

Draft Comprehensive Agreement on Social and Economic Reforms (CASER)

**of the National Democratic Front
of the Philippines (NDFP)**



**NDFP Reciprocal Working Committee
on Social and Economic Reforms**

@ Reciprocal Working Committee
of the NDFP Negotiating Panel

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Preface

Well into the 21st century, we are still faced with the arduous and urgent task of building an economy for the people. The agenda of social and economic reforms in the peace talks between the National Democratic Front of the Philippines (NDFP) and the Government of the Republic of the Philippines (GRP) is an acknowledgement that far-reaching change is needed. The NDFP Reciprocal Working Committee on Social and Economic Reforms (RWC-SER) is pleased to share with the public the latest version of the NDFP's proposed Comprehensive Agreement on Social and Economic Reforms (CASER).

The first version of the NDFP's proposed CASER was produced in 1998 during, arguably, the most intense period of implementing globalization policies in the country's history. The NDFP warned then that neoliberalism would only worsen the country's semi-feudal and semicolonial backwardness. Through the CASER, we proposed an economic program rejecting destructive free market economics and instead upholding the necessity of responsible state intervention and making the welfare of the people the center of economic policies.

Today, nearly two decades later, the world has entered a time of intensified crisis and heightened inter-imperialist rivalries. The effects of neoliberalism on the Philippine economy and the Filipino people are also clearer than ever. Whatever economic growth is claimed to have been achieved has benefited only the few foreign and domestic elites. For the overwhelming majority of Filipinos it has meant joblessness and poverty in an underdeveloped and backward economy further beset and ravaged by inevitable disasters brought about by climate change. The Philippine economy remains a mere adjunct of the world's monopoly capitalist powers as a source of their profit and capital for its cheap labor and material resources.

Such a state of affairs has more than ever validated the basic premises and analyses of the NDFP's original proposed CASER from 1998. On the positive side however, the Filipino people have

accumulated experience enabling themselves to gain power in their daily economic and political struggles against oppression and exploitation. The most important among these are the considerable successes and lessons of the revolutionary forces in areas that have already been able to set up local organs of political power.

This latest version of the CASER is the result of careful study and analysis started in the middle of 2016. The NDFP RWC-SER looked at the relevant experience and practice of the revolutionary forces in the cities and, especially, the countryside. We also reviewed the experience of countries that have, in different political contexts and historical moments, been able to advance from underdevelopment.

The CASER's provisions were updated, refined and added to after dozens of consultations held nationwide. Organized forces in guerrilla zones and progressive mass organizations of peasants, workers, urban poor, national minorities, women, youth and students, migrant workers, and other marginalized groups were consulted. Many others likewise seeking reforms were also consulted: industrialists and national entrepreneurs, landowners and professionals, economists and academics, NGOs and advocates of people's issues, and GRP officials and personnel. Reaching out to so many was made easier by the release of unjustly detained NDFP consultants.

And yet this proposed CASER, like the Philippine society it aims to develop and evolve, still remains a work in progress. Further raising public awareness of the need for reforms is only the beginning. We encourage people to read, study and hold public discussions on the NDFP's proposed CASER. We welcome any and all comments from the public on how to effectively undertake social and economic reforms to benefit the people and the country. The CASER can only improve as more and more people discuss, review, revise, embrace and then campaign for its proposed reforms as their own.

The NDFP's proposed CASER is in many respects a radical path of socioeconomic transformation especially in seeking to reflect the interests and aspirations of the people. Yet it is easy to see

that many of its benefits are immediately realizable with sufficient political resolve. As it is, millions of Filipinos already wage the most important struggles for this on a daily basis – across the vast countryside and in the urban centers, against avaricious foreign and domestic elites, and to liberate the people from oppression and exploitation. And the people will continue to struggle even in the face of escalating repression.

These are the foundations for an economy and society that serves the common good. The Filipino people deserve no less.

NDFP RWC-SER
December 24, 2017

Message on the Publication of the NDFP Draft CASER

I commend the Reciprocal Working Committee on Social and Economic Reforms (RWCSEER) of the National Democratic Front of the Philippines (NDFP), together with its consultants and staff, for polishing, preserving and publishing in book form what may be considered and titled NDFP Draft Comprehensive Agreement on Social and Economic Reforms (CASER).

This book is highly significant and useful in demonstrating the readiness of the NDFP to negotiate with the Government of the Republic of the Philippines (GRP) and make a substantive agreement on social and economic reforms despite tremendous obstacles up to the present time and in preparing for better circumstances when the highest GRP officials come to the realization that it is wise to resume the peace negotiations because of the urgent need and clamor of the people for a just and lasting peace.

It is regrettable that under Proclamation 360 of November 23, 2017 GRP President Duterte has terminated the GRP-NDFP peace negotiations; and under Proclamation 374 of December 5, 2017, he has gone so far as to consider the Communist Party of the Philippines and the New People's Army (two major components of the NDFP) as "terrorist." He issued these proclamations exactly at a time when the GRP and NDFP negotiating panels were ready to finalize and approve the drafts of two major documents: 1) General Amnesty to release all political prisoners designated by the NDFP in compliance with the Comprehensive Agreement on Respect for Human Rights and International Humanitarian Law (CARHRIHL); and 2) Coordinated Unilateral Ceasefires Agreement (preparatory to a bilateral ceasefire agreement).

There is neither rhyme nor reason for the termination of the peace negotiations when in fact the complaints raised by Duterte could be properly presented to the Joint Monitoring Committee under CARHRIHL in the same manner that the NDFP Negotiating Panel has submitted far more serious complaints. The Duterte complaints made to the press and Proclamation 360, bypassing the

peace process, have blocked the significant advance that was about to be made in the aborted fifth round of formal talks that had been scheduled for November 25 to 27, 2017 in Oslo, Norway.

It has become clear that Duterte has terminated the peace negotiations in order to scapegoat the CPP and NPA as targets of a martial law proclamation aimed at facilitating the adoption of a pseudo-federal system of government under his fascist dictatorship. He has pre-empted the previous offer of the NDFP to co-found the Federal Republic of the Philippines in order to override the existence of two governments, one revolutionary and the other reactionary, by availing of the negotiations and an agreement on political and constitutional reforms to define the common grounds for a federal form of government beneficial to the Filipino people. But alas, the Duterte regime is obsessed with establishing a fascist dictatorship.

It is not for any sheer malice that tyranny arises. The reign of terror is always impelled by a reign of greed in the face of the people's demand for national and social liberation. In the context of the ruling semicolonial and semifeudal ruling system in the Philippines, the highest officials in the reactionary government who function as bureaucrat capitalists are agents of foreign monopoly capitalism and the local ruling classes of big compradors and landlords. The bureaucrat capitalists are well compensated for continuing to serve the neoliberal economic policy.

Thus, the current scheme to junk the 1987 GRP Constitution in favor of a pseudo-federal constitution that gives free rein to foreign monopoly firms in a big comprador-landlord economy and removes provisions that uphold economic sovereignty, national patrimony, and that restrain foreign investments. Even before taking his oath of office as GRP President, Duterte formed in May 2016 an economic team to set his neoliberal economic policy that works against the Filipino people's demand for national economic development through national industrialization and genuine land reform.

However, we the NDFP still tried in good faith to persuade the GRP to come to terms with us in forging comprehensive agreements

on social, economic and political reforms in order to lay the ground for a just and lasting peace. In the interest of the Filipino people, we wanted to probe and test Duterte's expressed wish to become the first "Left" and "socialist" president of the Philippines, to industrialize the Philippines and take advantage of the multipolar world to overcome US domination of the Philippines.

Eventually, the Duterte regime has exposed itself fully as having no interest in basic reforms to address the roots of the civil war in the Philippines. It regards the peace negotiations only as a narrow GRP scheme to obtain the surrender and pacification of the revolutionary forces and people through an indefinite bilateral ceasefire. Since the beginning, it has carried out an all-out war policy against the revolutionary movement and has never had any intention of fulfilling his promise to amnesty and release all political prisoners. Worst of all, it has pre-determined to abruptly terminate the peace negotiations in order to turn the CPP and NPA into scapegoats as justification for imposing martial rule and fascist dictatorship on the people.

Regarding its economic policy, the Duterte regime conforms strictly to the neoliberal and anti-people line of reducing regular employment, wage incomes and social services, cutting back taxes on corporations and the wealthy while increasing the taxes on the poor and middle class consumers and raising prices of basic consumer goods and services, boosting the profitability of foreign corporations, big compradors and landlords through trade and investment liberalization, privatization of profitable public assets, antisocial and anti-environmental deregulation and denationalization of the Philippine economy for the sake of imperialist globalization.

The Duterte regime has absolutely no desire to carry out national industrialization and genuine land reform in order to overcome the underdeveloped, agrarian and semifeudal character of the economy. Instead, it wants to go on a spree of building infrastructure that depends on foreign borrowing, increased taxation at the expense of the masses of ordinary consumers and misuse of the foreign exchange earnings of overseas Filipino workers. The

infrastructure projects are calculated to dissipate precious limited resources and favor the neocolonial exchange of raw materials, semimanufactures and cheap labor from the Philippines and finished products from abroad.

Regarding the possibility of taking advantage of the multipolar world, the Duterte regime has persisted in subservience to the US by perpetuating all the treaties, agreements and arrangements that allow the US to dominate the Philippines economically, politically, culturally and militarily. At the same time, the regime has tied itself to additional capitalist powers without due consideration of national sovereignty and territorial integrity, economic development and the social and cultural well-being of the people.

For instance, it is accepting loans at high commercial rates and defective but overpriced supplies and services from China, thus guaranteeing the country's sure debt bondage and putting in hock the rich natural resources of the Philippines, both in the hinterlands and under the West Philippine Sea. It is repeating the folly started by the Arroyo regime in going for overpriced projects and high-interest loan agreements that benefit most the big compradors and corrupt bureaucrats on both sides of the South China Sea (West Philippine Sea) to the long-term detriment of the Filipino people.

The crisis of global capitalism continues to worsen. There has been no recovery from the financial meltdown of 2008 despite the excessive abuse of credit at the level of governments, corporations and households. The global debt recorded at the end of the 3rd quarter of 2017 is USD 233 trillion which is more than three times the global GDP. This is unsustainable and it is about to explode and make a far worse economic and financial crisis. The global asset bubble is bound to burst. In the meantime, the rapid enrichment of a few countries and ruling class families and the rapid impoverishment of the more than 90 percent of humankind are causing social discontent and class polarization.

All basic contradictions in the world are intensifying: those between the working class and the monopoly bourgeoisie in the industrial capitalist countries, those between the imperialist powers and the oppressed peoples and nations and those among the

imperialist powers. The strategic decline of the US to its post-primacy period and the rise of China as an industrial capitalist power on a mountain of bad debts are conspicuous factors in the escalation of the inter-imperialist struggle for economic territory and client-states and in the spread of proxy wars and direct wars of aggression.

The crisis of the world capitalist system is exacerbating the chronic crisis of the domestic ruling system. The Philippines is being pressed to export more raw materials and cheap labor at lower prices. Twenty percent of the labor force is already out of the country and face abroad the rising virulence of chauvinism, racism, fascism and war. Inside the country, the big compradors, landlords and corrupt bureaucrats grab most of the income in a GDP bloated by private and public construction, counterproductive government spending for bureaucratic and military operations and mass consumption that is dependent on imports and foreign debt.

The actual rate of unemployment among workers, urban odd-jobbers from the rural areas and college graduates is extremely high. Far more than 60 percent of the employed workers are on short-term hire contracts at substandard wages. There is no industrialization to absorb the ever expanding surplus population in both rural and urban areas. There is no genuine land reform. In fact, more and more stretches of the land are being grabbed by foreign corporations, big compradors, landlords and bureaucrat capitalists for real estate speculation, mining, logging, export-oriented plantations and bio-ethanol production. In this regard, the most victimized are the peasants and national minorities.

The concurrent crises of global capitalism and the domestic semicolonial and semifeudal system are rapidly worsening and generating conditions for the growth and advance of the legal democratic mass movement and the armed revolutionary movement of the people. The same conditions can cause the GRP to agree with the NDFP on the resumption of peace negotiations and on the soonest possible forging and mutual approval of CASER

in response to the urgent demands of the people for social justice, economic development and basic reforms.

Short of the resumption of the GRP-NDFP peace negotiations, this book can serve as a tool for arousing, organizing and mobilizing all the exploited and oppressed classes and sectors of Philippine society to unite and act on their own behalf in achieving a better and brighter future of genuine national independence, democracy, social justice, economic development, cultural progress and international solidarity and peace.

Prof. Jose Maria Sison
Chief Political Consultant
National Democratic Front of the Philippines
Utrecht, The Netherlands, January 7, 2018

Executive Summary

The proposals of the National Democratic Front of the Philippines (NDFP) for a Comprehensive Agreement on Social and Economic Reforms (CASER) are concrete and doable steps towards liberating the Filipino people from poverty, exploitation and underdevelopment.

They build on current Philippine conditions. The proposals consider available resources – natural, human, technological and financial – as well as the economy’s current production capacity. These are the material conditions for the self-reliant development of the Philippine economy and society.

They also build on the evolving global context. The proposed CASER asserts that equitable domestically-driven economic development is the most effective way to navigate a world economy made chaotic by decades of free market policies of neoliberal globalization. The proposals recognize that the protracted global crisis and growing protectionism negate prospects for any kind of export-led and foreign-dependent growth.

However, the increased multipolarity and the relative weakening of United States (US) imperialism as the world’s sole superpower present opportunities for acquiring necessary foreign factors and components for a rational and comprehensive national program of social and economic development. This integrated and comprehensive approach to development upholds the people’s interest above all. The role of the state is developed at the same time as people’s organizations are put at the center of decisions about the economy. Measures shall be taken against the powerful vested interests that have long blocked economic development.

This is an immediate program¹⁴ for real social and economic progress. It is realistic within current political and legal processes and can be implemented by the current administration as well by any succeeding non-revolutionary governments. But the proposals can still evolve as the struggles of the Filipino people and of the millions of organized peasants, workers and other sectors advance

and open the way for greater changes. As with many things, the strength of the democratic mass movement is decisive.

The proposed CASER's outcomes are moreover consistent with the NDFP's 12-point program and a socialist perspective for the Philippines. In all of this, the NDFP upholds how a more democratic and sovereign economy that benefits the majority of Filipinos is the foundation of a just and lasting peace.

PREAMBLE

PART I. DECLARATION OF PRINCIPLES

PART II. BASES, SCOPE AND APPLICABILITY

These parts establish the agreement's general framework and define how the agreement shall come into force. They include the: rationale for talks on social and economic reforms as resolving the roots of armed conflict; objectives of the agreement; scope and coverage of the agreement; and reference to relevant international legal instruments on economic, social and cultural rights.

PART III. DEVELOPING THE NATIONAL ECONOMY

This part outlines how agricultural and rural development with national industrialization forms the bedrock of the national economy. This is done with due consideration of the environment to ensure favorable conditions for the present and future generations.

A. AGRARIAN REFORM AND RURAL DEVELOPMENT

The largest number of Filipino producers are peasants and the single largest sector of the domestic economy is agriculture. Real agrarian reform corrects historical injustices against the peasantry. It is also the key to ending rural poverty and the starting point for rapid development of the Philippine countryside.

Agrarian reform shall break land monopolies through expropriation with selective compensation. It covers all private and public agricultural land, fishing grounds, fisheries, and aquaculture while recognizing ancestral domain. Land shall be distributed for free with measures against reconcentration. The rights of the peasantry, including farm workers and fisherfolk, to living wages, humane work conditions, benefits, and to be free from usury shall be upheld and promoted.

Agricultural production shall be developed with ample budgets for developing agricultural science and technology, agricultural credit, irrigation, post-harvest facilities, farm-to-market roads, and marketing support. The conversion of land producing food shall be prohibited. The country shall achieve food self-sufficiency.

Rural industries shall be fully developed in: coconut, sugar, cacao and coffee, meat processing, fish processing, fruit, spices and vegetable processing, salt and seaweeds processing, dairy products, leather processing, abaca products, bamboo and rattan, clothing and textiles, pottery, furniture, and agricultural by-products processing.

The peasantry shall have real democratic participation in decision-making and the economy. The revolutionary mass organizations and New People's Army (NPA) shall have key roles in implementing agrarian reform. Peasant cooperatives and associations shall be set up. A Joint Monitoring Committee on Agrarian Reform and Rural Development (JMC-ARRD) shall be established and a New Agrarian Law enacted.

B. NATIONAL INDUSTRIALIZATION AND ECONOMIC DEVELOPMENT

The NDFP has always considered national industrialization essential for economic development. It is needed to create jobs and livelihoods, raise incomes, meet the people's basic needs, ensure rapid and sustained economic growth, and achieve economic independence from imperialist domination.

Filipino producers and domestic capital shall be developed as the driving forces of national development. The state shall actively promote, protect and support large, medium, small and micro Filipino enterprises. The economy shall combine public sector firms, joint public-private ventures, and individual entrepreneurship. Industrial cooperatives shall be encouraged.

Filipino industries shall be developed across a wide range of consumer, intermediate and capital goods. These shall be phased over a number of years and include: mineral processing; steel; agricultural and industrial tools, machinery and equipment; transport especially rail, buses, and shipping; electrical power equipment; electronic components and equipment; precision instruments; construction materials; chemicals and chemical products; pharmaceuticals; food and beverage; textiles, clothing and footwear; and biotechnology.

Utilities shall be nationalized to ensure electricity, water, telecommunications and transport services for the people and overall development. Mining shall likewise be nationalized to ensure rational extraction and use of the country's mineral resources. Enterprises in these vital and strategic industries shall be 60-100% state-owned.

Regions and sectors shall be interlinked. The rights and welfare of workers shall be protected and the impact on the environment managed properly. Filipino science and technology shall be aggressively developed with large investments and linkages among firms, universities, and mass organizations.

The domination of big capitalists that exploit the economy and keep it backward shall be broken. Foreign monopoly capital in vital and strategic industries shall be expropriated and nationalized. Foreign equity can go up to 40% of equity in allowed enterprises but shall be regulated to ensure real contributions to national development. Big comprador capital and assets shall be re-directed towards national industrialization and rural development. Ill gotten wealth of of bureaucrat capitalists shall be confiscated.

Workers shall participate in democratic decision-making to protect and advance their rights and welfare. There shall be unions

and workers councils in industrial enterprises and capitalist farms. Financing for industrialization shall be raised from industrial bonds, landlord compensation, progressive taxation, government savings, reinvested government industrial surpluses, and confiscated assets.

A Joint Monitoring Committee on National Industrialization and Economic Development (JMC-NIED) shall be immediately formed to ensure the effective implementation of the NIED provisions.

C. ENVIRONMENTAL PROTECTION, REHABILITATION AND COMPENSATION

The NDFP shall ensure a healthy natural environment in the course of economic development. A national policy on the exploration, conservation, rehabilitation and development of the country's natural resources, including those in its territorial waters and exclusive economic zone, shall be drawn up. Urban and rural environmental planning shall ensure the least possible congestion and pollution across the country. The utilization of the country's resources shall first and foremost be reserved for the Filipino people.

Agricultural production, rural development and national industrialization shall increasingly use ecologically sound production methods. This is to ensure the most efficient use of the country's renewable and non-renewable resources. Appropriate measures shall be taken to address pollution and waste disposal. The necessary programs for climate change adaptation and mitigation shall be carried out.

The nation's land, waters, flora, fauna and other natural resources shall be protected. Programs to genuinely rehabilitate and develop resources that have been depleted, polluted and destroyed shall be developed, pursued and promoted with adequate funding from the national government and from compensation paid for causing environmental damage. Mining and marine wealth extraction shall be strictly regulated. Foreign appropriation through intellectual

property schemes shall be banned and patenting, where allowed, shall be exclusively for Filipinos with preference for collective ownership.

The reckless profit-driven exploitation of the nation's natural wealth by foreign and domestic capitalists shall be stopped. Grossly destructive activities in mining, agriculture, industry, land clearing, reclamation, and the like shall be prohibited. Foreign toxic waste, dirty goods, pollutant industries, war materiel and such shall also be prohibited.

All perpetrators of environmental destruction shall be held accountable including the US and other governments, corporations, government officials and others. Communities, victims and surviving relatives shall be compensated.

There shall be genuine democratic participation and consent of affected communities especially of the national minorities. Environmental consciousness shall be widely promoted through the educational system, mass organizations, mass media, and community environmental organizations. The people shall be mobilized to protect and manage the environment.

The Joint Monitoring Committee on Environmental Protection, Rehabilitation and Compensation (JMC-EPRC) shall be immediately constituted to ensure the effective implementation of the provisions of the EPRC agreement.

PART IV. UPHOLDING PEOPLE'S RIGHTS

Socioeconomic development should ensure and promote the welfare of the people and develop their full potentials as human beings leading meaningful lives. Special emphasis is given to workers, peasants, women, children and youth, urban and rural poor, migrant workers, national minorities, the elderly, persons with disabilities, and all other marginalized sectors, including national entrepreneurs, who are most exploited or who benefit least from the current socioeconomic system.

A. RIGHTS OF THE WORKING PEOPLE

The rights of the working people must be upheld in the course of economic development. Everyone has the right to employment, livelihoods and social protection. All those working are entitled to a living wage, benefits, security of tenure and humane work conditions as well as the democratic right to organize and strike.

The state shall assume responsibility for directly providing: free primary, secondary and tertiary education; free health care from primary to tertiary level including promoting community-based comprehensive primary health care; and affordable mass housing.

Affordable and quality water, power, mass transport, and telecommunications services, including free internet, for the people shall be guaranteed. These services and facilities shall be under state or public ownership, management and control via state corporations or joint ventures with private enterprises or cooperatives. They shall be run with the full and effective participation of the people. Current privatization and deregulation of public utilities and services shall be reversed.

The needs of people in their specific circumstances must be addressed. This includes upholding the rights, interests and welfare of overseas Filipinos while also ending the economy's reliance on cheap labor export. Gender equality and protection against discrimination of women and other gender-discriminated sectors shall be diligently promoted. Provisions shall be made for free day-care and nurseries, low-cost meals, and public laundry to lighten housework. Same sex marriages shall be recognized. Divorce shall be legalized.

The protection of children shall be ensured through such measures as eliminating the conditions for child labor and providing comprehensive childcare programs. The elderly and disabled shall be given greater opportunities to continue to be active and productive. A non-contributory tax-financed universal pension system shall be set up.

Ample state support for disaster preparedness and response shall be provided. Community-based efforts and people's participation

will be promoted. Government officials will be held accountable for their negligence and corruption.

A Joint Monitoring Committee on Rights of the Working People (JMC-RWP) shall be immediately formed to ensure the effective implementation of the RWP provisions.

B. PROMOTING PATRIOTIC, PROGRESSIVE AND PRO-PEOPLE CULTURE

Culture permeates all aspects of society including its socio-economic sphere and so can either hinder or support social and economic reforms. Patriotic, progressive and pro-people culture that fosters critical thinking and reflects the conditions, aspirations and struggles of the people shall be promoted.

The educational system has a key role and its curriculum, materials and activities shall be reoriented from mainly producing the labor force demanded by profit-seeking interests. A reliable public information system shall be developed and private television, radio, print, and other mass media outlets shall be encouraged to improve their content. Freedom of speech, expression and information shall be upheld.

Progressive art, music, literature, theater and film shall be promoted. This includes strengthening local arts councils and establishing community centers for culture and the arts. Cultural and natural heritage sites shall be protected. The Filipino national language shall be more firmly and vigorously promoted. The local cultural economy shall be protected and cultural sovereignty upheld.

A Joint Monitoring Committee on Promoting Patriotic, Progressive and Pro-People Culture (JMC-Culture) shall be immediately formed to ensure the effective implementation of the provisions for promoting patriotic, progressive and pro-people culture.

C. RECOGNITION OF ANCESTRAL LANDS AND TERRITORIES OF NATIONAL MINORITIES

The ancestral lands and territories and distinct identities of indigenous peoples and the Bangsamoro shall be recognized. The right of the national minorities to self-determination shall be upheld. They shall have the right to determine and develop their own priorities and strategies while measures are taken to ensure that they benefit from the national program for socioeconomic development.

