228 and 129-A, Republic Act No. 3844 as amended by Republic Act No. 6389, Presidential Decree No. 27 and other agrarian laws and their implementing rules and regulations. Specifically, such jurisdiction shall include but not be limited to cases involving the following:

x x x x

f) Those involving the issuance, correction and cancellation of
Certificates of Land Ownership Award (CLOAs) and Emancipation Patents