Their right to free, prior and informed consent and collective decision-making shall be upheld. Faulty laws and policies and their outcomes shall be remedied. This includes replacing the Indigenous Peoples' Rights Act (IPRA) with a new law genuinely upholding the national minorities' rights. Titles to ancestral lands and domains shall be reviewed and bogus claims cancelled.

Measures shall be taken to rectify institutional discrimination. These include measures to ensure that the educational system, mass media, arts and literature, and other cultural mechanisms correctly portray the national minorities. A moratorium on new applications for mining, dam, energy, logging, plantation, ecotourism and other projects shall be adopted.

A Joint Monitoring Committee on Recognition of Ancestral Lands and Territories of National Minorities (JMC-National Minorities) shall be immediately formed to ensure the effective implementation of the provisions on recognition of ancestral lands and territories of national minorities.

PART V. ECONOMIC SOVEREIGNTY FOR NATIONAL DEVELOPMENT

This part ensures that macroeconomic policies assert national sovereignty, especially economic sovereignty and the national patrimony, and are able to draw from the widest range of patriotic options for national socioeconomic development.

A. FOREIGN ECONOMIC AND TRADE RELATIONS

Foreign economic policy shall be genuinely independent. The country's foreign economic relations should further national, social and economic development, not hinder this.

The national economy shall be developed with active state support, protection and promotion of Filipino agricultural, industrial and service enterprises. Foreign trade and investment shall be properly regulated to ensure long-term contributions to national development.

The country's participation in international economic arrangements shall be reviewed especially in terms of creating the required policy space for self-reliant national development. This includes the various investment treaties, free trade agreements, and membership in international organizations. These deals and membership may be amended, suspended, or even terminated or withdrawn from as necessary.

Capital controls shall be used to promote financial stability and preserve the independence of domestic monetary, exchange rate, financial and fiscal policy. There shall be greater efforts to ensure that foreign financial and technical support further national development.

Better relations shall be built with East Asian countries, non-traditional economic powers, and Third World countries asserting their independence. There shall be efforts to make regional economic arrangements more development-oriented.

A Joint Monitoring Committee on Foreign Economic and Trade Relations (JMC-FETR) shall be immediately formed to ensure the effective implementation of the FETR provisions.

B. FINANCIAL, MONETARY AND FISCAL POLICIES

The banking and financial system shall be redesigned to direct resources according to investment priorities – agricultural

development, rural industrialization, vital and strategic industries, priority domestic manufacturing, infrastructure, social services and welfare, and others as deemed necessary. It shall be owned and controlled by the public sector and Filipino nationals.

Development banking shall be revitalized. Government development banks shall be reoriented to systematically support national investment priorities; privatized government banks shall be renationalized. Private banks shall be encouraged to direct their lending to priority sectors through defined allotments from loanable funds, tax incentives, and other mechanisms.

Monetary policy targets shall address the concerns not only of inflation and economic growth but also of investment, employment, and equality according to the strategic economic program. The Philippine peso shall be stabilized through a managed exchange rate system, regulation of convertibility, and capital controls. Foreign borrowing shall be regulated to promote financial stability, support national development, and ensure the independence of domestic monetary, exchange rate, financial, and fiscal policy.

Fiscal policy has to be radically changed to ensure the government resources needed for social services, public utilities, public investment and capital formation. A progressive tax system shall be put in place with lower income taxes on the masses and small firms, and higher income taxes on the wealthy and large corporations. Consumption taxes shall be generally reduced except for luxury items and socially undesirable items. Property, capital gains, inheritance, estate and other wealth taxes shall be raised.

Leakages shall also be addressed. This includes measures against tax avoidance by transnational corporations, graft and corruption, and bureaucratic inefficiency.

A Joint Monitoring Committee on Financial, Monetary and Fiscal Policies (JMC-FMF) shall be immediately formed to ensure the effective implementation of the provisions on financial, monetary and fiscal policies.

C. SOCIAL AND ECONOMIC PLANNING

A strategic long-term socioeconomic development plan to build strong domestic economic foundations and secure the rights and welfare of the Filipino people shall be drawn up. The plan shall affirm the primacy of social goals and objectives over the market. It shall be implemented over multiple phased five-year economic plans with yearly adjustments as necessary.

The plan shall be coordinated and implemented across all government departments, agencies and other government instrumentalities. Implementation shall be decided democratically, be publicly transparent, and be socially accountable. Specific social and economic development programs will also be drawn up corresponding to major sections and areas of the CASER.

The strategic plan will be formulated by a Social and Economic Planning Commission (SEPC) composed of equal numbers of experts nominated by the GRP and NDFP negotiating panels. Committees will also be created to support the SEPC.

PART VI. OVERALL IMPLEMENTING MECHANISM

This part provides for the creation of the GRP-NDFP Social and Economic Oversight and Advisory Council (SEOAC). This is the mechanism for overseeing and monitoring overall implementation of the agreement including the work of the committees and other bodies formed. It shall also be responsible for addressing disputes arising from implementation of the agreement.

PART VII. FINAL PROVISIONS

This part contains provisions on implementation according to respective legal systems, on common and separate duties and responsibilities, on the effectivity, validity and binding nature of the agreement, and others. ■

**COMPREHENSIVE AGREEMENT ON SOCIAL AND ECONOMIC
REFORMS BETWEEN THE GOVERNMENT OF THE REPUBLIC
OF THE PHILIPPINES AND THE NATIONAL DEMOCRATIC
FRONT OF THE PHILIPPINES**

The GOVERNMENT OF THE REPUBLIC
OF THE PHILIPPINES,
Including its Executive Department and its agencies
hereinafter referred to as "GRP"

and

The NATIONAL DEMOCRATIC FRONT OF THE PHILIPPINES,
Including the Communist Party of the Philippines (CPP)
and the New People's Army (NPA)
hereinafter referred to as "NDFP"

Hereinafter referred to collectively as "the Parties"

PREAMBLE

Recognizing the need for basic social and economic reforms to uphold the national rights, interests and welfare of the people of the Philippines and the democratic rights and interests of the people including civil, political, economic, social and cultural rights and a comprehensive agreement along this line as decisive in laying the ground for a just and lasting peace;

Acknowledging that widespread poverty and structural inequity on account of domestic industrial and agrarian underdevelopment rooted in the colonial history of the country and in its unequal economic relations with the highly developed world economic powers have impeded the social and economic development of the Philippines and engendered social unrest and armed conflict;

Realizing that the Philippines, with its competent labor force, technologically adept managerial and entrepreneurial forces and a comprehensive natural resource base, can make itself economically self-reliant;

Upholding national economic sovereignty and a self-reliant and independent economy and aiming to protect, conserve and, as far as practicable, recover the national patrimony, protect the environment, carry out agrarian reform and national industrialization and thus bring about comprehensive and sustainable social and economic development;

Subscribing to the idea that the protection and promotion of social, economic and cultural rights are essential for the full realization of civil and political rights based on universally accepted principles of human and people's rights;

Affirming the people's rights to social justice, peace, dignity, prosperity and freedom from exploitation; and aiming to protect the rights and interests of workers, peasants, women, children, indigenous peoples and national minorities such as the Lumad and Moro peoples, other disadvantaged sectors and national entrepreneurs;

Cognizant of the need for the people and their organizations, especially the basic sectors, to actively participate and pursue their interests in the formulation and implementation of national socioeconomic plans and programs in order to build a just and prosperous society;

Assuming common and separate duties and responsibilities for upholding social and economic reforms;

Upholding and complying with mutually acceptable principles as well as the common goals in The Hague Joint Declaration of September 1, 1992, the Breukelen Joint Statement of June 14, 1994 and pertinent joint agreements hitherto signed;

Fully aware of the need for sound policies and effective mechanisms and measures for upholding, protecting and promoting social, economic and cultural rights and carrying out social and economic reforms;

Now therefore, the Parties, without reservations, do hereby solemnly enter into this Comprehensive Agreement on Social and Economic Reforms (CASER).

PART I. DECLARATION OF PRINCIPLES

Section 1. The Parties are governed by the framework of negotiating and agreeing under mutually acceptable principles of national sovereignty, democracy and social justice and with no precondition that negates the character and purpose of peace negotiations, as stipulated in the Hague Joint Declaration and reaffirmed in the Breukelen Joint Statement and subsequent agreements.

Section 2. The Parties forge this comprehensive agreement on social and economic reforms to solve the fundamental problems of exploitation, underdevelopment and widespread poverty in order to establish the basis for a just and lasting peace.

Section 3. The Parties endeavor to unite the Filipino people towards eliminating the primary obstacles to economic self-reliance, national independence and social emancipation.

Section 4. The Parties resolve to review and, as necessary, reverse all economic policies, programs, laws, agreements and treaties that have negated the objective of social and economic development and adversely affected the lives of the Filipino people.

Section 5. The Parties assert the need to harness the full potential of the people, particularly the workers, peasants and other basic sectors, and their organizations, by respecting, upholding, and promoting their right to effective participation at all levels of social, political and economic decision making.

Section 6. The Parties uphold the welfare of the people, especially the workers, peasants, indigenous peoples and national minorities such as the Lumad and the Moro people, and other basic sectors as the primary consideration in the sustainable utilization of national patrimony to bring about social and economic development.

Section 7. The Parties agree to undertake forthwith common and separate/unilateral measures to carry out agrarian reform in

order to dismantle land monopoly and to distribute land to the tillers for free.

Section 8. The Parties uphold the necessity of pursuing a policy and program of industrialization and agricultural development aimed at creating the basic conditions for a comprehensive, well-balanced and nationally self-reliant economic development.

Section 9. The Parties recognize the need for policies to eliminate the practice of using public office for private, individual or collective gain, to control or regulate private domestic and foreign monopolies, and to prohibit private domestic and foreign monopoly control of the economy.

Section 10. The Parties agree to conduct economic reconstruction and development along the principle of securing the people's welfare, maintaining ecological balance, assuring continuous regeneration of renewable natural resources, and judiciously using non-renewable resources.

Section 11. The Parties commit to promote and protect the rights and welfare of workers, peasants, women, children and youth, the urban and rural poor, migrant workers, indigenous peoples and national minorities such as the Lumad and Moro people, the elderly, persons with disability, and other exploited, disadvantaged and discriminated sectors.

Section 12. The Parties are aware that the current social and economic situation in the Philippines and the historical experience of the Filipino people necessitate the application of universally acceptable principles of international law on social, economic and cultural rights and the faithful compliance therewith by both Parties.

Section 13. The Parties therefore forge this Agreement affirming their constant and continuing mutual commitment to respect social, economic and cultural rights and hereby recognize each other's acts of good intention to be bound by and to comply with such principles and rights.

PART II. BASES, SCOPE AND APPLICABILITY

Section 1. The provisions of this Agreement address the concrete semicolonial and semifeudal conditions and the fundamental question of national and social liberation through social and economic reforms.

Section 2. The main objectives of this Agreement are: a) to uphold, protect, defend and promote economic sovereignty; b) to conserve the national patrimony and protect the environment; c) to carry out agrarian reform and national industrialization; and d) to advance the rights of the working people, women, indigenous peoples and national minorities such as the Lumad and the Moro people, as well as other exploited, oppressed, discriminated and disadvantaged sectors of society.

Section 3. In entering into this Agreement, the GRP is guided by its Constitution and the NDFP by the Guide for Establishing the People's Democratic Government and the Program for a People's Democratic Revolution of the Communist Party of the Philippines. Accordingly, the Parties hold themselves responsible jointly and separately in implementing this Agreement.

Section 4. The Parties are guided by such universally accepted principles and instruments of international law as the International Covenant on Economic, Social and Cultural Rights of 1966, the International Labor Convention of 1948 on Freedom of Association and Protection of the Right to Organize, and other similar or relevant international covenants.

Section 5. The Parties shall confront, remedy and prevent the most serious violations of economic, social and cultural rights. They shall uphold the principle that no state, nation, class or group will be allowed to invoke the right of the individual in the abstract in order to oppress and exploit another state, nation, class or group; for to do such conflicts with the paramount goal of social justice and the common good. They shall work to redress the injustices and discrimination inflicted on the working people, women, indigenous peoples and national minorities such as the Lumad and the Moro, and other exploited, oppressed and discriminated sectors.

Section 6. The Parties agree to constitute or cause the formation of a political authority, enjoying the trust and confidence of the people, and empowered to ensure that both Parties carry out this Agreement in full. Such political authority shall be the subject of negotiations between the Parties under the agenda of political and constitutional reforms in accordance with The Hague Declaration and other subsequent agreements.

Section 7. The Parties as well as the political authority to be constituted under their joint initiative shall respect the inviolability of contracts, without prejudice to the review, renegotiation and rescission of such contracts that are contrary to or in circumvention of this Agreement. All contracts deemed contrary to, or in circumvention of, this Agreement shall be forthwith reversed, renegotiated or rescinded.

PART III. DEVELOPING THE NATIONAL ECONOMY

The Philippine economy remains trapped in semifeudal and semicolonial backwardness. The neoliberal free market policies of globalization imposed by United States (US) imperialism and other big economic powers since the 1980s have worsened the country's underdevelopment and the plight of the Filipino people.

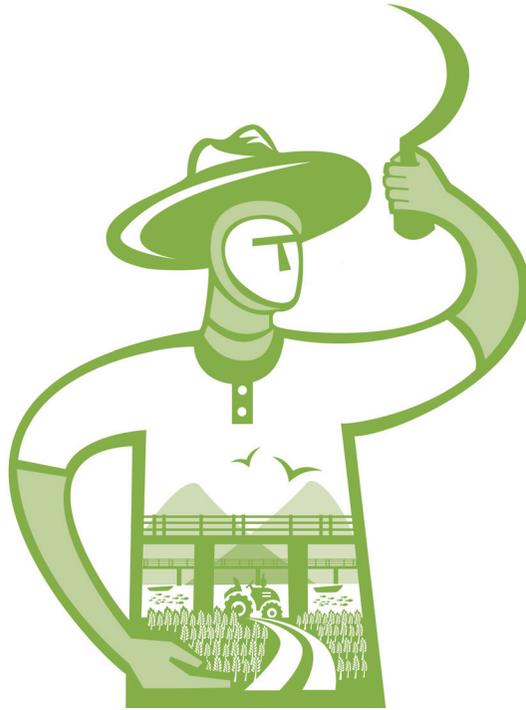
The country has vast agriculture, forestry, aquatic, and energy resources. It is among the most mineral-rich countries in the world with many of the basic minerals needed for industrial development. Our population is also a huge prospective productive labor force and domestic market.

Yet the economy remains backward, agricultural, and with an insignificant Filipino industrial sector. Since the 1990s, it has further turned into a shallow service and trading economy more than a producing economy.

As a semifeudal economy, it supplies foreign capital and economies with cheap labor and exports of agricultural and extractive raw materials, while chronically importing industrial inputs, capital equipment, finished goods, and agricultural commodities. The exploiters have made sure that they concentrate and accumulate the benefits from the economy in themselves.

All these keep tens of millions of Filipinos poor and the economy in the worst crisis of joblessness in its entire history. Peasant landlessness and rural backwardness are widespread. More Filipinos are unemployed, in poor quality informal work, and more than ever forced to find employment abroad.

A strategic economic program of self-reliant Philippine development encompassing agrarian reform, rural development, and national industrialization that gives due consideration to the environment is needed to develop the national economy. This means rejecting neoliberalism and replacing this with responsible state intervention and the democratic participation of the Filipino masses. A truly democratic and sovereign economy that benefits the majority of Filipino people will be the foundation of a just and lasting peace.



A. AGRARIAN REFORM AND RURAL DEVELOPMENT

The worst semifeudal backwardness in the country is in the countryside. The peasant masses, farm workers, fisherfolk, indigenous peoples, national minorities and their families suffer from widespread poverty, high indebtedness, severe hunger and malnutrition.

This is due to the persistent monopoly of land and other rural assets by landlords and agribusiness corporations both foreign and domestic. Millions of peasants and their families still do not own or control the land they till or have been forced into low-paying non-farm work for lack of land. Decades of so-called agrarian reform programs have failed to meaningfully distribute land to the peasantry or give them the means to make these productive. Haciendas and plantations remain intact.

Agricultural liberalization and deregulation have worsened food insecurity, increased land use conversion, intensified land-grabbing and corporate encroachments, worsened large-scale land reclamation that affects fisherfolk, and fuelled land speculation by real estate developers. Rural productivity remains low or otherwise dependent on expensive and ecologically destructive inputs and technologies pushed by foreign agribusiness corporations.

Real agrarian reform and rural development are needed to release the productive forces in the countryside and to achieve national industrialization. They lay the ground for the economic, political, social and cultural liberation of the most numerous class in Philippine society. This includes rural women who suffer the double burden of poverty and underdevelopment under discriminatory conditions and also the indigenous peoples and national minorities who are violently displaced from their ancestral domain.

Many lessons can be learned from the countryside where the People's Democratic Government (PDG) is operative and implements its revolutionary agrarian reform program. It harnesses the collective efforts of the organs of political power, the New People's Army (NPA), the revolutionary mass organizations of peasants, rural women and youth, indigenous peoples and the Bangsamoro, and thus has the support and participation of the broad masses of the people.

ARTICLE I GOVERNING PRINCIPLES

Section 1. The Parties shall break land monopolies and institute safeguards against land remonopolization. Agricultural lands and other agricultural means of production owned by landlords and corporate farms shall be subject to expropriation.

Section 2. The expropriated land shall be redistributed for free to all tillers, farmers, farmworkers, agricultural workers, fisherfolks, and all others willing and capable to till the land, with preference given to those who have been occupying the lands as beneficiaries, tenants and leaseholders.

Section 3. The goal of agrarian reform is free land distribution as a means of achieving social justice. The agrarian reform program shall ensure that tillers or farmers, whether individually or collectively through cooperatives or similar organizations, shall have control over the land.

Amortization payments including interest on all lands covered by previous GRP land reform laws shall be waived or condoned.

Section 4. The Parties shall provide the necessary support services, including but not limited to production, harvest, post-harvest subsidies and insurance, low-interest credit, free irrigation.

Section 5. The policy of expropriation with compensation shall be adopted to encourage landlords to invest in industrial and other productive enterprises. It shall also apply to landlords who have a proven record of actively supporting progressive land reform.

Section 6. The applicability, amount and methods of compensation shall be determined in accordance with the joint and separate duties of both Parties and in close consultation with peasant associations and according to the criteria and general guidelines outlined in this Agreement or in a new agrarian reform law to be subsequently agreed upon by the Parties.

Section 7. Sullied landholdings or lands proven to have been acquired through illegal and fraudulent means including but not limited to land-grabbing, misrepresentation, circumvention of agrarian reform laws, distortion of the history of tenancy, and through the use of violence shall be subject to confiscation.

Abandoned and idle agricultural lands over the retention limit specified in this agreement shall be subject to expropriation without compensation.

Section 8. The Parties shall respect and recognize the right of the national minorities to their ancestral lands and territories.

Section 9. The Parties shall promote the adoption of sustainable community-based agricultural systems that use local resources, build on indigenous farming practices, are culturally acceptable, and are environmentally sound.

ARTICLE II
DEFINITION OF TERMS

Section 1. Definition of Terms – For the purpose of this Agreement, the following terms shall be understood as follows:

a) Agricultural lands – refers to lands, regardless of classification, that are suitable and devoted to agricultural production and such other uses connected with agriculture such as cattle and livestock farms, aquaculture, including foreshore, pasture farms, and lands that are agricultural in dominant use or with the potential for agricultural use.

b) Alternative non-land collateral systems – refer to collateral systems for obtaining credit or loan that do not use land as collateral. In such systems, the collateral used are crops, livestock or social guarantees or the guarantee of farmers’ organizations or cooperatives or local government officials that the loan shall be paid.

c) Capitalist farm – is an agricultural production unit that is owned and controlled by a corporation or an entrepreneur that has invested capital in the farm, and hires all its workers for wages. The most common type is plantation with the level of mechanization varying significantly among farms. Land used for farming may be leased or owned. Production is mainly for the purpose of yielding sufficient return to capital and profits.

d) Confiscation – is the compulsory taking without compensation of private agricultural lands and non-land assets from landlords proven to have engaged in land-grabbing and other serious crimes in connection with agrarian disputes. Confiscation shall be subject to due process.

e) Collective ownership – is a type of ownership in which the property is wholly owned by a group, sector, or class, with the members of the group, sector, or class sharing the labor, tools, irrigation, other resources, fruits and income of the property.

f) Crop conversion – refers to the shift in the production of crops, i.e., from planting local agricultural staples such as rice and

corn to the production of so-called high-value export crops like fruits, biofuel plants, oil palm, rubber and ornamentals.

g) Expropriation – involves the compulsory taking of private agricultural lands and non-land assets for public use related to the operation of an agricultural activity upon payment of just compensation.

h) Farmer – is a natural person whose primary livelihood is cultivation of land or the production of agricultural crops, live-stock, and fisheries, regardless of the nature of his possession or occupancy of the land. As used in this Agreement, it may also refer to agricultural workers, fisherfolk, indigenous peoples, rural women, and workers in cattle and livestock farms, aquaculture and pasture lands. (See also ‘Peasants’)

i) Farm worker – is a person who generally owns no land and farm implements and depends wholly or mainly on selling his or her labor power for means of livelihood. This also includes farm workers assigned plots by their landlord for tilling but whose net yield are so low, and not enough to sustain their families, that the farm worker and other family members are still compelled to sell their labor power to landlords, middle and rich peasants.

j) Higher-income farmers – refers to farmers who own land and adequate farm tools, working animals or machineries and who earn income that is more than enough to sustain the needs of their family.

k) Joint corporate undertaking – refers to a business undertaking between agricultural workers who own the land and the Filipino owner, whose non-land assets do not fall under the category of sullied landholdings, in which the agricultural workers control and manage the business operation.

l) Landless farmers – refer to farmers who do not own any land. For purposes of this Agreement, the term includes farmers who own lands which are inadequate to their available labor power or who own lands of such low quality as to result in inadequate incomes.

m) Landlord – refers to one who owns land but does not engage in labor and who only engages in and depends mainly or entirely on land rent for their means of livelihood.

n) Land monopoly – is the system of ownership and control of vast tracts of land by landlords.

o) Land-use conversion – refers to the process of converting agricultural lands into commercial, industrial, or residential uses. For purposes of this Agreement, it covers any act of landowners or real estate developers or their agents or representatives that, in the process of conversion, deprives the farmers of the agricultural use of the land.

p) Non-land assets – refer to immovable (apart from land) and movable properties that are used as facilities, equipment, accessories and other structures, instruments, and improvements vital and necessary to agricultural production. In the case of cattle and livestock farms, aquaculture and pasture, non-land assets include breeding ponds and stables, fish cages, machines and equipment and other improvements, structures and instruments vital and necessary to their operation, and the cattle, livestock, prawns and fishes, and all other animals raised and grown therein.

q) Peasants – may be categorized as rich, middle, or poor. Rich and middle peasants generally own some land and in many cases also rent land; rich peasants also hire wage labor and rent out farm animals and implements. Middle peasants depend mainly or wholly on their own labor for their means of livelihood. Poor peasants are mainly or wholly tenants of landlords; they have no land or farm animals and often lack adequate farm implements. Poor peasants derive part of their income from the sale of their labor power.

r) Peasant/Farmers’ cooperative – is an organization in which farmers with small farms, or peasants who do not own land, collectively engage in agricultural work or business to help each other produce and sell their crops and to strengthen their bargaining and market power.

s) Remonopolization – is the reconcentration of landholdings distributed to farmers back to the landlords.

t) Sullied landholdings – are lands acquired through illegal and fraudulent means including but not limited to land-grabbing, misrepresentation, circumvention of agrarian reform laws, distorting the history of tenancy, and the use of force and violence.

u) Transnational corporations (TNCs) – refer to any corporation, registered and doing business in the Philippines for and on behalf of its mother corporation in another country, the capitalization of which is fully or partly funded by its mother corporation.

ARTICLE III SCOPE AND COVERAGE

Section 1. Regardless of tenurial arrangement and commodity produced, agrarian reform shall cover all private and public agricultural lands, including lands of the public domain suitable for agriculture. Specifically, the following lands shall be covered:

- a) All private lands devoted to or suitable for agriculture including plantations and large-scale commercial farms covered by leasehold, joint venture, non-land transfer (e.g. stock distribution option) and similar agreements, management and service contracts;
- b) All alienable and disposable lands of the public domain; idle and abandoned lands; all private lands suitable for agriculture which were foreclosed, sequestered and acquired by the GRP through its agencies and instrumentalities;
- c) All commercial farms, which are private agricultural lands devoted to production of export crops, including those previously exempted from the GRP’s agrarian reform programs;
- d) Pasture lands and ranches and lands suitable for tillage but covered by leases for ranches and cattle farms;
- e) Lands formerly and presently used as military bases and other military reservations or parts thereof suitable for agriculture;

- f) Lands of public or private schools suitable for agriculture that are not actually, directly and exclusively used for educational purposes for the past five (5) years;
- g) Lands owned and operated by churches and church institutions suitable for agriculture, that are not actually, directly and exclusively used, and found to be unnecessary for the practice of religion;
- h) Lands covered by tourism projects, golf courses, and those within special economic zones that are suitable for agriculture; and
- i) Fishponds, prawn farms, corporate fish pens and aquaculture farms including those previously exempted from coverage by the GRP's land reform programs.

Section 2. The Parties shall carry out agrarian reform as stipulated in this Agreement in the indigenous peoples' and national minorities' ancestral lands and territories at the indigenous peoples' and national minorities' own pace. Both Parties shall ensure that the encroachment and monopoly control of ancestral lands and territories by private corporations and individuals, including the landowning elite among the indigenous peoples and national minorities such as the Lumad and Moro people, are dismantled.

ARTICLE IV DISTRIBUTION AND SALE OF LAND

Section 1. In the distribution of agricultural land, the Parties shall apply the principle of equity and democratic consultation with peasant associations based on the following considerations:

- a) Total amount of agricultural land available for distribution in the area;
- b) Size and labor power of the beneficiary family or household;
- c) Quality and location of the agricultural land, including adaptability to climate conditions;
- d) Type of crop to be planted; and

- e) Disposition of work of farm tractors, tool sheds, work animals, ranches, orchards, fishponds and so on.

Section 2. Surplus landholdings and other means of production of rich peasants and middle peasants shall not be subject to expropriation. They shall be required to raise the wages of the farm workers they hire in accordance with the standards set by the peasant associations.

Section 3. The sale, mortgage or any other encumbrance or mode of transfer of lands distributed under this Agreement shall be allowed subject to the following:

- a) The sale, mortgage or conveyance of distributed agricultural land shall be allowed only after a period of ten (10) years;
- b) The land shall not be converted to non-agricultural use;
- c) The land shall not be sold or mortgaged to former owners, money lenders and local officials;
- d) Preference shall be given to immediate family members and relatives who are willing to cultivate the land and able to make the land as productive as possible, provided their landholdings do not exceed the land retention limit; and
- e) In the absence of a member of the immediate family, the peasant association or peasant cooperative of the farmer-beneficiary shall be encouraged to purchase the land for cooperativization.

Section 4. The policy of expropriation shall extend to land owned by Filipinos but used by foreign-owned capitalist farms through lease or growers' agreements. Subject to negotiations based on national interest, Filipino owners may retain ownership of their non-land assets – farm machinery, warehouses, buildings, offices and vehicles, and the like – and enter into joint corporate or cooperative relationships with peasant cooperatives or farm workers' associations.

Section 5. Expropriated corporate farms shall not be broken up and distributed, unless there are cases of greater advantage to the tilling peasants/farmers if the farms are broken up. They shall

instead be operated by a cooperative or a corporation collectively owned by an association of peasants/farm workers. A policy may be adopted to determine whether to reduce the number of plantations for export crops, in favor of land distribution and production of local food or processing.

Section 6. The lease and leaseback arrangements with foreign corporations involving vast tracts of land or plantations shall be immediately terminated and the contracts rescinded. Plantations operated on leased public and privately owned land shall be publicly owned or managed by cooperatives of the farm workers.

Section 7. Pending the free distribution of agricultural land, all tenants shall be assured ownership of free home lots from their landlord.

ARTICLE V COMPENSATION AND LAND USE

Section 1. The Parties shall ensure that owners of expropriated lands are provided with compensation and allowed to retain up to five (5) hectares, provided that such lands shall continue to be devoted to agricultural production or other uses related to agriculture. This provision does not include landholdings proven to be unjustly and/or fraudulently acquired.

Section 2. In determining compensation, there shall be consultation between the peasants and workers on these lands and the current owner/s, and the following shall be considered:

- a) History of tenancy;
- b) Social and economic benefits contributed by the farmers and farm workers to the property;
- c) Cost of acquisition of the land;
- d) Current value of like properties;
- e) The land's nature, actual use and income;
- f) Facilities and machinery and, in the case of ranches and cattle farms, the number and quality of livestock; and

- g) Tax declarations, rentals, income and other earnings and contributions by the peasants and farm workers to the property, and unpaid taxes, loans and other liabilities.

Section 3. The Parties shall create an appropriate body to determine the amount of compensation. The compensation shall be made in one or any combination of the following modes:

- a) Cash payment;
- b) Shares of investment or bonds in industrial or commercial enterprises;
- c) Tax credits, which can be used against any tax liability; and
- d) Set-off of unpaid loans, secured from any GRP financial institution.

Section 4. Professionals, migrant workers, and retirees who have acquired landholdings not exceeding fifteen (15) hectares during the last ten (10) years and their immediate heirs shall be better compensated.

ARTICLE VI MARINE AND AQUATIC REFORMS

Section 1. Fisheries and aquaculture, including but not limited to fishponds, fish pens and fish corrals, shall be covered by the agrarian reform program of this Agreement, with aquatic reform as an inseparable and salient component of the agrarian reform program.

Section 2. The Parties shall expropriate fish corrals, fish pens and fish cages not directly and actually operated by their owners or by cooperatives. Privatized coastal areas shall be reverted to the public domain and shall be used mainly as communal fishing grounds.

Section 3. Municipal fishing grounds extending to fifteen (15) kilometers from the shoreline shall be protected from big commercial operators with vessels of more than five (5) gross tons.

Section 4. Fishpond tenants and wage workers shall be organized into fishing cooperatives and fishponds shall be transformed into publicly-owned farms or into cooperatives.

Section 5. Owner-operated fisheries and aquaculture areas not exceeding one (1) hectare shall not be subject to expropriation. Together with publicly-owned fishponds, their owners shall be given state support in terms of technology, credit and other services and shall be required to provide adequate and equitable compensation to their laborers.

Section 6. Expropriated fishery equipment such as fish corrals, fish pens and large fish cages shall be distributed to producer cooperatives of the fish pen, fish corral, and large-fish-cage laborers.

ARTICLE VII PROTECTION OF RIGHTS AND WELFARE

Section 1. The Parties shall address all causes of exploitation of all agricultural, farm and fishery workers and shall promote and uphold their rights and welfare in terms of living wages, monetary and non-monetary benefits, humane working conditions, health and safety, and other benefits.

Special attention shall be given to migrant agricultural workers, such as the sacadas, who endure the worst living and working conditions, to ensure that they are accorded their due rights.

Section 2. The Parties shall guarantee the full participation of the peasantry in directing all policies and programs related to agriculture and the whole economy.

Section 3. The Parties shall guarantee the rights of farm workers and agricultural workers in capitalist-run establishments; these rights include sickness, maternity, paternity and vacation leaves, retirement pay, overtime pay, and health insurance.

Section 4. The Parties shall recognize and guarantee the right of farm and agricultural workers, indigenous peoples, women and other rural populations to form unions and cooperatives. Both Parties shall promote and support the formation or organization of

cooperatives and peasant organizations, and provide education and training in the various facets of cooperativism, such as organization, administration, finance and production.

Section 5. The Parties shall prohibit the criminalization of agrarian-related disputes and cases. Criminal cases filed against farmers and peasants involving agrarian-related disputes shall be withdrawn or dismissed or settled, guided by the basic tenet of social justice that the law shall always be interpreted to favor the poor. Victims of mistrial and prolonged detention without trial shall be compensated.

Section 6. The Parties shall provide free public health services and free public education up to the tertiary level of agricultural and technical colleges.

ARTICLE VIII COOPERATIVES, CREDIT AND SUPPORT SERVICES

Section 1. The Parties shall implement a program of increasing productivity in food production to raise the income of the rural population and to attain self-sufficiency, particularly in staple crops, fishery and marine products, and livestock. Production shall be geared primarily to meeting domestic demand to achieve food self-reliance and to supply raw materials for domestic industrial production.

Section 2. The Parties shall encourage, train, and support agrarian reform beneficiaries as well as other peasants and workers to form cooperatives to consolidate the gains of agrarian reform, raise agricultural and all related production, and promote rural development. These cooperatives can be for tree farming, orchards, fishponds, poultry and livestock, grazing and pasture management, carpentry, pooling of work animals and farm machinery, rural industries, and other areas. They shall be managed by peasant associations in their respective areas or localities.

Land reform beneficiaries shall be provided with support services in the production and processing of crops, livestock, poultry,

and fish, credit, marketing, price support, and technical training on appropriate technology.

Section 3. Peasant cooperatives and associations shall undertake consciousness-raising activities regarding the sociopolitical conditions of their localities as well as the national situation.

Section 4. The Parties shall ensure that low-interest or interest-free credit or subsidies are offered to peasant associations, fisherfolk and other associations of producers to enable them to expand their production and raise productivity to assure a stable supply of food and other agricultural products for the entire population.

Section 5. The Parties shall reorient the Land Bank and rural banks and make their primary purpose the financing of agricultural and rural development especially in: building farm infrastructures; support for food production, including aquaculture and livestock breeding; development of non-farm rural industries; harnessing of farm waste for energy, fertilizer and other alternative uses; and the formation of cooperatives. Debts of peasant beneficiaries in connection with land amortization with the Land Bank (in accordance with previous agrarian reform laws) shall be condoned.

Section 6. Financial assistance in the form of production subsidies for farm inputs and the purchase or rent of farm machinery and equipment shall be extended to cooperatives and collectives to increase agricultural productivity.

Section 7. The Parties shall ensure food security and self-sufficiency in grains and staple crops. Prices shall be maintained at levels beneficial and encouraging to the peasant producers. The appropriate agency agreed upon by the Parties, in consultation with farmers' organizations, shall set guidelines to strengthen the procurement of palay, corn and grains at the farm gate.

Section 8. The Parties shall provide crop insurance with rates set at levels beneficial and encouraging to farmers and other agricultural producers. Farmers shall also be provided with life insurance as well as other types of insurance covering health, disaster, business interruption and property. The farmers shall be encouraged

and assisted to set up their own insurance company or mutual benefit associations.

Section 9. In the event of natural disasters (e.g. destructive typhoons, droughts or flooding), the Parties shall ensure that free non-GMO seedlings shall be distributed to farmers. Farmers and fisherfolk affected by calamities shall receive relief and food and other subsidies.

ARTICLE IX PROHIBITED ACTS AND PRACTICES

Section 1. The Parties shall prohibit the conversion of agricultural land devoted to food production, unless the crops are to be processed for use in national industries such as chemicals, pharmaceutical and rubber products under regulation according to the national socioeconomic plan.

Section 2. The Parties shall suspend, review and, as necessary, reverse policies or programs that allow the conversion of agricultural lands into so-called industrial estates, urban-housing estates and subdivisions, tourist resorts, golf courses, and the cultivation of export and biofuel crops. Agricultural lands that have been converted shall be returned as much as possible to agricultural use.

Section 3. The Parties shall stop rampant and indiscriminate farmland reclassification and conversion to real estate development, tourism, mining and special economic zones by speculators and giant property developers.

Section 4. The Parties shall end crop conversion and destructive land reclamation. Crop conversion facilitates the setting up or further expansion of local and multinational export-oriented agribusiness plantations, which exacerbates rural land dispossession, intensifies the exploitation of agricultural workers, and undermines national food security.

Section 5. The Parties shall take measures to prevent the pollution of fishing grounds and institute measures for their protection.

Section 6. The Parties shall combat, prohibit and eliminate usury and other exploitative practices in the trading of agricultural inputs and produce through:

- a) Encouraging the peasant masses to keep personal savings;
- b) Encouraging the peasant association to operate as a cooperative association in order to accumulate savings and other income;
- c) Lowering the interest on loans to 50 percent of the existing rate as an initial step and subsequently lowered continuously until this becomes only slightly higher than the prevailing rate charged by banks; and
- d) Cancelling all unjust debts and recomputing old debts as far back as five (5) years according to the rates set (only slightly higher than the prevailing rate charged by banks) with the agreement of the general assembly of the peasant association.

Section 7. The Parties shall prohibit and stop exploitative trading practices (e.g. price manipulation and *resicada* system) and ensure that farmers, farm workers, fisherfolk, and workers in farms and fisheries get fair buying prices for their products.

Section 8. The Parties shall strictly prohibit the construction and establishment of military camps and detachments of the Armed Forces of the Philippines and the Philippine National Police in agrarian reform lands.

ARTICLE X RURAL INDUSTRIALIZATION

Section 1. The Parties shall promote the adoption of people-based community-led rural industrialization whose elements include being anchored on agrarian reform and agricultural development, building on local skills and knowledge, judicious use of local raw materials and natural resources, and promotion of innovations.

Section 2. The Parties affirm that providing more farm technicians and training facilities, accessible agricultural credit to the

tillers, post-harvest facilities, marketing assistance, free irrigation systems, and farm-to-market roads are an integral part of the agrarian reform program. Appropriate technologies shall be developed and price guarantees in favor of farmers shall also be ensured.

Section 3. The Parties shall undertake measures to support the improvement and development of agricultural production, such as in dairy, poultry and animal husbandry, in sugar, rice, corn and other grains, coconut, fibers, orchards, vegetables, herbs and spices, beverage, rootcrops, fishery and marine products, salt and seaweeds, forage and fodder crops, rubber, organic fertilizers, and others.

Section 4. The Parties shall protect and further develop traditional food processing and non-farm rural industries such as weaving, blacksmithing, handicrafts, foundry, and metalworking by providing marketing, financial and technical assistance.

Section 5. The Parties shall develop manufacturing of agricultural inputs including organic fertilizers, pesticides and herbicides, tools, implements, and machinery.

Section 6. The following rural industries, among others, shall be developed:

- a) Coconut industry
- b) Sugar industry
- c) Cacao and coffee industry
- d) Meat processing
- e) Dairy products
- f) Leather processing
- g) Abaca products
- h) Clothing and textiles
- i) Furniture
- j) Bamboo and rattan
- k) Fish processing
- l) Fruit, spices, and vegetable processing

- m) Agricultural by-products processing
- n) Pottery
- o) Salt and seaweeds processing

Section 7. The Parties shall develop domestic agricultural science and technology domestic to raise productivity and promote rural industries. These shall be economically feasible, ecologically sound, culturally appropriate, socially just, and humane. Traditional and modern technological variety of seeds and the manufacturing of agricultural inputs (including organic fertilizers, pesticides and herbicides), tools, implements and machinery as well as breeding of poultry and livestock shall be promoted.

Section 8. The Parties shall endeavor to integrate all aspects of rural production, distribution, and processing to meet the needs of the people, local industries, and the domestic economy as a whole. Social capital shall be built towards planned and sustained rural development.

Section 9. The Parties shall give priority in planning and budget allocation to establishing physical rural infrastructure. This shall include the following:

- a) Viable transport, communication, and information systems to link production, distribution, and consumption;
- b) Free irrigation supply systems;
- c) Free or cheap power generation and supply systems, especially from renewable energy sources;
- d) Storage, processing, and preservation facilities for agricultural produce and fishery products;
- e) Drinking water facilities;
- f) Flood control and protection;
- g) Soil conservation including erosion control; and
- h) Fishing harbors.

Section 10. Peasant associations and rural communities shall have a major role in the planning and implementation of rural

infrastructure projects, and in all other programs such as credit and poverty alleviation.

ARTICLE XI OTHER PROVISIONS

Section 1. The Parties agree that the state shall recognize the rightful claim of peasants and agricultural workers to the coco levy funds, sugar amelioration fund, and tobacco excise tax.

Section 2. The Parties agree that the state shall review, amend, suspend or terminate, as applicable, all bilateral investment treaties and agreements, bilateral and regional free trade agreements (FTAs), and agreements under the multilateral World Trade Organization (WTO) that are disadvantageous to achieving agricultural and rural development.

Section 3. The Parties agree to terminate the massive importation of agricultural and fishery products which deprive Filipino farmers and fisherfolk of their livelihood and undermine the domestic production of these products.

Section 4. The Parties agree that mass organizations and peasant associations shall participate in the enforcement and implementation of agrarian reform. The organized movement of farmers, the rural poor and the working people, along with the unemployed and underemployed, shall be harnessed in building the infrastructure for rural agricultural and industrial development.

Section 5. The Parties shall establish a Joint Agrarian Institute (JAI) whose personnel are to be nominated by both Parties in close cooperation with peasant associations. The institute shall conduct trainings and undertake continuing research on agrarian problems and disputes and on agrarian reform policy, and recommend strategies to further sustain agricultural and rural development in line with the CASER's other provisions.

Section 6. The Parties agree that the state shall assume the responsibility to repeal the Investors Lease Act, Agriculture and Fisheries Modernization Act (AFMA), Fisheries Code, Mining Act, Indigenous People's Rights Act (IPRA), and all other laws,

decrees, orders, decisions and issuances that are inconsistent with this Agreement.

Section 7. Within a reasonable time frame from the signing of this Agreement, a new agrarian reform law shall be approved to strictly comply with all Articles and Sections of Part IV of this Agreement. Through their Negotiating Panels, the Parties shall agree on the specific provisions of such a law.

Section 8. The Parties agree that the State shall work to enact and implement the related and complementary legislative and policy reforms in support of the agrarian law and agrarian reform programs as listed in Annex A of this Agreement.

Section 9. The GRP shall ensure the adequate allocation of funds for program implementation and a support services fund.

ARTICLE XII IMPLEMENTING PROVISIONS

Section 1. The Parties shall create a mechanism to ensure that the Agreement on Agrarian Reform and Rural Development (ARRD) is respected and effectively implemented.

Section 2. The Parties shall agree on the schedule of implementation and work plan specifying the dates and time frame for undertaking their joint and separate commitments under the Agreement on ARRD. A sample schedule of implementation is attached as Annex B.

Section 3. The Parties shall establish the Joint Monitoring Committee on Agrarian Reform and Rural Development (JMC-ARRD) to coordinate the separate implementation and supervise the common work of agrarian reform and rural development in compliance with this Agreement on ARRD.

Section 4. The JMC-ARRD shall be composed of four (4) members to be chosen by the GRP Panel and four (4) members to be chosen by the NDFP Panel. The JMC-ARRD shall have co-chairpersons who shall serve as chief representatives of the Parties and shall act as moderators of meetings.

Section 5. The JMC-ARRD shall have the following functions:

a) Monitor the measures undertaken by the Parties to implement their joint and separate commitments and obligations under this Agreement on ARRД pursuant to the agreed implementation schedule and work plan.

The Parties shall establish a reporting system that provides the JMC-ARRD with information on the laws or legislations enacted, policies or regulations adopted, operational data and such other measures and initiatives including allocating resources for the purpose of meeting their obligations under the Agreement on ARRД, and its amendments, if any.

b) Verify data and technical or operational information cited in the reports through, among others, the conduct of on-site missions to help ascertain whether a Party is in compliance and, in the event of non-compliance, to help ascertain the degree, type and frequency of non-compliance.

Mass organizations and peasant associations shall participate in the verification process and their evaluation and assessment on the impact and extent to which implementation has led to a measurable improvement in the agrarian situation shall be given substantial consideration.

Technical verification may involve independent sources for corroborating national data and information.

c) Receive complaint for breach of any provision of the Agreement on ARRД or submissions in relation to non-compliance issues.

d) Investigate complaints for breach of any provision of the ARRД and non-compliance issue or compliance difficulties.

e) Give advice, recommendations or information, after consultation with the party, to assist in resolving compliance difficulties.

f) Review general cases of compliance.

Section 6. The Parties shall form an advisory council composed of members of the academe, representatives of peasant organizations and independent experts to assist and give advice to the

JMC-ARRD in monitoring and reviewing implementation of the ARRД provisions and drawing policy-relevant conclusions from the findings of the verification and exchange of experiences.

Section 7. The JMC-ARRD shall provide the GRP-NDFP Social and Economic Oversight and Advisory Council (SEOAC) established under Part V (Implementing Provisions) of the CASER, with regular briefings and updates on the status of the implementation of the ARRД provisions in accordance with the implementation schedule and work plan adopted by the Parties.

Section 8. Any matter or issue involving non-compliance with the ARRД provisions or involving the work of the JMC-ARRD shall be elevated to the SEOAC.

Section 9. Within sixty (60) days from the signing of the Agreement on the ARRД, the necessary rules and regulations for the proper implementation of its provisions shall be formulated by the JMC-ARRD, jointly with the members of the SEOAC. The negotiating panels of the GRP and NDFP shall approve the said implementing rules and regulations within a period not later than thirty (30) days upon submission for approval by the JMC-ARRD.

Section 10. The JMC-ARRD shall create a joint secretariat that shall provide staff support. Each Party shall nominate an equal number of members in the joint secretariat who shall serve at the pleasure of the nominating party.

Section 11. The members of the JMC-ARRD shall be entitled to the safety and immunity guarantees stipulated by the Joint Agreement on Safety and Immunity Guarantees.

Section 12. The JMC-ARRD shall be constituted within 15 days upon the effectivity of the ARRД provisions of the CASER and shall continue to exist until either party decides to dissolve it by sending the other Party a written notice of dissolution or until it shall have been replaced with a more permanent agency under a new political authority as shall be defined in the Comprehensive Agreement on Political and Constitutional Reforms (CAPCR) and the Comprehensive Agreement on End of Hostilities and Disposition of Forces (CAEHDF).

Dissolution of the JMC-ARRD shall not free any of the Parties from fulfilling obligations under this Agreement on ARR.D.

Section 13. The Parties may from time to time review the provisions of this Agreement on ARR.D to determine the need to adopt a supplemental agreement or to modify the provisions hereof as circumstances require.

Section 14. Any dispute involving interpretation, application, or non-compliance with the provisions of the ARR.D and matters involving the work of the JMC-ARRD shall be resolved pursuant to Part V and VII of the CASER.

Section 15. While the other substantive parts of the CASER are being negotiated, this Agreement on ARR.D shall be signed by the Negotiating Panels and shall forthwith take effect upon approval by their respective principals.



B. NATIONAL INDUSTRIALIZATION AND ECONOMIC DEVELOPMENT

National industrialization is necessary to secure the livelihood of the masses, satisfy their basic needs, ensure rapid and sustained economic growth, and achieve economic independence from imperialist domination. The Philippines has the rich natural resource base and skilled people for this. There are many of the basic minerals needed for industrial development. There are also tens of millions of workers, peasants, scientists and technologists, and the rest of the Filipino people.

Real industrial progress and economic development is however prevented by foreign monopoly capitalists and the comprador big bourgeoisie. The imperialists do not want to lose the country as a source of cheap raw materials and labor and a captive market for their industrial goods and services. The compradors do not want to give up their profits from facilitating this imperialist exploitation.

Neoliberal globalization has worsened industrial backwardness and tens of thousands of manufacturers have shut down in the last decade alone. Much of what have been left are just semi-manufacturing. There is also massive denationalization of manufacturing where foreign transnational corporations and subcontracting account for the overwhelming majority of manufacturing output in the country.

The distorted neocolonial pattern of production needs to be broken. The country's natural and human resources can contribute to national development only if there are Filipino firms producing capital, intermediate and consumer goods on a large-scale.

National industrialization requires active state intervention and protection, expanding and integrating the domestic market, ensuring linkages across the economy, and developing domestic science and technology.

Filipino producers and domestic capital need to be the driving forces of national development. They include the patriotic national bourgeoisie, smaller enterprises, and start-ups aspiring for industrialization. The people, and especially the working class, are pivotal as the economy's main producers, the most important beneficiaries of industrial development, the bearers of science and technology, and the main political force pushing for national progress.

ARTICLE I

GENERAL PROVISIONS FOR NATIONAL INDUSTRIALIZATION

Section 1. The Parties agree to attain national industrialization by developing and acquiring the capacity to produce consumer, intermediate and capital goods.

Section 2. National industrialization aims to achieve full employment, improve real wages, continuously improve the standard of living, reduce inequality, and eliminate poverty. It raises the level of science and technology, expands domestic demand, and integrates regional production and markets into one national production system.

Section 3. The Parties agree that a comprehensive and integrated national industrialization program necessitates systematically taking into account: a) available labor power, skills, natural resources, technology and capacity; b) forward and backward linkages between the primary, secondary and tertiary sectors as well as between geographic regions; c) varying gestation periods and scale economies; d) meeting immediate and basic needs of the people while expanding the potential for long-term strategic benefit; and e) environmental consequences. National industrialization shall be carried out in stages, with due consideration of initial and developing conditions, and shall progress with conscious linkages and programmed development among low-technology labor-intensive and medium up to high-technology capital-intensive production.

Section 4. National industrialization ensures well-balanced growth with heavy and high-technology industry as the leading factor, agriculture as the base of the economy, and light and medium industries as the bridging factor to immediately produce basic consumer goods for the people and producer goods needed by agriculture.

Section 5. Heavy and high-technology industry shall be rapidly developed to become the leading factor in comprehensive and well-balanced development of the economy. The existing industries shall be reoriented from their current import-dependent low value-added processing of goods, largely for export/re-export or for low-end merchandise. The Parties:

- a) Commit to prioritize the creation and/or expansion of a modern Filipino industrial sector producing capital and intermediate goods;
- b) Commit to building basic heavy and medium industries producing base metals, basic chemicals, petrochemicals, pharmaceuticals, machinery, precision instruments, electronics, and consumer durables; and
- c) Recognize that these industries are important to ensure that the production of consumer goods and rural producer goods – including farm machinery and equipment, post-harvest

storage and processing facilities – is sustained in the long run.

Section 6. Agriculture shall be the base of the economy. Genuine agrarian reform and rural development shall be undertaken so that the agricultural sector can perform its critical roles in national industrialization and unleash a virtuous circle of expanding demand and growing productivity, specifically:

- a) Provide food for the rural and urban population;
- b) Provide raw materials for Filipino industries;
- c) Create a vast market for domestically-produced consumer and producer goods especially amid the protracted global crisis and tighter export markets; and
- d) As a source of investible surplus from the increased productivity of the peasants and other rural workers.

Section 7. Light industry shall be reoriented from its current foreign-dominated, import-dependent, and low value-added processing of goods for export to become the bridging factor for immediately producing the basic consumer goods for the entire people and such producer goods as agricultural inputs, tools and light machinery needed by the agricultural sector. The Parties:

- a) Recognize that satisfying the basic needs of the people, especially the basic masses, ensures mass support for the industrialization drive;
- b) Commit to expanding essential consumer goods industries as rapidly as possible to ensure widespread availability of consumer necessities; and
- c) Agree to give priority to the processing of grains, cereals, fruits and vegetables, meat and poultry, aquaculture and fisheries, beverages and dairy products, clothing and footwear, and mass housing.

Section 8. The Parties shall encourage higher-stage and end-product domestic processing of the country's raw materials such as, but not limited to, minerals, agro-based and forestry products

(e.g. coconut products, sugar, lumber), and the like in lieu of the current policy and practice of raw material production-for-export.

Section 9. The Parties shall take measures for industrial production to adequately meet the consumption and production needs of the peasantry and establish linkages between farm production, agricultural infrastructure, industrial inputs, and agro-processing.

Section 10. The Parties shall ensure that national industrialization prioritizes the well-being of the people, especially the worker and peasant masses. It shall serve the needs of the people and mobilize their democratic participation. It shall not accumulate capital or proceed at the expense of the peasantry and workers.

Section 11. The Parties recognize and shall address the environmental impact of industrialization and shall take into account:

- a) Maximizing domestic use of locally available raw materials;
- b) Addressing the destructive effect on the environment and on people's health of industrial processes; and
- c) Most efficient use, protection and recovery, as appropriate, of the country's resources.

Section 12. The Parties shall jointly design a national industrialization program, laying the foundation of industrial development with immediately realizable industrial projects but also charting long-term industrialization.

Section 13. Industries deemed essential to the creation of a domestic industrial base for national industrialization shall be: supported with tax exemptions, import duty exemptions, credit and investment incentives, and government procurement contracts; protected with tariffs, quotas or import prohibitions, and foreign exchange controls; and promoted with other like measures as necessary.

Section 14. Favored industries and enterprises under Section 13 immediately above shall be subject to controls regulating monopolistic behavior and ensuring productivity improvements. Performance standards shall be drawn up and strictly implemented to ensure their contributions to industrialization. There shall be

constant engagement between the state and industrial enterprises to enhance information flows, fine-tune policies, and ensure clear guidance according to the needs of national industrialization.

Section 15. The imports of goods and services shall be regulated so as not to compromise national industrialization and so as to give priority to imports of needed technology, industrial equipment, and other requirements of the strategic industrialization program.

Section 16. The Parties recognize that provisions of international economic deals such as those on investment, “national treatment,” “fair and equitable treatment,” “most favored nation,” (MFN) treatment and others are biased against Filipino enterprises and prohibit various policies needed for national industrialization. To achieve national industrialization and development the GRP shall amend, suspend, or terminate, as applicable and necessary, all bilateral investment treaties and agreements, bilateral and regional free trade agreements (FTAs), and agreements under the multilateral World Trade Organization (WTO) that prevent national industrialization.

Section 17. The Parties commit to build relations with multilateral organizations and governments in support of national industrialization.

ARTICLE II DEFINITION OF TERMS

Section 1. Definition of Terms – For the purpose of this Agreement, the following terms shall be understood as follows:

a. Bureaucrat capitalists – are the political representatives of the comprador big bourgeoisie and the landlord classes who also act as the local managers of imperialism. As distinguished from those two exploiting classes, the bureaucrat capitalists build up or expand their wealth through the exercise of political power. They are capitalists by, in effect, keeping the entire government as a large private enterprise from which they draw enormous private profits.

b. Cartel – is one of the forms of monopoly association whose participants are distinct and independent of each other but who come together to agree on the prices and supply to markets of their goods and services and on other relevant market behavior, for the purposes of obtaining monopoly superprofits and strengthening their dominant positions.

c. Comprador big bourgeoisie – are domestic capitalists who own or control big enterprises or firms principally engaged in or otherwise benefiting from the export of local raw materials and semi-processed goods, including cheap labor operations of global production lines, and from the import of finished products. They are linked with foreign monopoly capitalists and the feudal forces in the countryside. It has accumulated the biggest capital locally in its role as the principal trading and financial agent of the US and other imperialist countries.

d. Consumer, intermediate and capital goods – are goods or services categorized according to their use. Consumer goods, sometimes called final goods, are purchased and used by consumers for their needs; examples are food, household appliances, and electronic gadgets. Producer goods fall into two types, intermediate and capital goods, which are purchased and used by producers to produce final goods. Intermediate goods are used up in the production process and become part of the final product; examples are steel, industrial chemicals, and electronic components. Capital goods are used to make goods and services but are not used up in the production process; examples are buildings, tools, machinery, and equipment.

e. Expropriation – is the act of the state or its authorities taking property from its private owner for public use and in the interests of a definite class or of society as a whole, under duress if need be and regardless of the consent or lack thereof by the owner.

f. Foreign monopoly capitalists – own or control big firms or enterprises, dominate the market, and appropriate much of the production and marketing of products and services to obtain monopoly superprofits.

g. Linkages, backward and forward – refer to connections in the production chain where the economic activities of distinct industries, firms and enterprises flow (i.e. goods, services, technology, money, information and other factors). Backward linkages are directed towards suppliers of inputs while forward linkages are directed towards users of outputs including consumers.

h. Linkages, horizontal – refer to cooperative arrangements made among firms at the same level or stage of the production chain where they interact to accomplish production goals that a single or few firms working on their own would not be able to do as well.

i. Micro, small, medium enterprises – are enterprises identified either on the basis of their assets or the size of their workforce. By assets: micro enterprise (assets not more than Php3 million); small (Php3,000,001-Php15 million); medium (Php15,000,001-Php100 million). By size of workforce: micro enterprise (1-9 employees); small (10-99 employees); medium (100-199 employees). Enterprises beyond these are considered ‘large’ enterprises.

j. Nationalization – is the transfer of firms, enterprises or a major branch of industry or commerce from private to state ownership or control. These are generally 100 percent state-owned but in certain cases may have a minority private stake of up to a maximum of 40 percent such as when private capital, technology, expertise, and other contributions to national development are needed. Filipino citizens will be given preference in the private stake but if this goes to foreign capital then additional safeguards will be instituted such as additional requirements in management, profit-sharing, technology transfer, eventual buy-out by the state or Filipino citizens, and others as deemed necessary.

k. National bourgeoisie – are domestic capitalists who are the middle stratum between the comprador big bourgeoisie and the petty bourgeoisie. They are the capitalists, regardless of size but who are often but not always small and medium firms and enterprises, in urban and rural areas interested in national industrialization.

l. Natural monopolies – occur when a market for a particular good or service cannot economically sustain more than one or perhaps very few firms. This usually occurs when the industry requires very large fixed or start-up costs that makes more than one or a few firms economically unfeasible, such as in the case of many utilities where the market can only support a few producers at most. Natural monopolies can also occur in industries that require rare raw materials, specialized technology, or other unique factors to operate.

m. Negative List – is a list of the areas of investment and/or economic activity which are reserved for Philippine nationals.

n. Scale economies, or economies of scale – occur when increased production levels result in a proportionate saving in the costs of production. This causes the average cost of producing something to fall as the volume of its output increases.

o. Small and medium scale manufacturers – are small and medium scale enterprises engaged in manufacturing.

p. Strategic industries – are industries, firms and enterprises whose goods and services have far-reaching impact on economic life and so are critical for a well-functioning economy, national development, and economic sovereignty. These include for instance industries whose products are essential inputs to a wide range of goods and services.

ARTICLE III
 BREAK IMPERIALIST AND COMPRADOR
 DOMINATION OF THE ECONOMY

Section 1. The Parties shall break the economic dominance of foreign monopoly capitalists and the comprador big bourgeoisie and undertake an investment program that promotes national industrialization. However, big compradors shall be redirected to invest in industrial projects in accordance with the policy of national industrialization. Foreign investors may be allowed to invest, provided they agree to the principal position of the public

sector and Filipino investors and to the transfer of necessary technology within a reasonable period of time.

Section 2. The direct investments and other profit-making assets of US, Japanese and other foreign monopoly capitalists in vital and strategic industries shall be expropriated and nationalized. Exemptions shall be made only in cases of exceptional record with respect to treatment of workers, technology transfer, access to products or markets, and other contributions to the national economy as defined by the national socioeconomic plan. The disposition of their productive assets or commercial enterprises shall be negotiated based on the national interest.

Section 3. Foreign investment shall be strictly regulated to ensure that it contributes to national industrialization in terms of technology transfer, access to products or markets, domestic reinvestment, and other like benefits. In no case shall foreign equity exceed 40 percent in any enterprise.

Negative lists of areas where foreign investment is prohibited shall be drawn up according to the needs of national industrialization and of the national socioeconomic plan.

Section 4. The cartels and commercial operations of big compradors and bureaucrat capitalists shall be dismantled and their assets expropriated. These include, but are not limited to, their import-dependent and export-oriented operations that stifle national industrialization as well as their stake in vital and strategic enterprises and sources of raw materials. The compensation and disposition of these productive assets or commercial enterprises shall be negotiated based on the national interest. Ill-gotten assets of bureaucrat capitalists shall be subject to confiscation.

Section 5. The manner of compensation of expropriated investments and assets shall be subject to negotiation according to the needs of national industrialization and overall social and economic development.

Section 6. The Parties agree that developing Filipino industrial capacity is the most effective economic means for preventing the return of imperialist and comprador domination. The national

bourgeoisie and smaller private owners of the means of production, including micro, small and medium enterprises (MSMEs), shall be given support for their efforts, productivity, and creativity. Existing enterprises and start-ups shall be given the necessary incentives and support in areas where their private initiative will be most productive and shall also be encouraged to partner with the state in major ventures. A list of identified key industries of national significance and respective policy measures to develop these shall be made with due consideration of market conditions.

Section 7. Cooperatives of semi-workers, workers, peasants, and small- and medium-scale manufacturers shall be encouraged and supported with additional incentives to those already given to the national bourgeoisie and smaller private owners of the means of production.

Section 8. The Parties agree to jump-start the process of national industrialization by immediately implementing priority industrial projects that: build on existing labor power, skills, natural resources, technology and capacity; already have or can easily realize significant forward and backward linkages; meet some of the people’s immediate and basic needs; and establish the foundations for long-term strategic development. They shall also acquire and develop modern knowledge and technology to ensure production according to the most efficient processes and to open possibilities for new products and technologies. An initial list of identified key industries of national significance and respective policy measures to develop these shall be made with due consideration of market conditions.

ARTICLE IV
 MODES OF OWNERSHIP AND PARTICIPATION
 OF MASS ORGANIZATIONS

Section 1. The Parties affirm that socioeconomic enterprises can be public sector, joint public-private ventures, cooperatives, or individual entrepreneurship according to what ensures that overall production and distribution is oriented to achieving overall social

and economic goals. This includes, among others, consideration of natural monopolies and scale economies.

Section 2. The Parties recognize the importance of nationalization to build the strategic capacity of the state to direct the country's human and natural resource potential for the benefit of the majority of the people, and to ensure that domestic patterns of production and consumption are determined according to domestic needs and capacity.

Section 3. The Parties agree that the state shall nationalize vital and strategic enterprises and the main sources of raw materials. These include but are not limited to:

- a) Public utilities of power, water and sanitation, mass transport, telecommunications, and postal services;
- b) Wholesale and external trade; and
- c) Mining, quarrying and minerals processing.

Section 4. Publicly-owned and operated utilities shall have the welfare of the majority of Filipinos and overall social and economic goals as their primary concern instead of narrow private profits. Nationalized utilities shall provide affordable, quality and reliable services to the people and the national economy; these include but are not limited to affordable water and sanitation, affordable electricity, affordable mass transport, affordable communications services and free internet access, and affordable postal services. Nationalized mining shall consider the development of local communities, the impact on the environment, and the economic and social needs of the whole nation.

Section 5. The retail trade industry shall be exclusively 100 percent Filipino-owned to ensure national control over the distribution of goods and services.

Section 6. The Parties recognize that the working people have a pivotal role in production and, in particular, that workers have a central role in national industrialization. Unions and workers councils are moreover acknowledged as important for ensuring greater democracy in industrial enterprises and in farms run along capitalist lines.

Section 7. All industrial enterprises and farms run along capitalist lines shall have workers councils whose representatives shall sit in the board of directors or trustees and participate in policy making and management. The policy and decision-making authority of the workers councils shall cover production, marketing, and overall organizational management. It is preferred that unions organize the workers councils but workers may also directly organize these.

Section 8. Workers' participation in running industry shall be further strengthened through encouragement of and incentives for collective ownership and control of enterprises.

Section 9. When a private enterprise seeks to sell its assets, workers' cooperatives or collectives shall have the right of first refusal where the enterprise must first offer to sell its assets to its workers. The state shall provide support in the form of financing, management and technical support to workers cooperatives or collectives that choose to purchase these assets with the intent of making the firm productive.

Section 10. Community-based cooperatives and community-run efforts that support the program of industrialization and rural development and that address the need of the people for affordable, quality and reliable goods and services shall be encouraged. They shall be supervised by people's organizations, their organs of political power and the state.

Section 11. The Parties recognize that such social services as education, health, housing, and social security are vital for the participation and well-being of the working people and thus need to be aligned with the program of industrialization and national development. Public education, health, housing, and social security systems shall be strengthened and privately-provided social services shall be regulated as provided for in Part IV of this Agreement.

ARTICLE V
INTEGRATED REGIONAL AND SECTORAL DEVELOPMENT

Section 1. The Parties agree to spread industries across the country's regions in accordance with the availability of natural resources, agglomeration economies, and other relevant local economic circumstances. Measures to geographically disperse the benefits of economic progress shall be undertaken, as necessary, to ensure nationwide social and economic development and to ensure that cities are not overly congested.

Section 2. Industries shall be organized to ensure vertical (i.e. forward, backward) and horizontal linkages that most efficiently and effectively coordinate the flow of goods, services, people, technologies, and capital. Forward and backward linkages are between enterprises along the production chain or as buyers, ancillaries, subcontractors, or service providers; horizontal linkages are through joint ventures, cooperation and collaboration between enterprises.

Section 3. The Parties agree that industrial production shall aim to adequately meet the consumption and production needs of the peasantry. It shall support agricultural mechanization, modernization, and productivity increases to effect maximum accumulation of capital as well as to ensure food security. Linkages between farm production, agricultural infrastructure, industrial inputs, and agro-processing shall be built and enhanced.

Section 4. Industrial capacity shall be immediately established in the production of rural producer goods, especially agricultural equipment, as the first stage in the process of agricultural mechanization and increasing agricultural productivity. These include but are not limited to hand tools, farm implements, irrigation pumps, light motors, biomass-based fertilizers, improved seed varieties and feeds, and the like.

Section 5. Rural industrialization shall build on the expansion of rural markets and on agricultural modernization to increase manufacturing activities and generate employment opportunities in the rural areas. Public infrastructure, facilities and other linkages

between rural and urban areas shall be improved and expanded to foster and encourage rural industries.

Section 6. The Parties shall ensure greater political and economic equality between the country's various regions. They shall ensure the participation of all regions and people's organizations in decision-making that concerns them and allocate appropriate resources for the development of relatively backward regions.

Section 7. Specific integrated socioeconomic development plans shall be drawn up and developed for the Cordillera, Bangsamoro, Mindanao highlands, small islands and other areas with specific sociocultural and economic conditions within the context of the comprehensive and integrated national industrialization program and the integrated regional and sectoral development plans.

ARTICLE VI

DEVELOPING FILIPINO INDUSTRIAL SCIENCE AND TECHNOLOGY

Section 1. The Parties recognize that developing the country's capabilities in science and technology is an essential requirement for rapid and sustained expansion of productive capacity and shall be given high premium. They shall ensure an adequate supply of skilled, competent and progressive human resources geared towards Filipino needs, and stop the brain drain that serves foreign interests.

Section 2. The Parties recognize that foreign monopoly capitalists' exclusive control over key industrial technologies is a major factor in keeping domestic industrial processes backward. They commit to take active measures to break this such as the aggressive use of compulsory licensing, asserting shorter patent life, lowering licensing royalties, and others to support technology transfer and encourage long-term technology development.

Section 3. The Parties shall undertake measures to promote research and development in the basic and applied sciences. Sustained investment in developing domestic science and technology shall be undertaken, together with protective measures, in the active effort to improve domestic productive capacity. These include:

- a) Allocating adequate resources for programs developing the country's science and technology infrastructure to correct its historical and prevailing neglect;
- b) Ensuring an adequate supply of skilled, competent and progressive human resources geared towards domestic needs and priorities, rather than those of foreign corporations and to brain drain, by:
 - i. Developing and propagating comprehensive curricula in the basic sciences, engineering, modern agricultural techniques and management;
 - ii. Setting up the necessary educational infrastructure (i.e. teachers and instructors, schools and other learning centers and facilities) with particular importance given to expanding scientific and engineering courses in state universities and colleges and to vocational-technical schools;
 - iii. Setting up a workers' training institute supporting industrialization;
 - iv. Granting incentives to students in the form of scholarships and other required support and providing outlets for their skills that are in the national interest; and
 - v. Establishing a program to allow scientists with training and expertise from abroad to integrate with local production (*balik* scientists).
- c) Providing sufficient resources to research and development in both basic and applied science and engineering with special attention to developing the agricultural sector

Section 4. The Parties shall ensure that Filipino science and technology research outputs are utilized by domestic economic enterprises. The active participation of productive enterprises and mass organizations in science and technology development as users and themselves as sources of innovation shall be encouraged and stimulated.

Section 5. The Parties shall give priority of employment to Filipino scientists, technologists and workers in all enterprises.

Where there are still no qualified Filipinos, foreign experts may be hired but for a limited period of five (5) years within which they shall transfer full and complete knowledge and skills to Filipino understudies.

Section 6. The Parties acknowledge opportunities to improve domestic capabilities by selectively tapping foreign scientific and technological expertise. The domestic stock of technological knowledge may, as necessary, be augmented by using personnel and equipment from abroad, by entering into technology-sharing and technology-development agreements with other countries, and by sending Filipinos overseas to learn technological advances with a view to adapting these to our needs and capacities. The Parties shall develop relations with other countries that promote domestic scientific and technological capacity.

Section 7. A survey shall be undertaken of indigenous technologies that are relevant and appropriate, particularly with respect to the domestic processing of agricultural and industrial raw materials, with a view to their harnessing, expanded use and upgrading.

Section 8. The Parties recognize the expediency of appropriate technologies without prejudice to the need for overall technological development and for a long-term orientation of judiciously developing and using high technology.

Section 9. The Parties shall build the necessary innovation infrastructure such as a national broadband network and provide research and development support for small and medium enterprises including start-ups.

ARTICLE VII FINANCING NATIONAL INDUSTRIALIZATION

Section 1. The Parties agree that funds for national industrialization can be raised from:

- a) Confiscated and expropriated assets of foreign monopoly capitalists, big compradors and bureaucrat capitalists;
- b) Issuing national and local government industrial bonds;

- c) Reinvesting industrial surpluses of government enterprises;
- d) Encouraging farmers to invest surpluses from growing agricultural productivity in industrial projects;
- e) Encouraging landlords to invest compensation to them in industrial projects;
- f) Portions of higher income taxes on foreign and comprador corporations and wealthy families, higher land taxes on landlords;
- g) Portions of higher wealth, capital gains and inheritance taxes on wealthy families;
- h) Portions of higher consumption taxes on alcoholic drinks, tobacco products, gambling, and luxury goods and services;
- i) Savings from any renegotiated or repudiated debt, and
- j) Savings from reduced GRP spending especially on military personnel and operations.

Section 2. The Parties agree to reorient the Development Bank of the Philippines (DBP) and Land Bank of the Philippines (LBP) to fulfil the development banking function of financing public utilities, services, and infrastructure, agrarian reform and rural development, and national industrialization. They shall provide financial support to short, medium and long-term urban and rural industrial projects.

Section 3. Commercial banks shall allot at least 50 percent of their loanable funds for priority and key industrial projects, with at least 20 percent earmarked for small and medium enterprises.

Section 4. The Parties agree to set up an industrial investment fund or specialized funds to support the investment requirements of the national industrialization program. The fund/s shall source its/their capital from domestic public and private financial institutions, enterprises and individuals. These include, but are not limited to, government fiduciary funds.

Section 5. The Parties agree to build official economic relations to support national industrialization. These relations shall include among others new arrangements for development finance,

technical assistance, technology sharing, and infrastructure projects; deeper bilateral relations can also be explored with friendly governments and other international entities for specific industrial projects. Preference shall be given to official development assistance (ODA) that is untied and on the most favorable concessionary terms.

Section 6. Filipino migrant workers, immigrants of Filipino ancestry, and other overseas Filipinos shall be encouraged to invest in foreign exchange-denominated industrial bonds to help ensure the availability of financing for importing necessary industrial equipment and other requirements of the strategic industrialization program.

ARTICLE VIII
NATIONAL ECONOMIC DEVELOPMENT
COORDINATION COUNCIL (NEDCC)

Section 1. The Parties agree to establish, within three (3) months of effectivity of the CASER, a National Economic Development Coordination Council (NEDCC) to ensure implementation of the program for national industrialization as well as to build national consensus for this. The Council shall involve the Parties as well as mass organizations, industrialists, academe, and the mass media.

Section 2. The NEDCC shall coordinate all concerned major departments and governmental authorities in implementing national industrialization. It shall also serve as the mechanism for direct and continuous coordination of the Parties with and between industrialists, mass organizations especially the workers councils, and the academe.

Section 3. The NEDCC shall, within six (6) months of being established, draw up the long-term strategic program for national industrialization including its initial five-year implementation plan. This plan shall:

- a) Detail the policy instruments and measures to support the identified key industrial projects, including as well the

performance parameters for sectors and projects to receive continued support;

- b) Identify sources of financing and determine investment priorities;
- c) Create mechanisms for sustained collaboration with the academe on industrial science and technology development;
- d) Define parameters for relating with foreign capital and with international institutions to support national industrialization;
- e) Propose necessary changes in the state's industrial policy planning and implementation system; and
- f) Draw up a communications plan to build public consensus for national industrialization.

ARTICLE IX
ROLE OF THE NPA AND THE PROGRESSIVE
AND REVOLUTIONARY MASS ORGANIZATIONS

Section 1. The NPA and mass organizations shall contribute their knowledge, skills and labor power in the construction of public infrastructure and factories for rural industrial development, including of small- and medium-scale enterprises, and to support rural livelihoods.

ARTICLE X
ROLE OF DEMOBILIZED GRP MILITARY PERSONNEL

Section 1. The GRP military and their engineering brigades may be mobilized only for civil works and infrastructure construction in support of industrial development. Demobilized troops of the GRP shall be entitled to participate and benefit from land reform and from national industrialization.

ARTICLE XI
RELATED LEGISLATIVE AND POLICY REFORMS

Section 1. The Parties agree that the State shall repeal or rescind all its laws, orders and issuances inconsistent with or contrary to the provisions of this Agreement on national industrialization of the Philippine economy.

Section 2. The Parties agree to assume joint and separate duties and responsibilities to pursue national industrialization and self-reliant economic development. An initial list of laws, orders and issuances inconsistent with national industrialization is hereto attached as Annex D-NIED.

ARTICLE XII
IMPLEMENTING PROVISIONS

Section 1. The Parties shall create a mechanism to ensure that the Agreement on National Industrialization and Economic Development (NIED) is respected and effectively implemented.

Section 2. The Parties shall agree on an implementation schedule and work plan that specifies the dates and time frame for undertaking their joint and separate commitments under the Agreement on NIED and which shall be attached to the said Agreement by way of Annex E.

Section 3. The Parties shall establish the Joint Monitoring Committee on National Industrialization and Economic Development (JMC-NIED) to coordinate the separate implementation and supervise the common work of national industrialization and economic development in compliance with this Agreement on NIED.

Section 4. The JMC-NIED shall be composed of four (4) members to be chosen by the GRP Panel and four (4) members to be chosen by the NDFP Panel. The JMC-NIED shall have co-chairpersons who shall serve as chief representatives of the Parties and shall act as moderators of meetings.

Section 5. The JMC-NIED shall have the following functions:

- a. Monitor implementation by the Parties of their joint and separate commitments and obligations under the Agreement on NIED;
- b. Verify the data and technical or operational information cited in the reports of the Parties;
- c. Receive and investigate complaints for breach of any provisions in the agreement on NIED or submissions in relation to non-compliance issues;
- d. Give advice, recommendations or information to resolve compliance difficulties; and
- e. Review general cases of compliance.

Section 6. The Parties shall form an advisory council composed of members of relevant mass organizations, industrialists, academe, independent experts, and the mass media to assist and give advice to the JMC-NIED in monitoring and reviewing implementation of the NIED provisions and drawing policy-relevant conclusions from the findings of the verification and exchange of experiences.

Section 7. The JMC-NIED shall provide the GRP-NDFP Social and Economic Oversight and Advisory Council (SEOAC), established under Part V (Implementing Provisions) of the CASER, with regular briefings and updates on the status of the implementation of the NIED provisions in accordance with the implementation schedule and work plan adopted by the Parties.

Section 8. Any matter or issue involving non-compliance with the NIED provisions or involving the work of the JMC-NIED shall be elevated to the SEOAC.

Section 9. Within sixty (60) days from the signing of the Agreement on NIED, the necessary rules and regulations for proper implementation of its provisions shall be formulated by the JMC-NIED, jointly with the members of the SEOAC created under Part V of the CASER. The negotiating panels of the GRP and NDFP shall approve the said implementing rules and regulations not later than thirty (30) days upon submission for approval by the JMC-NIED.

Section 10. The JMC-NIED shall create a joint secretariat to provide staff support. Each Party shall nominate an equal number of members in the joint secretariat who shall serve at the pleasure of the nominating party.

Section 11. The members of the JMC-NIED shall be entitled to the safety and immunity guarantees stipulated by the Joint Agreement on Safety and Immunity Guarantees (JASIG).

Section 12. The JMC-NIED shall be organized upon the effectivity of the NIED provisions of the CASER. It shall continue to exist until dissolved by either Party upon sending to the other Party a written notice of dissolution or until it shall have been replaced with a more permanent agency under a new political authority as shall be defined in the Comprehensive Agreement on Political and Constitutional Reforms (CAPCR) and the Comprehensive Agreement on End of Hostilities and Disposition of Forces (CAEHDF).

Dissolution of the JMC-NIED shall not mean the abandonment of the rights and duties by any Party under this Agreement.

Section 13. The Parties agree that the State shall provide for the budget and resources in implementing the Agreement on NIED.

Section 14. The Parties may from time to time review the provisions of this Agreement on NIED to determine the need to adopt a supplemental agreement or to modify the provisions hereof as circumstances require.

Section 15. Any dispute involving interpretation, application, and non-compliance with the provisions of the NIED and matters involving the work of the JMC-NIED shall be resolved pursuant to Part V and VII of the CASER.

Section 16. While the other substantive parts of the CASER are being negotiated, this Agreement on NIED shall be signed by the Negotiating Panels and shall forthwith take effect upon approval by their respective principals.



C. ENVIRONMENTAL PROTECTION, REHABILITATION AND COMPENSATION

The Philippines has among the most biodiverse and richest environments in the world; however it remains among the countries with the poorest economies. The people have the right to the conservation, protection and improvement of their environment and to use their natural resources for their economic development.

The main factor devastating the environment is the collaboration of the imperialists, comprador bourgeoisie and bureaucrat capitalists in exploiting the nation's natural wealth for profit at the expense of the people's welfare. Environmental destruction intensifies disasters and undermines prospects for long-term economic development. Peasants, fisherfolk, national minorities and urban poor communities bear the brunt.

The country has millions of hectares of fertile land. It has a wide range of flora and fauna, despite the fast dwindling forest cover. Its coral reefs have among the world's highest levels of marine

biodiversity. It has abundant and diverse mineral resources as well as considerable energy resources.

However these vital resources are being plundered and degraded and the Philippines is facing serious ecological meltdown. The forest cover is thinning. Coral reefs, sea grass beds, mangrove forests and the country's rich marine biodiversity are being ravaged. Urban air and water pollution have reached dangerous levels.

Corporate mining depletes our minerals as well as destroys forests and mountains. National minorities are displaced from their communities and ancestral lands. Critical resources for national industrialization are lost.

Climate change aggravates this as weather patterns change and vulnerable sectors are left to fend off its effects without support from the state. Yet the GRP has failed to stop the reckless, plunderous and profit-driven exploitation of our nation's natural resources.

Rural development and national industrialization must ensure the balanced use, conservation, and development of the environment. The neocolonial plunder of the country must be stopped and natural resources used for real economic development that benefits the people. More environmental laws and regulations must be put in place and strictly implemented to protect the people and ensure resources for future generations.

ARTICLE I PRINCIPLES OF ENVIRONMENTAL PROTECTION AND ECONOMIC DEVELOPMENT

Section 1. The Parties agree that environmental protection, conservation and the wise use of natural resources are necessary components of socioeconomic development policies and that ecological balance is integral to national development. In line with this, they shall adopt a comprehensive and balanced national policy for the country's natural resources and their all-round exploration, conservation, and development to redress the pattern of neocolonial exchange of raw materials and manufactures which

has resulted in the reckless depletion and intensified extraction of the country's natural resources.

Section 2. The Parties commit to pursue economic development with due regard to the protection and efficient use of the country's renewable and non-renewable resources, including those in its territorial waters and exclusive economic zone, and shall institute measures for ensuring a healthy natural environment. Ecological balance shall be an important component of economic development. Ecologically sound agricultural and industrial practices shall be promoted for sustainable production.

Section 3. The Parties shall ensure that the country's lands, minerals, waters, flora and fauna, and other natural resources are first and foremost reserved for and utilized by the Filipino people.

Section 4. The Parties shall guarantee democratic consultation, consent, and participation of affected communities, especially in the ancestral lands of the indigenous peoples and territories of the Bangsamoro, in using our natural resources.

Section 5. The Parties shall undertake rational planning and zoning for urban and rural areas, with proper environmental planning in the construction of roads, public transport facilities and buildings, to alleviate congestion and pollution in every area and region.

ARTICLE II DEFINITION OF TERMS

Section 1. Definition of Terms – For the purpose of this Agreement, the following terms shall be understood as follows:

a) Renewable and non-renewable resources – Renewable resources are any resources that can be replaced within a certain period of time or lifespan, which includes energy sources from geothermal, wind, solar, hydro and/or biofuels. Non-renewable resources are those resources that cannot be replaced such as oil, natural gas reserves, coal and uranium for nuclear energy.

b) Biodiversity loss – is the damage or destruction to the essential services being provided by nature that results, among others, to disruption of food chains and local ecosystems and worsening impacts of climate change.

c) Transboundary waste – is accumulated hazardous and other wastes resulting from any movement from an area that according to the Basel Convention, “under the national jurisdiction of one State to or through an area under the national jurisdiction of another State or to or through an area not under the national jurisdiction of any State, provided at least two States are involved in the movement.”

d) Non-fossil fuel sources of energy – include renewable and alternative sources of energy that do not rely on burning coal, oil or natural gas, such as geothermal, wind, solar, hydro and biofuels.

ARTICLE III MEASURES FOR MANAGING THE ENVIRONMENT AND ENSURING RESILIENCY

Section 1. The Parties shall undertake education to promote environmental consciousness and ecologically sound practices among the people through their mass organizations, the mass media, the school system, and community environmental organizations. Environmental consciousness shall be integrated into the educational curriculum.

Section 2. The Parties shall mobilize local communities, through community-based environmental organizations, to carry out activities focused on environmental protection and management.

Section 3. The Parties shall adopt a national land use policy consistent with the goals of agrarian reform, rural development and national industrialization to determine and develop the sections of lands suitable for agricultural, industrial, reservation, recreational and other uses as well as to prevent the alienation of lands, marshes, lakes, rivers and the like in order to ensure sustained and self-reliant development as well as ecological balance.

Section 4. The Parties shall rehabilitate and develop natural resources by:

- a) Prohibiting the exploitation of marine resources that have been depleted, polluted or destroyed by commercial and foreign fishing vessels until fishing stocks have recovered.
- b) Undertaking a program to rehabilitate and protect watershed areas, with adequate budget support for reforestation and afforestation campaigns and which give due emphasis on using indigenous tree species and on monitoring and validation by communities and people's organizations;
- c) Instituting programs to immediately rehabilitate biologically dead rivers which includes stopping the construction of mega dams that encroach on and destroy forest and agricultural ecosystems; and
- d) Carrying out a program to mitigate biodiversity loss by preserving critical areas.

Section 5. The Parties shall develop a program to address the problem of pollution, waste control and disposal, and lack of safe water supply. A comprehensive sewage system and service shall be developed. Measures to reduce or eliminate water pollution coming from industrial and agrochemical sources shall be immediately put in place. Watershed areas shall be immediately declared protected areas and prioritized for rehabilitation and reforestation.

Section 6. The Parties shall regulate and minimize the generation of waste and their by-products and shall encourage the use of organic and recyclable materials in producing goods and services. They shall immediately close existing open-dumpsites and hold private corporations liable and responsible for managing their industrial and toxic wastes, including transboundary waste. Community-managed waste segregation, composting and recycling shall be promoted.

Section 7. The Parties shall promote the use of local renewable energy sources while ensuring people's control and ownership over these. Subsidies and other incentives shall be given to communities, consumers and producer of goods and services using energy

coming from renewable resources to promote the use of non-fossil fuel sources of energy.

Section 8. The Parties shall implement a national plan and program to genuinely increase the capacity and capability of our people and communities to adapt to the immediate and slow-onset impact of climate change. Minerals, energy and agriculture activities shall use sustainable and climate-friendly production to mitigate our carbon emissions. Low-carbon methods, technologies and products shall be developed.

Section 9. The Parties agree to take measures holding rich industrialized nations accountable for climate change including but not limited to demanding legally binding commitments to immediately and substantially cut their greenhouse gas emissions, and to provide reparations for the mitigation and adaptation initiatives of Third World countries.

Section 10. The Parties agree that the people and communities affected by disasters, by massive pollution and contamination from logging, mining, energy, agrochemical corporations, by military operations, and the like shall be compensated. The individuals, enterprises and corporations responsible shall be held criminally liable and penalized. The Parties shall take immediate action to solve the cases of killings of environmental advocates and to provide compensation to their relatives.

Section 11. The Parties shall ensure the resiliency especially of grassroots communities in the face of climate impacts. They shall ensure sufficient aid and reparations, community-based disaster risk reduction and climate adaptation measures, and social justice for climate refugees such as the survivors of Typhoon Yolanda and other calamities.

Section 12. The Parties shall establish a system that rigorously assesses the environmental impact of economic activities affecting the environment and people's safety. Companies shall be obliged to post environmental insurance cash bonds as assurance for each and every source of pollution or disaster. Contractors and permittees shall be required to rehabilitate disturbed areas to a condition of environmental safety. Companies, contractors and permittees

violating the terms of their permits shall be held criminally liable and penalized.

Section 13. The Parties agree that all laws, orders, issuances and programs that lead to the destruction of the environment and land-grabbing by foreign firms and local bureaucrats, such as the National Integrated Protected Areas System (NIPAS), imperialist-funded programs such as the Natural Resource Management Program (NRMP)-Integrated Forest Management Agreement (IFMA), and the Mining Act of 1995 shall be immediately repealed or rescinded.

The Parties agree that the State shall amend, suspend, or terminate, as applicable, bilateral and regional free trade agreements (FTAs), such as the Japan-Philippines Economic Partnership Agreement (JPEPA), that promote the plunder of natural resources and the pollution of the environment.

ARTICLE IV END ENVIRONMENTALLY DESTRUCTIVE PRACTICES

Section 1. The Parties shall prohibit ecologically destructive practices such as but not limited to the wanton clearing and leveling of land, reckless open-pit mining and quarrying, large scale reclamation, export monocrop production and the like. Perpetrators of such ecological destruction shall be held criminally liable and penalized.

Section 2. Logging for export shall be prohibited while commercial logging for domestic use shall be regulated. All logging shall be reserved exclusively for Filipino citizens.

Section 3. The Parties shall prohibit industrial capitalist and other countries from dumping toxic wastes such as biohazards, computer scrap, used batteries, PVC scrap, nuclear waste and similar materials. Compensation shall be demanded from these entities for damage caused to the people and their environment.

Section 4. The Parties shall ban the entry of hazardous technologies and pollutant industries – which the industrial capitalist

countries are relocating from their home grounds – and of hazardous agricultural products and practices.

Section 5. The construction of power generation plants and other similar or related infrastructure projects such as hydroelectric dams shall take into account their environmental impact and shall avoid displacing communities of peasants, national and ethnic minorities and other communities.

Section 6. The Parties shall prohibit military actions that target civilian populations and devastate the environment such as indiscriminate aerial bombardment and artillery fire, poisoning of water sources, use of biochemical weapons, burning of crops, and the like. Perpetrators shall be made criminally liable, penalized, and made to pay compensation for injuries and loss of lives and for the destruction or damage to property and assets. Victims or their surviving relatives shall receive full compensation.

Section 7. The Parties shall prohibit the US military and forces of other countries from using the Philippines to base their soldiers and to store their armaments, munitions, supplies and other war materiel whether overtly as forward deployments or under the guise of military exercises, transit, visits, acquisition of supplies, and other pretexts.

Section 8. The Parties shall not allow any country to use the Philippines as a storehouse for any kind of war material or armaments and munitions, including but not limited to nuclear, biological, chemical and other weapons of mass destruction.

Section 9. The Parties shall immediately hold the US government accountable for the pollution and destruction of land, water and other resources, and the environment in the former US military bases and elsewhere in the country.

ARTICLE V

REGULATION OF MINING AND MARINE WEALTH EXTRACTION

Section 1. The Parties shall regulate all mining operations to ensure that the environment is protected, that there is social compensation for disturbance and damage caused, and that mineral

resources are processed domestically up to the secondary and tertiary stages of industrial production. There shall be democratic consultation and the consent of the people in the communities to be immediately and directly affected shall be obtained prior to such operations.

Section 2. Mining shall only be undertaken when and where there are sufficient provisions for protecting and recovering the environment. The people in communities affected by mining operations shall be democratically consulted and shall participate in determining appropriate and just social compensation for harm or damage already inflicted. The rights of workers shall be respected and safe working conditions in mining operations shall be ensured.

Section 3. The Parties shall prohibit mining in environmentally critical areas such as in small islands and coastal ecosystems, primary forests and watersheds and in prime agricultural lands and areas specified for food production.

Section 4. The Parties shall likewise prohibit dumping of mine wastes and tailings in rivers, lakes and the sea. They shall ensure that off-site effects of mining do not generate disadvantageous effects on downstream areas.

Section 5. The Parties shall ensure that mineral production and development help develop local industry and modernize agriculture. Small-scale miners shall be given technical support towards their integration into a nationalized mining industry. Existing small-scale mining permits shall be reviewed and those found to be used by foreign and domestic firms as conduits for mining plunder shall be revoked.

Section 6. The Parties shall protect the nation's marine wealth in its archipelagic waters, territorial seas and exclusive economic zone and its use shall be reserved exclusively for Filipino citizens. Such use shall be regulated and supervised in accordance with the principles of sustainable development and social equity. Cooperative fish farming, subsistence fishermen and fish workers in rivers, lakes, bays and lagoons shall be assured of preferential rights thereto.

ARTICLE VI
BAN ON ALIENATION OF NATURAL
RESOURCES AND PATENT CONTROL

Section 1. The Parties shall take measures to protect collective and individual rights over the country's biological and intellectual resources. They shall provide adequate mechanisms for guaranteeing the just, equitable and effective participation of Filipinos, especially the local communities, in decision-making processes related to the utilization of these resources and benefits derived therefrom.

Section 2. The Parties shall prohibit the appropriation by foreign agencies of commonly available and wild varieties of flora and fauna through intellectual property conventions on patenting of the genetic properties and technological processing and other like schemes. Where allowed, patenting of flora and fauna in Philippine territory shall be the exclusive privilege of Filipino citizens with preference for collective ownership regimes.

Section 3. The Parties shall prohibit the patenting of life or the exclusive appropriation of any life form or part or derivative of this.

ARTICLE VII
IMPLEMENTING PROVISIONS

Section 1. The Parties shall create a mechanism to ensure that the Agreement on Environmental Protection, Rehabilitation and Compensation (EPRC) is respected and effectively implemented.

Section 2. The Parties shall agree on an implementation schedule and work plan that specifies the dates and time frame for undertaking their joint and separate commitments under the Agreement on EPRC and which shall be attached to the said Agreement by way of Annex F.

Section 3. The Parties shall establish the Joint Monitoring Committee on Environmental Protection, Rehabilitation and Compensation (JMC-EPRC) to coordinate the separate implementation

and supervise the common work of environmental protection, rehabilitation and compensation in compliance with this Agreement on EPRC.

Section 4. The JMC-EPRC shall be composed of four (4) members to be chosen by the GRP Panel and four (4) members to be chosen by the NDFP Panel. The JMC-EPRC shall have co-chairpersons who shall serve as chief representatives of the Parties and shall act as moderators of meetings.

Section 5. The JMC-EPRC shall have the following functions:

- a) Monitor implementation by the Parties of their joint and separate commitments and obligations under the Agreement on EPRC;
- b) Verify the data and technical or operational information cited in the reports of the Parties;
- c) Receive and investigate complaints for breach of any provisions in the agreement on EPRC or submissions in relation to non-compliance issues;
- d) Give advice, recommendations or information to resolve compliance difficulties;
- e) Supervise the Scientific and Technical Working Group and the Environmental Rehabilitation Working Group created under this agreement; and
- f) Review general cases of compliance.

Section 6. The Parties shall form an advisory council composed of members of relevant mass organizations, industrialists, environmentalists, non-governmental organizations, academe, independent experts, and the mass media to assist and give advice to the JMC-EPRC in monitoring and reviewing implementation of the EPRC provisions and drawing policy-relevant conclusions from the findings of the verification and exchange of experiences.

Section 7. The Parties shall also form a Scientific and Technical Working Group (STWG) from the academe and independent experts nominated by the Parties to carry out a national inventory of the country's natural resources ranging from the micro- to the

macro-scale, and to create a national natural resource and biodiversity database. The inventory shall prioritize resources critical for the country's agricultural development and national industrialization needs as well as key species, based on scientific priorities, in each of the various ecosystems in the country. The STWG will collate existing inventories by public institutions such as State Universities and Colleges as well as other publicly accessible repositories of relevant knowledge and information.

The Parties shall mobilize relevant scientific research institutions alongside communities, academe, non-government organizations, and other stakeholders in building the national inventory. Science-based practices shall be employed, including the use of open knowledge satellite imagery and other technologies.

Section 8. The STWG shall suggest directions for and coordinate ongoing research on developing substitute materials for non-renewable resources relevant to the needs of the current targets of industrialization.

Section 9. The Parties shall also create an Environmental Rehabilitation Working Group (ERWG) to ensure the full implementation of the rehabilitation measures in this agreement. The ERWG shall be supervised by the GRP-NDFP Social and Economic Oversight and Advisory Council (SEOAC) formed under Part V (Implementing Provisions) of this Agreement.

Section 10. The JMC-EPRC shall provide the GRP-NDFP SEOAC with regular briefings and updates on the status of the implementation of the EPRC provisions in accordance with the implementation schedule and work plan adopted by the Parties.

Section 11. Any matter or issue involving non-compliance with the EPRC provisions or involving the work of the JMC-EPRC shall be elevated to the SEOAC.

Section 12. Within sixty (60) days from the signing of the Agreement on EPRC, the necessary rules and regulations for proper implementation of its provisions shall be formulated by the JMC-EPRC, jointly with the members of the SEOAC. The negotiating panels of the GRP and NDFP shall approve the said implementing

rules and regulations for a period not later than thirty (30) days upon submission for approval by the JMC-EPRC.

Section 13. The JMC-EPRC shall create a joint secretariat to provide staff support. Each Party shall nominate an equal number of members in the joint secretariat who shall serve at the pleasure of the nominating party.

Section 14. The members of the JMC-EPRC and other bodies created in this agreement shall be entitled to the safety and immunity guarantees stipulated by the Joint Agreement on Safety and Immunity Guarantees (JASIG).

Section 15. The JMC-EPRC shall be organized upon the effectivity of the EPRC provisions of the CASER. It shall continue to exist until dissolved by either Party upon sending to the other Party a written notice of dissolution or until it shall have been replaced with a more permanent agency under a new political authority as shall be defined in the Comprehensive Agreement on Political and Constitutional Reforms (CAPCR) and the Comprehensive Agreement on End of Hostilities and Disposition of Forces (CAEHDF).

Dissolution of the JMC-EPRC shall not mean the abandonment of the rights and duties by any Party under this Agreement on EPRC.

Section 16. The Parties agree to provide for the budget and resources in implementing the agreement on EPRC.

Section 17. The Parties may from time to time review the provisions of this Agreement on EPRC to determine the need to adopt a supplemental agreement or to modify the provisions hereof as circumstances require.

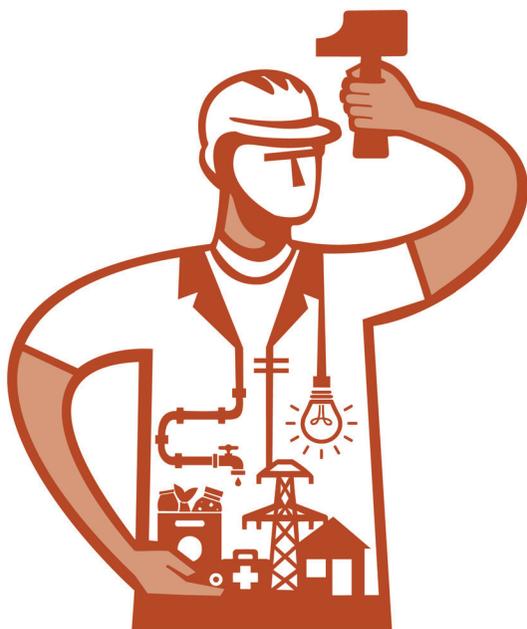
Section 18. Any dispute involving interpretation, application, and non-compliance with the provisions of the EPRC and matters involving the work of the JMC-EPRC shall be resolved pursuant to Part V and VII of this Agreement.

Section 19. While the other substantive parts of the CASER are being negotiated, this Agreement on EPRC shall be signed by the Negotiating Panels and shall forthwith take effect upon approval by their respective principals.

PART IV. UPHOLDING PEOPLE'S RIGHTS

Social and economic reforms are necessary to develop the national economy as well as to uphold people's rights to social justice, peace, dignity, prosperity and freedom from exploitation. Real socioeconomic development promotes the welfare of the people and develops their full potential as human beings leading meaningful lives. This covers workers, peasants, women, children and youth, urban and rural poor, migrant workers, national minorities, the elderly, persons with disability, and all other marginalized sectors, including national entrepreneurs.

Comprehensive measures are needed to address the systemic exploitation and oppression in the semifeudal and semicolonial economy. The rights and welfare of the working people must be upheld against the self-interested actions of foreign monopoly capital, comprador bourgeoisie and landlords that dominate the economy, as well as the state that defends these ruling classes. Patriotic, progressive and pro-people culture must be fostered to be able to pursue mass-oriented socioeconomic, political and cultural development on a wide scale. The ancestral lands and territories of national minorities must be recognized as fundamental to their right to self-determination or autonomy and to their cultures.



A. RIGHTS OF THE WORKING PEOPLE

Socioeconomic backwardness and the chronic crisis results in the systematic violation of the rights of the working people and the gross neglect by the state of their welfare. Neoliberal policies of liberalization, privatization, and deregulation have exacerbated these. The Filipino people contribute the most to the economy but suffer the worst from it and the majority are deeply impoverished.

The semifeudal and semicolonial economy does not create enough jobs and livelihoods for the people. Tens of millions of Filipinos face massive unemployment, scrape an erratic living as semi-workers in the cities or the countryside, or are driven overseas into difficult circumstances. Those able to find employment grapple with meager wages, scant benefits, contractualization, oppressive work conditions, and violations of their democratic and basic labor rights such as to organize and strike.

Peasants, farm workers and fisherfolk are denied land and other rural assets which forces them to sell their labor and produce at exploitative prices. Yet they are constrained to buy overpriced goods and are captive to usurers. Foreign and domestic elites plunder natural resources in the communities of national minorities.

Neoliberalism has worsened the state's neglect of the responsibility to ensure that all Filipinos have the basic social services and public utilities needed for minimum standards of decent living. Commercialized education, health and housing is increasingly unaffordable for the majority. Privatized electricity, water and transport are more and more expensive aside from inaccessible for those in poor hence unprofitable rural and urban communities.

Women are discriminated against and in worse socioeconomic circumstances than men, aside from carrying the additional burden of reproductive tasks and attending to household needs. Children and elderly from the working people are denied the special protection, welfare and care they need. The state does not give sufficient attention to the working people who are most vulnerable to and affected by disasters.

ARTICLE I DEFINITION OF TERMS

Section 1. Definition of Terms – For the purpose of this Agreement, the following terms shall be understood as follows:

a. Working people – refers to women and men peasants, farm workers, fisherfolk, workers, semi-workers, private and public sector employees, and working women and men of various professions and occupations (e.g., educators, media practitioners, artists and cultural workers). In the case of the peasantry and semi-workers, the term also applies to their families.

b. Semi-proletariat or semi-workers – refer to working people who sell their labor power on a part-time basis to capitalists and other employers or who are self-employed in micro enterprises with very little means of production. They also often offer services using their simple tools or buy-and-sell goods with whatever small

funds they get. They are part of the reserve army of labor who are unemployed because of the backward, agricultural and pre-industrial nature of Philippine economy; they are the ones who cannot be accommodated as regular wage-earners in industrial enterprises or as regular tenants in the countryside. They suffer from dispossession, under-compensation, irregular work, low incomes and insecurity. The majority of the semi-proletariat is comprised of poor and semi-owner peasants and poor fishermen; in the cities they are the ambulant vendors, pedicab drivers, domestic helpers, and many others.

c. Two-tiered system – is a wage system that governs private-sector workers. It mandates the existence of two wage tiers or levels. The first tier is the floor wage – set by the government according to the prevailing poverty threshold in a region and should be implemented by all companies. The second tier is the productivity-based wage – set by individual companies according to workers’ productivity and should be higher than the floor wage. In some instances, the new floor wage set by the government is lower than the previously existing minimum wage in a region, and therefore means a wage cut.

d. Neoliberal rationalization and reorganization – are measures carried out by both companies and governments to supposedly improve their workforces starting in the 1980s and 1990s as part of neoliberal or “free market globalization” policies. For private sector companies, the objective is to minimize costs, maximize workers’ labor force, and boost profits. For governments, the objective is to minimize subsidies, maximize employees’ work, and boost savings, and often goes hand in hand with privatization of state assets and deregulation of market functions. These policies have meant massive retrenchment and intensified exploitation of workers and employees.

ARTICLE II

RIGHTS OF PEASANTS, FARM WORKERS AND FISHERFOLK

Section 1. The Parties shall uphold the rights of peasants, farm workers and fisherfolk and take measures to end exploitative

agricultural practices, abuses, and rural neglect. Central to this is recognizing the right of the peasantry to own the land they till and to freely access natural resources and capital in order to harness these for agrarian and rural development.

Section 2. The Parties shall ensure that farm workers enjoy the same labor rights afforded the rest of the working people.

Section 3. The Parties shall recognize and uphold the rights of peasants, farm workers and fisherfolk to form organizations and associations to assert their rights and improve their welfare.

ARTICLE III RIGHTS OF WORKERS AND PRIVATE AND PUBLIC SECTOR EMPLOYEES

Section 1. The Parties shall guarantee the right of workers and private and public sector employees to a national minimum wage and salary that is indexed to the cost of living. This includes, but is not limited to, ending regionalized wage-setting and the two-tiered wage system as well as removing all burdensome taxes and deductions.

Section 2. The Parties shall uphold the rights of workers and private and public sector employees to work and to security of tenure, including but not limited to, ending contractualization and ensuring full employment as well as equality of employment opportunities. The Parties agree that the GRP shall stop its neoliberal rationalization and reorganization of the bureaucracy, which results in massive retrenchment of government employees.

Section 3. The Parties shall guarantee the rights of workers and private and public sector employees to organize themselves into unions, workers councils, federations and confederations, to engage in collective bargaining and negotiations, and to strike and engage in other concerted activities that advance their rights and interests. These include, but are not limited to, ending the no-union no-strike policy in enterprises especially in special economic zones including export processing zones (EPZs), free trade zones, industrial estates (IEs), and other economic enclaves, the cancellation of the

Assumption of Jurisdiction power of the GRP labor secretary over labor strikes, and such other powers and authority under existing laws and policies that are used as tools to suppress workers' right to free speech, free assembly, and collective action.

Section 4. The Parties shall recognize and uphold the right of public sector unions to strike. This includes but is not limited to scrapping the incentive cap imposed on collective negotiation agreements and the performance-based incentive system, which undermine their rights to unionize, strike and bargain collectively.

Section 5. The Parties shall ensure humane work conditions. These include but are not limited to observing eight-hour working days, ending schemes to prolong work hours, upholding occupational health and safety standards, and ending sexual harassment and other forms of harassment in the work place. This also entails ending oppressive labor practices such as “no breaks,” quota systems, shortcuts on safety standards and the like.

Section 6. The Parties shall ensure that workers and private and public sector employees retain and enjoy earned benefits, both mandated and bargained. Workers and private and public sector employees shall receive pensions, sufficient relief and allowance in times of unemployment and disability, and other such benefits from an effective social protection system. They shall work towards the establishment of a universal pension system.

Section 7. The Parties agree to affirm, uphold, protect and promote all the rights articulated in this Article that are already locally and internationally recognized.

ARTICLE IV RIGHTS OF THE SEMI-WORKERS

Section 1. The Parties shall ensure the rights of the semi-workers or semi-proletariat to regular and gainful employment, a living wage, livelihood support and protection, benefits and social protection, and to other labor rights granted regular workers and employees.

ARTICLE V
RIGHTS OF WORKING PEOPLE
OF VARIOUS PROFESSIONS AND OCCUPATIONS

Section 1. The Parties shall ensure the rights of working people of various professions and occupations, whether self-employed or employed by others, to sufficient income, benefits and social protection, and to self-organize. They shall also receive support and assistance to develop their skills and abilities in support of national economic development.

ARTICLE VI
RIGHTS OF OVERSEAS WORKERS

Section 1. The Parties shall work to eliminate the policy and practice of cheap labor export and undertake measures to reintegrate overseas Filipino workers in the country such as through agrarian reform, rural development, and national industrialization which creates domestic opportunities for their employment and livelihoods.

Section 2. The Parties shall protect and uphold rights of Filipino overseas as workers and migrants in the host country. These include but are not limited to guarantees against forced labor, anti-union or anti-organization practices, low or delayed wages, discrimination, physical, psychological and sexual violence, and other forms of abuses. The GRP shall review its foreign policy relating to Filipino migrants and immigrants, as contained in bilateral agreements and diplomatic relations with governments of host countries, with the end view of upholding migrants' rights, welfare and protection.

Section 3. The Parties shall work to formalize recognition of the legal status of undocumented Filipinos overseas to further enable them to enjoy their rights as workers and migrants in their host countries.

Section 4. The Parties shall take measures to redress the situation of distressed land-based and seafaring overseas Filipino workers especially, but not limited to, those in jail and on death row. The

GRP shall expedite legal assistance as well as free and efficient repatriation of distressed overseas Filipino workers whether documented or undocumented.

Section 5. The Parties shall take measures to protect overseas Filipino workers from abuses related to recruitment and deployment including but not limited to trafficking, illegal recruitment, and high placement fees. This includes swift prosecution of violators of migrants' rights.

Section 6. The GRP shall end all state exactions and onerous fees, such as mandatory PhilHealth contribution, imposed on Filipino overseas workers.

Section 7. The Parties shall ensure that overseas Filipino workers receive sufficient social and welfare services including death and disability coverage, social work assistance, legal assistance, repatriation in emergency situations, counselling, domestic reintegration, pensions and other social protection benefits. These include but are not limited to ensuring the just use of the migrant workers' trust fund with the Overseas Workers' Welfare Administration (OWWA). The Parties shall take measures to stop the misuse, abuse and corruption of OWWA funds including holding perpetrators civilly and criminally liable and duly penalized.

ARTICLE VII WOMEN'S RIGHTS AND GENDER EQUALITY

Section 1. The Parties recognize that half of the exploited, oppressed and neglected working people are women and that the chronic crisis and neoliberal policies are especially difficult for the working women. They commit to aggressively promote gender equality and to protect the rights of women and other gender-discriminated sectors.

Section 2. The Parties shall ensure peasant women's equal access to land ownership through agrarian reform and equal opportunities for membership and assuming leadership roles in rural cooperatives. These include but are not limited to giving attention to widows and single mothers' access to land ownership and other

agricultural support systems by providing free titling services, free legal assistance in titling, and other appropriate subsidies. Unpaid family labor shall also be duly recognized and valued appropriately particularly for agricultural workers and home-based industries.

Section 3. The Parties shall ensure that women enjoy equal employment and livelihood opportunities, equal pay for equal work, and guarantees against discrimination and harassment. Women shall have meaningful and effective participation and representation in workers councils, labor unions and other worker formations within the labor movement and government labor-related agencies.

Section 4. The Parties shall ensure that working women are entitled to six (6)-month maternity leave with pay and that their partners are likewise entitled to ten working days of paternity leave with pay.

Section 5. The Parties shall ensure comprehensive health care services for women. The GRP shall reverse its policy of privatization and corporatization of public hospitals which, among others, has undermined maternal and child health care. It shall ensure budgets to provide sufficient facilities and personnel for safe delivery as well as other safe options including home births attended by well-trained and competent traditional birth attendants. The GRP's no-home birthing policy shall be revoked.

Section 6. The GRP shall repeal the Reproductive Health Law and put in place a program ensuring comprehensive women's health care, reproductive health, and sex education for young women.

Section 7. The Parties shall ensure that women have access to adequate and affordable housing, including but not limited to, women-headed households being provided with special financing support to access housing programs whenever necessary.

Section 8. The Parties shall ensure social services that lighten housework and other family duties for women, including but not limited to, low-cost meals, public laundry services, free day-care centers and nurseries, and milk banks.

Section 9. The Parties shall ensure that female household heads and single parents receive all necessary benefits and social services including but not limited to children’s education and health care.

Section 10. The Parties shall protect women and other gender-discriminated sectors from all forms of violence. These include but are not limited to institutionalizing public awareness campaigns reaching all the way to the grassroots, establishing crisis centers that provide free legal assistance and psycho-social services to victims, operationalizing violence-against-women (VAW) desks in all barangays, and strengthening the capacity of Philippine embassies to handle cases of VAW among migrant workers. The Parties shall review all VAW cases committed by US military forces and of other countries to ensure justice for the victims and their families.

Section 11. The Parties shall take measures to end discrimination and harassment of gays, lesbians and such other sectors. These include, but are not limited to, prohibiting biases in hiring, pay, termination, and other employment practices, in availing of social services, and in other areas of public life.

Section 12. The Parties recognize the civil right to marriage regardless of gender preferences. The GRP shall legalize same-sex unions and ensure that family rights and individual protections are upheld by making corresponding amendments to its Family Code and taking such other measures as necessary.

Section 13. The Parties recognize divorce as a way for spouses, especially women, to end marriage with abusive spouses. The GRP shall legalize divorce by making corresponding amendments to its Family Code and taking other such measures as necessary.

ARTICLE VIII RIGHTS OF CHILDREN

Section 1. The Parties shall ensure the proper care and development of children and recognize the need to ensure that parents have adequate employment and living incomes and that sufficient social services are well provided for.

Section 2. The Parties shall establish a program of free comprehensive childcare, which ensures that nutrition and health care needs are met. Day-care services and primary and secondary education shall be provided as a matter of right and free of charge.

Section 3. The Parties shall work for the elimination of exploitative child labor practices by capitalists and landlords. The Parties shall likewise ensure that children are not working in hazardous conditions.

Section 4. The Parties shall take measures to end child exploitation and abuse in various forms, including but not limited to, neglect, sexual and physical violence, and psychological or emotional abuse. Perpetrators shall be held criminally liable and heavily penalized.

Section 5. The Parties shall provide extensive social welfare programs for street children. These include, but are not limited to, addressing the economic needs of the parents and family members, providing conditions for their proper care and development, rehabilitation services, education and training, and the like.

Section 6. The Parties shall encourage the right of children to self-organization. Children shall be encouraged to participate in collective efforts to protect their interests and that of their communities, without precluding parental guidance of such initiatives and efforts.

ARTICLE IX RIGHTS OF THE ELDERLY

Section 1. The Parties recognize the rights of the elderly and acknowledge the valuable contributions they can make to society based on their shared experiences and accumulated wisdom. The elderly shall be given the necessary financial and social support and opportunities to continue to be active and productive.

Section 2. The Parties shall establish subsidized and community-based elderly care facilities and services that shall address their needs for housing, health, recreation and production, among others.

Section 3. The Parties shall establish a non-contributory tax-financed universal pension system. Pension benefits for all retirees shall be increased and calibrated to the living wage and the cost of living.

**ARTICLE X
RIGHTS OF PERSONS WITH DISABILITIES**

Section 1. The Parties recognize the rights of persons with disabilities. They shall undertake measures to create opportunities for persons with special needs in order for them to be productive and find fulfilment according to their potential and abilities. These include but are not limited to providing specialized education, training and facilities.

Section 2. The Parties shall take measures to end discrimination against persons with disabilities, including prohibiting biases in hiring, pay, termination, and other employment practices, and to ensure accessibility of social services and in other areas of public life.

**ARTICLE XI
RIGHTS OF PRISONERS**

Section 1. The Parties shall ensure that all prisoners are treated with respect for their inherent dignity and value as human beings and shall not be subjected to cruel and unusual punishment. They shall be treated according to their needs, without discrimination.

Section 2. The Parties acknowledge that the health care of prisoners is a state responsibility, and should be of an equal standard to that available in the community. The Parties shall work to improve the living conditions in detention, including those related to food and nutrition, hygiene, sanitation, temperature, lighting, ventilation and other conditions.

Section 3. The Parties shall adopt the International Standard Minimum Rules for the Treatment of Prisoners and all other relevant and applicable UN Standards in crime prevention and criminal justice. Measures to improve the conditions in detention,

reduce prison overcrowding, promote increased access to justice and legal defense mechanisms, support rehabilitation and social reintegration programs shall be passed.

ARTICLE XII PROVIDING SOCIAL SERVICES AND PUBLIC UTILITIES

Section 1. The Parties agree to reverse the GRP policy of privatizing social services and public utilities which has made these expensive and inaccessible to the working people. The State shall assume responsibility for directly providing social services to the working people, for improving the quality of such services, and for promoting the rights and welfare of those who provide these services. Utilities are vital and strategic enterprises that shall be publicly-owned and operated.

Section 2. The Parties shall uphold and protect the national minorities' right to adequate social and basic services and shall put an end to historical denial of services and government neglect. The communities of national minorities shall have adequate and appropriate health, education, transportation, and telecommunication services.

ARTICLE XIII RIGHT TO EDUCATION

Section 1. The Parties shall promote and uphold the people's right to education. Education is a primary responsibility of the state and shall be made accessible to all Filipinos. The policy of commercialization and privatization of education and all neoliberal reforms in education shall be reversed and stopped.

Section 2. The Parties shall ensure that education shall be free at the primary, secondary, tertiary and technical-vocational levels, with the public school system as the main provider of education. The budget for public schools at all levels shall be increased accordingly, while the imposition of exorbitant tuition and other school fees shall be prohibited in the entire education system.

Section 3. The Parties shall likewise ensure that education shall be patriotic, scientific, mass-oriented and democratic in order to develop critical thinking and social commitment, with a sense of history that support the development of the national economy, uphold people's rights, and attain economic sovereignty for national development.

Section 4. The Parties agree that the GRP shall scrap the K-to-12 program which intensifies the privatization and commercialization of Philippine education. The K-to-12 program mainly serves the needs and interests of exploitative foreign monopoly capitalists and domestic corporations, and further burdens poor families with added costs for education. All similar anti-development and foreign-dictated education programs and policies such as the Education Act of 1982, General Education Reform Program and the like shall likewise be abolished.

Section 5. The Parties shall ensure that educators, teachers and non-academic personnel receive living wages and salaries, get adequate benefits, work decent hours in humane work conditions, and have security of employment. They shall also be given free training and other support to pursue higher learning to develop their pedagogical skills and improve the quality of teaching.

Section 6. The Parties shall uphold the democratic rights and welfare of students, including but not limited to the rights to organize and assembly, form student councils, freedom of expression and publish independent school papers, representation in the highest policy making body of schools, and redress for grievances.

Section 7. The Parties shall promote and uphold the right of indigenous people and national minorities to education. They shall ensure that education upholds respect for their ancestral lands and territories and contributes to their assertion of the right to self-determination. Education must be responsive to their needs and situations, acknowledge and respect their culture and traditions, and help develop their traditional knowledge and practices in education. The GRP shall officially recognize and support the community-based schools established by the national minorities

and shall immediately stop military and paramilitary operations in and against these schools.

ARTICLE XIV RIGHT TO HEALTH

Section 1. The Parties shall promote and uphold the people’s right to health. They shall establish a truly universal public health system that provides free, comprehensive and quality health services for all. The policy of corporatization of public health services and other forms of privatization shall be reversed.

Section 2. Free health services shall be established at the primary, secondary, and tertiary health care levels. Preventive medicine, better nutrition and family planning shall be prioritized.

Section 3. The Parties agree that the state shall focus on direct service provision at all levels of health care and veer away from prioritizing health insurance, such as PhilHealth. The Parties shall ensure the availability and accessibility of health services, especially in the rural areas by making medical personnel, facilities and medicines available to the rural communities.

Section 4. Integrated health systems shall give focus on sustainable preventive medicine with community-based comprehensive primary health care that provides quality health services and addresses nutrition, access to water, housing, education, employment and livelihoods, and other factors affecting health.

Section 5. The Parties shall ensure that health workers, medical and non-medical personnel receive living wages and salaries, get adequate benefits, work decent hours in humane work conditions, and security of tenure and employment. They shall also be given free training to develop their knowledge and skills; and other support services. They shall be given ample opportunities to address the health issues of the biggest number of Filipinos.

Section 6. The Parties shall harness, develop and promote traditional, alternative and indigenous healing practices of communities and shall protect these from undue attack by intellectual property rights regimes and competition with imported medicines.

Section 7. The Parties shall ensure that the problem of drug abuse be treated as a health issue requiring the establishment of an effective and adequate rehabilitation program.

ARTICLE XV RIGHT TO HOUSING

Section 1. The Parties shall promote and uphold the people's right to adequate and affordable housing. They shall pursue an urban development plan that includes regional dispersal and urban decongestion in conjunction with agrarian reform, rural development and national industrialization. Accordingly, the Parties shall undertake a comprehensive nationwide program of mass housing for the working people, especially the urban poor and semi-workers. This program shall reorient the state housing agencies and shall ensure people's participation in the planning and management of mass housing, including urban zoning and development.

Section 2. The Parties shall prohibit the demolition of urban poor communities and the dislocation of urban poor slum dwellers unless adequate relocation is provided, whether on-site development or in-city relocation.

Section 3. All relocation plans shall require prior democratic consultation with the affected urban poor communities. The Parties shall provide for adequate assistance in transferring relocatees, and shall ensure housing and utilities, employment or livelihoods, and social services in the area of resettlement. Urban poor settlers shall remain in the land they occupy until these conditions are met.

ARTICLE XVI RIGHT TO WATER

Section 1. The Parties shall ensure that the working people enjoy their right to water and assure their access to affordable water and sanitation services. The state shall reverse the privatization of water utilities and services in Metro Manila and provinces and rescind contracts and concession agreements with private water concessionaires. All assets and operations of the private

water concessionaires shall revert to state or public ownership and management.

Section 2. The Parties shall ensure full people’s participation in the planning and management of water utilities, including financial operations and setting of water rates.

**ARTICLE XVII
ENERGY SERVICES**

Section 1. The Parties shall ensure that the working people have access to an adequate and stable supply of electricity at affordable rates. The state shall be responsible for the generation, transmission and distribution of power and electricity. The GRP shall reverse its policy of privatization and deregulation of generation plants, power grids, transmission lines, distribution units, and electric cooperatives. The Electric Power Industry Reform Act (EPIRA) on electricity privatization and deregulation shall be scrapped.

Section 2. The Parties affirm that power generation, transmission and distribution shall be state owned or a public enterprise, of which management and control shall be under the state-owned National Power Corporation (NPC). Power enterprises can be publicly-owned and -controlled through state corporations, including joint ventures with private providers or electricity cooperatives subject to effective state regulation.

Section 3. The Parties shall ensure full participation of the communities and people’s organizations in planning and management of power utilities, including operations and setting electricity rates.

Section 4. The Parties shall promote the use of renewable energy sources in communities by supporting solar, mini-hydro and micro-hydro and biomass projects of community-based associations and local electric cooperatives.

ARTICLE XVIII
MASS TRANSPORT SYSTEM

Section 1. The Parties shall ensure an accessible, efficient and safe mass transport system with affordable fares for the working people that serves the needs of national economic development as stated herein. The policy of privatization and deregulation in the transport sector covering rail, tollways, roads, bridges, seaports, airports and other transport infrastructure shall be reversed.

Section 2. The Parties affirm that the mass transport system shall be under public or state ownership, management and control. Public transport utilities can be publicly-owned and -controlled. Joint ventures with private providers or transport cooperatives may be allowed, subject to effective state regulation.

Section 3. The Parties shall ensure full and effective participation by the people, communities and people's organizations in the planning and management of the transport system including but not limited to the setting of transport fares and traffic governance.

Section 4. The Parties shall draw up and pursue a comprehensive mass land, sea and air transport program that ensures affordable transport fares, provides sufficiently regular and frequent trips, and ensures the safety of passengers, while taking in due consideration the country's archipelagic character. The program shall work towards serving the needs of rural development and national industrialization as articulated herein.

Section 5. The Parties agree that the GRP shall immediately rescind contracts and concession agreements that have effectively transferred state ownership and/or control of the Light Rail Transit (LRT) and Metro Rail Transit (MRT) light rail systems in Metro Manila to private corporations.

ARTICLE XIX
TELECOMMUNICATION SERVICES

Section 1. The Parties shall ensure reliable telecommunications services with affordable rates for the working people, including

free Internet, working towards the national economic development as stated herein. The Parties shall take measures to develop telecommunications services as a public service under public or state ownership, management and control.

Section 2. The Parties affirm that telecommunications infrastructure may be publicly-owned and controlled. Joint ventures with private providers or cooperatives may be allowed subject to effective state regulation.

Section 3. The Parties shall ensure full and effective participation by the people, communities and people's organizations in the planning and management of telecommunications services including but not limited to, the setting of rates and other matters as deemed necessary.

ARTICLE XX WASTE MANAGEMENT

Section 1. The Parties shall ensure a waste management system that is publicly-owned, controlled and managed and that gives due consideration to environmental impact and the health status of the communities. They shall likewise ensure free waste collection services, proper waste segregation, and proper waste disposal. Communities and households shall be encouraged to develop recycling, composting and similar facilities.

ARTICLE XXI DISASTER PREPAREDNESS AND RESPONSE

Section 1. The Parties shall ensure disaster preparedness and response and correct long-standing neglect by providing ample support for disaster preparedness and risk reduction, immediate response and relief, and comprehensive rehabilitation, reconstruction and recovery. Acknowledging that the state is primarily responsible for ensuring expeditious disaster preparedness and response, they agree to prohibit privatization of any aspect of these so as not to compromise the delivery of services or to give profit-seeking private interests undue influence in disaster-struck areas.

They further agree that the GRP shall correspondingly scrap its 'Build Back Better' framework for reconstruction and recovery that effectively favors real estate developers at the expense of poor disaster victims.

Section 2. The Parties shall further develop and promote community-based efforts in disaster preparedness and response, including environmental protection and rehabilitation. They shall develop a community-based civil protection and defense system consisting of people's mass organizations so as to obviate foreign intervention, especially military, in disaster response.

Section 3. The Parties agree to draft a rehabilitation and reconstruction plan that is appropriate to specific community and hazard circumstances as well as aligned with community efforts in agrarian reform, rural development and national industrialization. The affected people, communities and people's organizations shall have full and effective participation in the planning and management of rehabilitation, reconstruction and recovery in their communities.

Section 4. The Parties shall ensure that all victims of emergencies receive immediate and adequate financial, material, moral and psychosocial support as well as timely rehabilitation, reconstruction and recovery, including but not limited to, emergency shelter and livelihood assistance, restoration of social services and public utilities, and rebuilding of damaged or destroyed infrastructure and facilities.

Section 5. The Parties agree that the GRP shall immediately take action to remedy the glaring neglect of victims especially of recent disasters according to the areas identified in Section 3 immediately above. It shall immediately allocate funds for rehabilitation and remove technical impediments on implementing rehabilitation efforts. Officials proven to have been grossly negligent or engaged in corruption in the allocation, disposition and distribution of disaster funds shall be held criminally and civilly liable and prosecuted.

ARTICLE XXII
IMPLEMENTING PROVISIONS

Section 1. The Parties shall create a mechanism to ensure that the Agreement on Rights of the Working People (RWP) is respected and effectively implemented.

Section 2. The Parties shall agree on the schedule of implementation and the work plan specifying the time frame for undertaking their joint and separate commitments under the Agreement on RWP, which shall be attached by way of Annex G.

Section 3. The Parties shall establish the Joint Monitoring Committee on Rights of the Working People (JMC-RWP) to coordinate the separate implementation and supervise the common work on rights of the working people in compliance with this Agreement on RWP.

Section 4. The Parties shall, within three (3) months from date of signing this Agreement, agree on the composition, functions, mechanics and logistics of the JMC-RWP and on the schedule of implementation and the work plan specifying the time frame for undertaking their respective commitments under the Agreement on RWP.

Section 5. While the other substantive parts of the CASER are being negotiated, this Agreement on RWP shall be signed by the Negotiating Panels and shall forthwith take effect upon approval by their respective principals.



B. PROMOTING PATRIOTIC, PROGRESSIVE AND PRO-PEOPLE CULTURE

The semifeudal and semicolonial system engenders an unscientific and backward, colonial and unpatriotic, and elitist and selfish culture. The neoliberal onslaught has entrenched and intensified this through the influence of the education and religious system, media, and the arts. Foreign and big local corporations monopolize cultural production and control its channels, which allows them to dictate content and its direction.

The education system is designed to produce the skilled and English-proficient labor force demanded by profit-seeking interests and foreign monopoly capitalism. It is not oriented toward national development and social progress.

The dominant mass media are owned, controlled and dominated by foreign media conglomerates and big local outfits to defend the economic interests of ruling elites and promote their social, economic, cultural and political values and views. The supposedly

more democratic social media are also dominated by the big media corporations.

Arts and literature reflect and promote foreign worship, decadence, escapism, feudal thought, chauvinism, and consumerism mimicking the lifestyle of the rich. Culture is commodified and the notion of “creative industries” is promoted to exploit Filipino creativity as a source of profit.

Philippine culture is shaped to promote neoliberalism. Rather than criticize and expose the social, economic, political and cultural ills wrought by neoliberalism it cultivates submission, apathy and silence. It discourages the people from breaking free from feudal thinking and colonial bondage. It distracts and numbs the working people from resisting oppression and exploitation and struggling for radical change in their own interests and welfare.

Patriotic, progressive and pro-people culture needs to be promoted through a comprehensive cultural development program. This must foster a mass culture serving the people’s democratic aspirations for development – including the struggle for agrarian reform, rural development, national industrialization, environmental protection, people’s rights, economic sovereignty and independence. Filipino educators, media practitioners, artists and cultural workers need to be promoted and supported.

ARTICLE I
PROGRAM FOR ADVANCING CULTURAL DEVELOPMENT

Section 1. The Parties recognize the critical importance of fostering patriotic and progressive ideas or thinking among all Filipinos to be able to achieve the goals of national development. For the purpose of this Agreement, ‘patriotic and progressive’ is understood to mean, contain or otherwise refer to these essential elements or values:

- a) Promotes scientific, mass-oriented and democratic culture;
- b) Cultivates patriotism, love of country, and sovereignty;
- c) Fosters critical thinking;

- d) Reflects the real condition, interests and aspirations of the people;
- e) Upholds people's rights and aspirations for national development, including the right to self-determination of indigenous peoples and the Bangsamoro; and
- f) Promotes people's assertion of, and organized struggles for, their rights and welfare.

Section 2. The Parties shall adopt a patriotic and progressive cultural development program covering the education system, mass media and communications, arts and literature, science and technology, religion, and values as well as language and symbols, sports, and recreation. Cultural channels and instruments shall be oriented accordingly. The state shall assume an active role to ensure Filipinization, or the process of reversing colonial and feudal influences, and democratic control of these channels and instruments.

Section 3. The GRP shall promote culture-responsive planning, programming and budgeting in all government agencies and the Parties shall ensure that these are linked to the development efforts of marginalized sectors and communities.

Section 4. The Parties shall uphold cultural sovereignty and shall protect and support the local cultural economy through equity fees, quotas, tariffs, tax breaks, subsidies and other like measures as necessary, especially but not only for local music and film products. The payment of equity fees by foreign performing acts as a basic scheme for protecting the interests of Filipino performers and artists shall be strictly enforced.

Section 5. The Parties shall strengthen local arts councils and promote the democratic participation of community-based cultural workers and artists in their programming, budgeting and service delivery.

Section 6. The Parties shall promote and support community-based people-oriented tourism which develops appreciation and respect for the history, community life, customs, traditions, and

the local environment. This covers guided tours, cultural/educational exchanges, homestay programs and the like.

Section 7. Tourism-related services are acknowledged as legitimate sources of people’s livelihood and income. These shall however be strictly regulated to protect the integrity of national, local and indigenous cultures, the rights of working people and their families especially women and children, and the environment. The Parties shall prohibit tourism-related businesses that grossly violate people’s rights and whose profit-seeking causes economic imbalances and ecological damage.

**ARTICLE II
PROMOTING PATRIOTIC, SCIENTIFIC,
MASS-ORIENTED EDUCATION**

Section 1. The Parties shall ensure that the educational system is oriented as stipulated in Section 3 of Article XII in Part IV above and that education standards are continuously upgraded. These cover the curriculum, syllabus, textbooks and other educational and instructional materials, extra-curricular activities, training, community immersion programs of students and teachers, and other relevant aspects of education at all levels, which shall all be revised accordingly.

Section 2. The Parties shall design and implement an integrative learning curriculum that, among others:

- a) More accurately reflects the realities of Philippine society;
- b) Focuses on relearning history from the point of view of the Filipino people and their rich tradition of revolutionary resistance and struggles for change;
- c) Rectifies all the historical revisions propagated by the US and domestic ruling elite;
- d) Promotes the Filipino people’s common cultural heritage, identity and nationhood while respecting and fostering cultural diversity;

- e) Is well-balanced, community-centered, non-prejudicial, non-discriminatory, gender-fair and environment-conscious;
- f) Integrates history with social sciences, humanities, language and Filipino subjects to more comprehensively promote democracy, patriotism and independence;
- g) Emphasizes the role of science and technology in realizing genuine social and economic development and promoting social well-being; and
- h) Honors artists, scientists, engineers, agriculturists, doctors and the like for the goals of national development.

Section 3. The Parties shall uphold the right of national minorities to education that enables them to make greater contributions to the flourishing of a genuinely national culture.

Section 4. The Parties shall ensure the availability of quality early education and sustained literacy programs in every barangay.

Section 5. The Parties shall give full support for research and development that supports the goals of agrarian reform, rural development and national industrialization.

ARTICLE III DEVELOPING PROGRESSIVE AND PEOPLE-ORIENTED MEDIA

Section 1. The Parties shall promote patriotic and progressive culture through the country's media industries including but not limited to broadcasting, publishing, music, film, software and the like. Measures shall be taken for these media industries to provide reliable information and analysis, inspire patriotism, foster critical thinking, and encourage direct action by the people.

Section 2. The Parties shall establish, support and develop a reliable public information system that is run by people's media organizations with independent editorial control of programming and that provides news, public affairs and other relevant programs with patriotic and progressive content. Programming shall be genuinely national in scope.

Section 3. The Parties shall ensure that private mass media networks and production outfits have airtime, segments and programs with patriotic and progressive content. The state shall moreover regulate the content of advertisements and the airtime given them with a view to preventing the spread of colonial mentality, foreign worship, consumerism, and other similarly objectionable values.

Section 4. The Parties shall uphold rights and freedoms related to speech, press, expression and information. These include but are not limited to immediately repealing the law creating the Movie and Television Review and Classification Board (MTRCB) and abolishing this and other censorship mechanisms, decriminalizing libel, including online libel under the Cybercrime Prevention Act of 2012, which are perfect tools to silence and harass journalists and suppress free expression and speech, and enacting genuine laws on freedom of information and press freedom.

ARTICLE IV
 PROMOTING PATRIOTIC, PROGRESSIVE
 AND PRO-PEOPLE ARTS AND LITERATURE

Section 1. The Parties acknowledge and agree to promote existing patriotic and progressive art, music, literature, theater, film, broadcasting, and other works created by revolutionary and patriotic artists, cultural producers, and grassroots cultural workers especially from among the working people. They shall provide funding and other forms of support and incentives for greater production and even wider dissemination of such cultural and creative products that reflect the conditions and aspirations of the people.

Section 2. The Parties shall establish multi-functional Community Centers for Culture and the Arts at the regional, city and barangay levels. These shall be free or affordable venues for film showings, stage productions, and other performances, for exhibits and literary events, for training, workshops, symposia and lectures, for small cultural festivals, and for other similar activities. They shall eventually develop into regional high schools for the arts with close ties to local traditions and communities.

Section 3. The Parties shall support the development and dissemination of the Filipino national language by more actively promoting its use in official communications, in teaching at all levels and in all fields of knowledge, and in mass media. The GRP shall undertake large-scale publication and dissemination of literary and technical works in Filipino and other Philippine languages, including literary and technical works from other languages.

Section 4. The use of other major Philippine languages shall likewise be promoted in education, mass media, and literature. Cross-translation among local languages shall also be encouraged.

Section 5. The Parties shall promote, protect and preserve cultural and natural heritage sites by undertaking measures to prevent their destruction and pillaging and by increasing government funds for their rehabilitation and building public awareness. Cultural artefacts plundered by foreigners and appropriated by private interests shall be recovered and reclaimed.

ARTICLE V
 ADVANCING THE RIGHTS AND WELFARE
 OF EDUCATORS, MEDIA PRACTITIONERS,
 ARTISTS, AND CULTURAL WORKERS

Section 1. The Parties shall uphold the rights of educators, media practitioners, artists and cultural workers as part of the working people. These include but are not limited to putting an end to the widespread but exploitative contractualization and talent system in these cultural sectors and promoting regularization.

Section 2. The Parties shall ensure that an industry-wide national union of media workers is established to protect their rights and welfare, enhance their skills and professionalism, ensure ethical behaviour, prevent corruption, and set the standards for each medium. This union shall have the right to negotiate with media outfit owners on behalf of media workers.

Section 3. The Parties shall uphold the civil and political rights of educators, media workers, artists and cultural workers. They shall take immediate action to solve the cases of killings,

harassment and other attacks on journalists, media workers, and grassroots cultural workers. The perpetrators shall be held criminally liable and penalized.

Section 4. The Parties agree to ensure support and recognition and to stop censorship and suppression of the works of media practitioners and independent artists.

ARTICLE VI IMPLEMENTING PROVISIONS

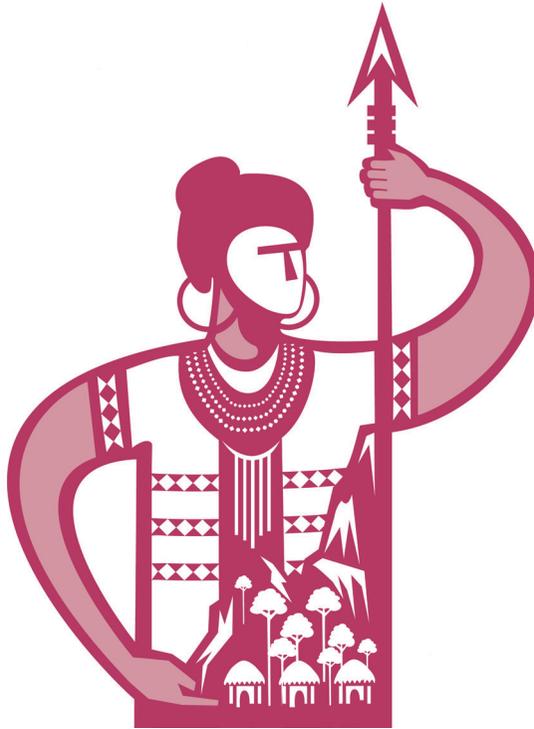
Section 1. The Parties shall create a mechanism to ensure that the Agreement on Promoting Patriotic, Progressive and Pro-People Culture (Culture) is respected and effectively implemented.

Section 2. The Parties shall agree on the schedule of implementation and the work plan specifying the time frame for undertaking their joint and separate commitments under the Agreement on Culture, which shall be attached to the said Agreement by way of Annex H.

Section 3. The Parties shall establish the Joint Monitoring Committee on Promoting Patriotic, Progressive and Pro-People Culture (JMC-Culture) to coordinate the separate implementation and supervise the common work of promoting patriotic, progressive and pro-people culture in compliance with this Agreement on Culture

Section 4. The Parties shall, within three (3) months from signing this Agreement, agree on the composition, functions, mechanics and logistics of the JMC-Culture and on the implementation schedule and work plan containing the dates and time frame for undertaking their respective commitments under the Agreement on Culture.

Section 5. While the other substantive parts of the CASER are being negotiated, this Agreement on Culture shall be signed by the Negotiating Panels and shall forthwith take effect upon approval by their respective principals.



C. RECOGNITION OF ANCESTRAL LANDS AND TERRITORIES OF NATIONAL MINORITIES

The national minorities collectively refer to over 100 ethno-linguistic groups of indigenous people (IP) and the Bangsamoro comprising some 16 percent of the population. They emerged as a special group after a long historical process of minoritization and national oppression from Spanish and US colonization until today.

State agents continue land-grabbing and displacement in favor of foreign and corporate plunder of natural resources in ancestral lands and territories. Indigenous social organizations, culture and traditions, and communities are ruined and desecrated to give way to private and foreign interests in mining, logging, corporate plantations, mega-dams and the like.

National minorities suffer harsher poverty conditions, marginalization and exclusion. They are among the most destitute of rural farming sectors, the least priority in the delivery of social

services, and victims of stereotyping, prejudice and political misrepresentation.

They suffer the brunt of militarization to enable natural resource exploitation, implement destructive projects, and restrain community resistance. These lead to serious collective and individual human rights violations such as mass evacuation, indiscriminate bombings, destruction of livelihood, vilification, and killings.

The GRP has made several attempts to pacify the IP and Moro people and quell revolutionary movement, including the growing armed secession among the Moro people. These include creating elite and bureaucrat-led autonomous regions, partial autonomy to the Bangsamoro, as well as the Indigenous Peoples Rights Act (IPRA).

These have only intensified national oppression and further entrenched foreign and feudal control of natural resources, non-recognition of ancestral lands and territories, and more overt collaboration of the IP and Moro elite.

Positive measures favoring the national minorities are needed to redress their long history of discrimination and neglect, to respect their right to self-determination or autonomy and their cultures, and to enable them to lift themselves to the level of the common good and common progress of the entire nation.

ARTICLE I RECOGNIZING THE RIGHT TO SELF-DETERMINATION

Section 1. The Parties recognize and uphold the right to self-determination of indigenous peoples and the Bangsamoro. This right to freely determine their political status and to freely pursue their economic, political and cultural development at their own pace without external impositions and interference covers autonomy, self-governance or self-rule within a nation-state, use of language and observance of customs and traditions, free exercise of religious beliefs, and enjoyment of specific rights as defined in laws and processes of the nation-state. The Parties also recall

the Bangsamoro demand to secede as an assertion of their right to self-determination.

Section 2. The Parties recognize the particular circumstances of the Bangsamoro in Mindanao and shall ensure regional autonomy in areas where the Moro people are concentrated and, where they are not concentrated but nonetheless have substantial presence, shall ensure their democratic representation in governance.

Section 3. The Parties unconditionally recognize the ancestral lands and territories of indigenous peoples and the Bangsamoro. These include, but are not limited to, upholding their right to collective ownership or stewardship, as appropriate, as well as to use, develop, and manage these lands, territories and resources contained therein.

Section 4. The Parties shall recognize and uphold the national minorities' right to collective ownership. The state shall amend or, if deemed necessary, repeal the IPRA that has in practice facilitated corporate intrusion in ancestral lands and has in effect given a few private individuals ownership and control of communal lands.

Section 5. The Parties shall uphold the national minorities' right to free, prior and informed consent (FPIC) and collective decision-making over so-called development projects and programs affecting them. This includes the GRP desisting from any and all acts that subvert this right such as deception, divide-and-rule tactics, and outright harassment.

Section 6. The Parties shall recognize and ensure the national minorities' participation in the creation of laws and policies and in all levels of governance. The Parties shall review and, if necessary, scrap government policies and administrative orders that curtail or undermine the national minorities' representation in decision-making and governance.

Section 7. The Parties shall recognize, respect and enable the indigenous peoples and the Bangsamoro to develop their socio-political systems; and shall take measures to prevent political misrepresentation and undermining of such systems. They shall recognize the socio-political structures that exist in communities

of the national minorities, which include but are not limited to the organizations expressing their existing political programs for their struggles.

Section 8. The Parties agree to amend or repeal all laws, orders and issuances that are inconsistent with or contrary to the policies and measures regarding national minorities stipulated in this Agreement. These include, but are not limited to, the provisions in the 1987 Constitution and in the IPRA that violate the inherent rights of national minorities to steward or own as well as to use, develop and manage their ancestral lands and territories.

Section 9. The Parties agree to ensure the enactment of a new law upholding the national minorities' rights to self-determination and to their ancestral lands and territories, recognizing the rights of indigenous peoples and the Bangsamoro, and providing true representation of the national minorities in governance. Correspondingly the Parties agree that the state shall, among others, dismantle the National Commission on Indigenous People (NCIP) which does not truly represent the collective decisions of the indigenous peoples.

ARTICLE II PARTICIPATION IN ECONOMIC DEVELOPMENT

Section 1. The Parties shall ensure that the indigenous peoples and the Moro people benefit from the strategic economic program of self-reliant Philippine development, rural development, and national industrialization as stipulated in this Agreement. This includes rural development and local industrialization in their ancestral lands and territories with due consideration of their specific social, cultural, political, and economic circumstances.

Section 2. The Parties recognize the right of national minorities to determine and develop priorities and strategies for their development including but not limited to the use of natural resources in their territories. Any extraction of natural resources in ancestral lands and territories shall be decided with the concerned national minorities and their organizations and shall be used for local as

well as national development in line with the comprehensive program for strategic economic development, including national industrialization.

Section 3. The Parties shall undertake programs that protect, nurture and develop the environment of the national minorities for the people's welfare.

Section 4. The Parties agree that the state shall scrap and revoke all deceptive, oppressive and discriminatory legislation and economic policies that expedite land-grabbing, plunder and destruction of ancestral lands and territories. They also agree to review all existing agreements and contracts, including pending applications, of mining, logging, dam building, geothermal, plantation, ecotourism and other businesses and projects, and cancel those which violate the right to FPIC, are destructive to the communities and the environment, and violate the national minorities' collective rights. There shall be a moratorium on new applications for such businesses and projects pending completion of the review.

Section 5. The Parties agree to review and investigate all Certificates of Ancestral Land Title (CALTs), Certificates of Ancestral Domain Title (CADTs), and Ancestral Domain Sustainable Development Protection Plan (ADSDPP) to determine their authenticity on expanse and coverage, location and the like. They agree to cancel bogus and anomalous titles and revert ancestral lands that had been fraudulently awarded to false claimants by GRP agencies.

Section 6. The Parties agree to rehabilitate mined-out and environmentally degraded areas and to seek compensation for the communities affected by mining, logging, and other such operations in ancestral lands and territories. The individuals, enterprises and corporations responsible shall be held criminally liable and penalized.

ARTICLE III
PROTECTION FROM ALL FORMS
OF DISCRIMINATION AND RIGHTS VIOLATIONS

Section 1. The Parties shall take measures to remove institutional discrimination against the national minorities in the education system, mass media, arts and literature, and in other cultural and religious institutions. These include but are not limited to ensuring that the national minorities' history, situation, rights and aspirations are suitably covered in the academic curriculum, syllabus, textbooks, training, and other relevant aspects of education at all levels.

Section 2. The Parties shall uphold respect for indigenous culture and religious beliefs and take measures to enable the national minorities to develop these for the enrichment of their national heritage and pride. The Parties shall take measures to end their commercialization and perversion including but not limited to ending inappropriate and misrepresentative festivals and stopping ecotourism projects that exploit indigenous culture for profit.

Section 3. The Parties shall ensure respect for the rights to life, liberty and security of the national minorities. The GRP shall end the militarization of ancestral lands and territories and their disruption of economic, social and cultural life.

Section 4. The Parties shall stop paramilitary recruitment among tribes and communities that bastardize and exploit traditional defense systems and cause animosity and division. Existing paramilitary groups shall be immediately dismantled.

Section 5. The Parties shall ensure that indigenous peoples and the Bangsamoro are protected from discrimination wherever they are such as when they are separated by political and administrative jurisdiction or dispersed into different barangays, municipalities, provinces and regions, or otherwise outside their ancestral lands and territories.

Section 6. The Parties agree that the GRP shall amend or repeal all laws, orders and issuances that discriminate against national minorities and violate their rights as stipulated in this Agreement.

They shall use international standards, particularly the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and the Declaration on the Rights of Minorities as references for this Agreement.

ARTICLE IV IMPLEMENTING PROVISIONS

Section 1. The Parties shall create a mechanism to ensure that the Agreement on Recognition of Ancestral Lands and Territories of National Minorities (National Minorities) is respected and effectively implemented.

Section 2. The Parties shall agree on the schedule of implementation and the work plan specifying the time frame for undertaking their joint and separate commitments under the Agreement on National Minorities, which shall be attached by way of Annex I.

Section 3. The Parties shall establish the Joint Monitoring Committee on National Minorities (JMC-National Minorities) to coordinate the separate implementation and supervise the common work on recognition of ancestral lands and territories of national minorities in compliance with this Agreement on National Minorities.

Section 4. The Parties shall, within three (3) months from signing of this Agreement, agree on the composition, functions, mechanics and logistics of the JMC-National Minorities and on the implementation schedule and work plan containing the dates and time frame for undertaking their respective commitments under the Agreement on National Minorities.

Section 5. While the other substantive parts of the CASER are being negotiated, this Agreement on National Minorities shall be signed by the Negotiating Panels and shall forthwith take effect upon approval by their respective principals.

PART V. ECONOMIC SOVEREIGNTY FOR NATIONAL DEVELOPMENT

Philippine economic policy has always served the needs of its colonizers and neocolonizers – whether under Spanish colonialism, US colonial rule, or post-independence US neocolonialism. The US imperialists developed and entrenched the market orientation of the economy which, from the 1940s until the 1970s, ensured special privileges for American goods and capital while also steadily liberalizing the economy.

In the neoliberal era the country's policies have been dictated by the International Monetary Fund (IMF) and World Bank, imposed through so-called bilateral aid programs especially of the US, required by multilateral and bilateral free trade agreements (FTAs) including under the far-reaching World Trade Organization (WTO), and compelled by the international financial system. A solid corps of neoliberal Filipino technocrats and supporters has also been cultivated over the decades.

The neoliberal globalization policies have systematically opened up the economy to unfair competition, caused one-sided foreign exploitation of Philippine resources and labor, and prevented measures for national economic development. Consequently, the Filipino people have suffered the worst poverty and exploitation.

Trade and investment liberalization has destroyed domestic agriculture and manufacturing. Foreign investment has not developed the economy and has instead been among the foremost ways by which the imperialists have exploited the country's labor, natural resources and markets. Financial, monetary and fiscal policies are designed to serve the needs of foreign finance capital, big monopoly corporations and the local exploiting classes rather than the people.

The government, with its vast powers and authority over the economy, serves foreign and local elite interests in their quest for profits rather than attend to the needs of the Filipino people.

Macroeconomic policies are needed that assert national sovereignty, especially economic sovereignty, and the national

patrimony. These include the widest range of patriotic options for national socio-economic development. A national socioeconomic plan is necessary to achieve genuine national development.



A. FOREIGN ECONOMIC AND TRADE RELATIONS

The Philippines' foreign economic and trade relations are neo-colonial, work against the country's development, and compromise the rights and welfare of the Filipino people. Imperialist-designed policies favour foreign monopoly capital and repress domestic production to keep the country's human and natural resources perpetually available for foreign plunder and exploitation.

Goods produced domestically cannot compete with foreign goods brought into the market due to trade liberalization policy and the removal of tariff and non-tariff barriers. Foreign investment liberalization meanwhile allows foreign capital to exploit the country's agricultural resources, mineral deposits, and cheap labor without developing local productive capacity.

Foreign monopoly capital benefits from the backward agricultural economy. It can take advantage of land and other agricultural

resources and raw materials without having to compete with Filipino rural producers for their use. It also gains from insignificant domestic industry. It can freely exploit domestic minerals and cheap labor and dominate the market for industrial goods and services without any competition from domestic capital.

Underdeveloped agriculture and industry do not provide local jobs and livelihood thus driving millions of Filipinos abroad as the country's most important export and among the cheapest and most exploited migrant workers in the world.

Neoliberal policies have devastated the domestic economy. Yet the GRP's approach is still for greater neoliberal trade and investment liberalization through Asia-Pacific Economic Cooperation (APEC), Association of Southeast Asian Nations (ASEAN) economic integration, and more free trade agreements (FTAs) including the Regional Comprehensive Economic Partnership (RCEP), US-Philippines FTA, and European Union-Philippines FTA.

Amid the protracted global crisis it is more urgent than ever for the Philippines to adopt an independent foreign economic policy that promotes national development. This begins with halting and reversing the widespread neoliberal globalization in the domestic economy and implementing a purposive strategic economic plan for national development.

ARTICLE I

GENERAL PROVISIONS FOR FOREIGN ECONOMIC RELATIONS

Section 1. The Parties shall adopt an independent foreign trade and investment policy that promotes the strategic economic program of self-reliant Philippine development, rural development, and national industrialization. This policy shall ensure that the country's resources and production, including those in the Philippines' territorial waters, continental shelf and exclusive economic zone, prioritize domestic needs and that foreign investors contribute to rather than impede national development.

Section 2. The Parties reject the trade and investment liberalization, privatization, and deregulation policies dictated by dominant capitalist countries and by their multilateral agencies like the International Monetary Fund (IMF), World Bank, Asian Development Bank (ADB), and World Trade Organization (WTO). They shall take the necessary measures to reverse the denationalization of the economy.

Section 3. The Parties agree to terminate the neocolonial trade and investment policies that keep the economy backward and underdeveloped. They acknowledge that such policies expressed in the country's free trade agreements (FTAs), bilateral investment treaties (BITs), and domestic economic laws keep the country an exporter of raw materials and human resources mainly for the benefit of foreign economies, a cheap labor site for foreign-dominated low value-added manufacturing and services, and a captive market for foreign goods and technology.

Section 4. The Parties agree to diversify Philippine trade and investment relations and break the economic dependence on the United States and Japan. Among others, the objectives are to take advantage of increasing competition among the major industrial capitalist countries and of opportunities for more effective bargaining for the best terms in the international market. New dependencies on other foreign powers shall be avoided.

Section 5. The Parties commit to build relations with governments and multilateral organizations supportive of Philippine national development and the welfare of the people. Among others these include ensuring that the rights of Filipinos overseas are upheld, protected and promoted.

Section 6. The Parties shall promote economic independence by building closer mutually beneficial economic relations and cooperation with neighboring countries in East Asia – while correcting imbalanced relations with China, Japan and South Korea – and other countries beyond the region, including the BRICS countries (Brazil, Russia, India, China and South Africa) as well as other countries asserting their sovereignty and independence.

Section 7. The Parties agree to build official economic relations to support national development. These include but are not limited to new arrangements for development finance, technical assistance, technology sharing, and infrastructure projects; new and deeper bilateral relations shall be explored with friendly governments for specific industrial projects. Preference shall be given to official development assistance (ODA) that is untied and on the most favorable concessionary terms.

Section 8. The Parties agree to protect and support Filipino-owned agricultural producers, industrial firms, and service enterprises against foreign trade and investment. These shall be given the necessary incentives, subsidies and support to develop and strengthen themselves.

ARTICLE II RECLAIMING POLICY SOVEREIGNTY

Section 1. The Parties agree to contest provisions of international economic deals that are detrimental to Filipino producers and that prohibit various policies needed for rural development and national industrialization. The GRP shall correspondingly amend, suspend, or terminate, as applicable, the relevant bilateral investment treaties and agreements, bilateral and regional FTAs, and agreements under the multilateral WTO.

Section 2. The country's membership in international economic institutions such as the IMF, World Bank, WTO and Asia-Pacific Economic Cooperation (APEC) which were created to protect the economic interests of the dominant capitalist powers shall be reviewed and, if necessary for national development, withdrawn.

Section 3. The Parties reject foreign interference in domestic economic policy-making. Foreign loans and ODA with policy conditionalities shall be cancelled. Multilateral and bilateral programs that intervene in domestic economic policy-making, such as those by the United States Agency for International Development (USAID), shall be terminated.

Section 4. The Parties agree to break the economic dominance of foreign monopoly capitalists that hinders economic program to promote national development. The direct investments and other profit-making assets of US, Japanese and other foreign monopoly capitalists in vital and strategic industries shall be expropriated and nationalized as provided for in Section 2 of Article III in Part III.B.

Section 5. The Parties reject undemocratic Investor-State Dispute Settlement (ISDS) processes that are biased for foreign investors, give foreign monopoly capital rights beyond Filipino investors and citizens, and restrict the government’s regulatory flexibility. Foreign corporate disputes shall be settled in domestic judicial or quasi-judicial processes.

ARTICLE III
INDEPENDENT FOREIGN TRADE
AND INVESTMENT POLICY

Section 1. The Parties agree to support, protect and promote Filipino agricultural, industrial and service enterprises deemed essential to the creation of a self-reliant national economy with the following: tax exemptions, import duty exemptions, credit and investment incentives, and government procurement contracts; imposition of tariffs and non-tariff measures, and foreign exchange and capital controls; and with other like measures as necessary.

Section 2. The Parties agree to regulate any necessary foreign investment to ensure that it contributes to national development in terms of technology transfer and acquisition, access to products or markets, domestic reinvestment, and other like benefits for the country’s strategic economic development.

Section 3. All foreign investment shall be subject to regulation and supervision with regard to employment practices, social and environmental impact, product pricing, access to capital, profit remittances, capital repatriation, and other concerns relevant to its contribution to national development.

Section 4. In no case shall foreign equity exceed 40 percent in any enterprise. Additionally, safeguards shall be adopted against devices or schemes such as the use of dummies, interlocking directorates, shell corporations and others that circumvent the nationality requirement.

Section 5. The Parties agree that export-processing zones and industrial enclaves which perpetuate the neocolonial character of the economy and repress workers shall be reoriented to promote national industrialization and the self-reliant production of goods to meet domestic needs.

Section 6. The Parties agree to institute capital controls to promote financial stability and preserve the independence of domestic monetary, exchange rate, financial, and fiscal policy. Controls on speculative capital flows shall include taxes on inflows and outflows, stricter reserve requirements, currency controls, quantity limits, restrictions on securities and equity transactions, and others as necessary.

Section 7. The Parties agree to regulate, as necessary, imports of goods and services so that national development is not compromised. Priority shall be given to imports of needed technology, industrial equipment, and other requirements of the strategic economic development program.

Section 8. The Parties agree to regulate, as necessary, exports of goods and services to ensure that the objectives of the strategic economic development program are achieved. Export promotion and control measures shall cover licensing, subsidies and taxes, loans and credit, prohibitions, and others as needed. Opportunities for export shall be availed as long as these do not compromise meeting domestic needs and contribute to national economic development according to the strategic economic program.

Section 9. The Parties shall augment the domestic stock of science and technology with foreign sources as provided for in Section 6 of Article VI in Part III.B.

Section 10. The Parties shall make their joint or respective representations and submit reports and recommendations on economic,

social and cultural matters within the scope of this Agreement to the United Nations (UN) Economic and Social Council, the International Labor Organization (ILO) and other pertinent agencies of the UN concerned with the UN Conventions on political and civil rights and on social, economic and cultural rights.

ARTICLE IV IMPLEMENTING PROVISIONS

Section 1. The Parties shall create a mechanism to ensure that the Agreement on Foreign Economic and Trade Relations (FETR) is respected and effectively implemented.

Section 2. The Parties shall agree on the schedule of implementation and the work plan specifying the time frame for undertaking their joint and separate commitments under the Agreement on FETR, which shall be attached by way of Annex J.

Section 3. The Parties shall establish the Joint Monitoring Committee on Foreign Economic and Trade Relations (JMC-FETR) to coordinate the separate implementation and supervise the common work on foreign economic and trade relations in compliance with this Agreement on FETR.

Section 4. The Parties shall, within three (3) months from signing this Agreement, agree on the composition, functions, mechanics and logistics of the JMC-FETR and on the implementation schedule and work plan containing the dates and time frame for undertaking their respective commitments under the Agreement on FETR.

Section 5. While the other substantive parts of the CASER are being negotiated, this Agreement on FETR shall be signed by the Negotiating Panels and shall forthwith take effect upon approval by their respective principals.



B. FINANCIAL, MONETARY AND FISCAL POLICIES

The semifeudal and semicolonial conditions create a system where economic surpluses are misappropriated and concentrated among the very few. Little is left for investment to develop the economy and meet the needs of the people. Systematic planning and active state intervention and regulation is needed to unleash the country's economic potential to generate surpluses and to use this rationally.

The banking and financial system needs to direct resources according to investment priorities – to agricultural development, rural industrialization, vital and strategic industries, priority domestic manufacturing, infrastructure, social services and welfare, and others. The current development banking institutions fail to do this because of the absence of a strategic development plan and because of their narrow pursuit of immediate profits.

Monetary policies must likewise support national development. Interest rates and the foreign exchange system cannot be market-oriented and dictated by demands of international capital markets as these support financial profits and neocolonial production patterns rather than long-term Philippine development.

The GRP's neoliberal fiscal policies spawn a host of deleterious effects. Government revenues are undermined by tariff cuts and trade liberalization, tax cuts for the rich and large corporations, fiscal incentives for foreign investors, and privatization even of potentially income-generating enterprises. The tax system is becoming more and more regressive and reliant on consumption taxes imposed on the majority poor rather than direct income and wealth taxes in the rich.

This is aggravated by massive unproductive expenditures including the payment of interest on unjust and onerous debts, excessive military spending, and due to gross bureaucratic inefficiency. There is also immense graft and corruption, which is a systemic and long-running defect in the government's fiscal system.

The Central Bank's market-oriented management of the financial system primarily serves the needs of foreign monopoly capital and domestic elites. The financial system, monetary and fiscal policies need to be directed to support the strategic program for national development.

ARTICLE I FINANCING NATIONAL DEVELOPMENT

Section 1. The Parties agree to adopt a finance policy serving overall social and economic development and, to this end, take measures to enable effective management of the financial sector. They agree to veer away from wholly relying on the market to mobilize and allocate financial resources and on using private financial returns to indicate investment success, both of which prevent balanced and comprehensive national development. They shall ensure stable long-term finance for vital economic development programs and projects.

Section 2. The Parties agree to strengthen the institutional and regulatory infrastructure of the domestic financial system to effectively perform its function of serving the goals of national development.

Section 3. The Parties agree to reorganize and redirect the Central Bank, banks and other financial institutions to support and serve the policies and programs of agrarian reform, rural development, and national industrialization. In supervising the financial system, the Central Bank shall ensure that strategic sectors of the economy receive financing and that interest rates, the exchange rate, currency reserves, and the money supply are managed according to the overall socioeconomic development plan.

Section 4. Banks shall be reoriented to fulfil the development banking function of financing public utilities, services, and infrastructure as well as agrarian reform, rural development, and national industrialization projects. New specialized public banks for supporting specific strategic sectors and industries, credit cooperatives, microfinance services, and other similar financial institutions or investment funds shall be considered and established as deemed necessary for national development.

Section 5. The Parties agree to reorient the Land Bank of the Philippines (LBP) and rural banks to support cooperatives, collectives, peasant associations and agricultural production in general according to genuine agrarian reform and rural development as provided by this Agreement. Likewise, the Development Bank of the Philippines (DBP) shall be reoriented to give priority to industrial projects of the public sector and Filipino entrepreneurs, and its subsidiary Al-Amanah Islamic Investment Bank of the Philippines shall support socioeconomic development particularly in the Moro areas of Southern Mindanao.

Section 6. The Parties shall re-nationalize the Philippine National Bank (PNB) and reorient it to the objective of promoting overall social and economic development.

Section 7. The Parties shall correct the historical neglect of the credit needs of peasant, fisherfolk and other producers' associations, as well as of small and medium enterprises. They shall ensure

that commercial banks allot specified portions of loanable funds to provide low interest loans for agrarian reform, rural development, and industrial projects as determined by this Agreement. Direct lending to priority sectors and strategic firms shall be encouraged by providing for tax incentives and other such measures as deemed necessary.

Section 8. The Parties agree that the financial system covering banks, investment houses, securities firms, insurance companies, financing companies, savings and loan associations, credit unions, and other like financial institutions and intermediaries shall be owned and controlled by the public sector and by Filipino nationals.

Section 9. Foreign investments and assets in financial institutions shall be expropriated. The disposition of these shall be negotiated on the basis of national interest. The manner of compensation of expropriated investments and assets shall be subject to negotiation according to the needs of overall social and economic development.

Section 10. The Parties agree to institute measures to encourage and promote the investment of surpluses from rising agricultural productivity in the national industrialization program.

Section 11. The Parties agree to institute compulsory workers' councils in all government financial institutions and intermediaries and whose representatives shall sit in the board of directors or trustees and participate in policy making and management. The policy and decision-making authority of the workers councils shall cover overall organizational concerns. The workers shall have the option to either directly organize a workers council or to do this through their union.

**ARTICLE II
INDEPENDENT MONETARY
AND EXCHANGE RATE POLICIES**

Section 1. The Parties agree to orient monetary policy towards ensuring levels of investment and expenditure consistent with the goals of rural development, national industrialization, and

improving the people's welfare. Monetary policy targets shall address not only the concerns of inflation and economic growth but also of investment, employment, and equality according to the strategic economic program.

Section 2. The Parties agree to stabilize the Philippine peso through a managed exchange rate system, regulation of convertibility, and capital controls.

Section 3. The Parties shall regulate public and private foreign borrowing to promote financial stability, to ensure that foreign loans support national development, and to ensure the independence of domestic monetary, exchange rate, financial, and fiscal policy. The overall dependence on foreign borrowing shall be controlled with ceilings on the volume of new foreign loans, taxes on foreign debt obligations, reserve requirements against foreign debt obligations, and other measures as deemed necessary. Foreign borrowing by domestic firms shall be regulated with priority given to long-term low-interest loans going to priority sectors for national development.

Section 4. The Parties agree to take necessary measures to prevent capital flight, promote financial stability, and ensure the availability of capital for domestic investment, economic growth, and national development. These include but are not limited to putting limits on portfolio investments and foreign currency accounts abroad, exit taxes, strict reporting requirements, and other capital controls. Off-balance sheet activities shall be strictly prohibited.

ARTICLE III

FISCAL POLICY FOR SOCIOECONOMIC DEVELOPMENT

Section 1. The Parties shall adopt a fiscal policy – covering government revenue generation and spending – that is in line with overall economic planning and strategic measures to develop the national economy. Among others, these include mobilizing and directing funds for agrarian reform, rural development and national industrialization.

Section 2. Fiscal policy shall not include austerity measures that pass on the burdens of economic and financial crises to the working people and, on the contrary, shall include the use of emergency expansionary measures during economic downturns.

Section 3. The Parties agree to prioritize public spending for free or affordable education and health, subsidizing pensions and other social security benefits, financing public utilities in water, electricity and transportation, and state investment in infrastructure and priority productive sectors. These include but are not limited to achieving education spending equivalent to at least six (6) percent of GDP, health spending of at least five (5) percent of GDP, and social protection of at least 15 percent of GDP.

Section 4. The Parties agree to use taxation, public borrowing, deficit financing, and surpluses of public enterprises for increasing public investment and capital formation to accelerate economic development and generate more employment for the people.

Section 5. The Parties agree to adopt a progressive tax system based on taxpayers' ability to pay with higher income groups charged proportionately and absolutely more than lower income groups. This seeks to raise government resources for public spending on social services, economic services, and other public service as well as to reduce inequality, equitably distribute wealth generated, and prevent the undue accumulation and concentration of economic power in the hands of a few.

Section 6. Income taxes on poor families and small and medium enterprises (SMEs) shall be reduced while those on foreign and comprador corporations, landlords and the wealthy shall be increased.

Section 7. The value-added tax (VAT) and excise taxes on basic goods and services consumed by the working people shall be abolished while taxes on luxury goods and services shall be increased. Consumption taxes on alcoholic drinks, tobacco products, gambling and other socially or economically undesirable items shall be increased.

Section 8. Taxes on accumulated or transacted wealth shall be increased through higher property, capital gains, inheritance and estate taxes.

Section 9. The Parties agree to review and modify, as necessary, tax incentive programs with regard to their avowed goals of increasing investment, expanding the economy, and accelerating growth as well as their impact on government revenues.

Section 10. Tax rates for transnational corporations (TNCs) shall be rationalized in line with the national interest. To curb transfer pricing and other tax evasion and tax avoidance schemes, audits and levy taxes on service fees, royalties, interest expenses, management fees, and other inter-company charges paid by TNCs to related parties abroad shall be instituted.

Section 11. The Parties shall raise taxes on trading in foreign currencies, stock transfers, and other short-term international private capital flows.

Section 12. The Parties agree to reduce the stock of public foreign debt and dependence on foreign borrowing. New foreign borrowing shall be limited to necessary financing for the strategic economic program of self-reliant Philippine development, rural development, and national industrialization.

Section 13. Public foreign debts shall be immediately re-examined to determine which are to be cancelled, frozen, renegotiated, or litigated. Fraudulent and behest loans shall be repudiated and other onerous loans shall be renegotiated. Those who incurred or used these foreign debts and privately benefited from them shall be held criminally and civilly liable and prosecuted.

Section 14. The law on the automatic appropriation for the public portion of the foreign debt service (PD1177) shall be immediately repealed.

Section 15. The Parties agree to immediately trim down the budget allocations for the military and redirect the savings to allocations for social and economic services such as education, health, public housing, mass transportation and the like.

Section 16. The Parties shall abolish and prohibit arbitrary and unnecessary public guarantees of private profits including but not limited to regulatory risk guarantees, deficit payments schemes, contractually binding onerous fees and charges, and sovereign guarantees of private debt.

Section 17. The Parties shall combat graft and corruption and shall immediately adopt strict measures to eradicate its most pervasive types. The pork barrel system in all its forms, whether within the budget or off-budget, shall be prohibited. Additional safeguards shall be instituted against graft and corruption including but not limited to laws prohibiting political dynasties and nepotism. Stronger mechanisms for investigation and prosecution of corrupt government officials and their private collaborators shall be adopted. Plunderers and other like economic saboteurs shall be held criminally and civilly liable and prosecuted.

Section 18. The Parties agree to institute full public monitoring of public finances especially the budget process. Policies on transparency and accountability in all public financial systems and operations, including but not limited to transactions with private contractors, shall be strengthened.

Section 19. The Parties agree to undertake vigorous campaigns in all civil agencies, institutions and organizations against all forms of inefficiency that grossly undermine the effectivity of the various economic planning tools and contribute to massive bureaucratic waste.

Section 20. The Parties agree to repeal or rescind all laws, orders and issuances which are inconsistent with or contrary to the above policies and measures such as the Presidential Decree on Offshore Banking, Banking Law of 1994, RA 7721 which liberalizes the entry and scope of operations of foreign banks, the Comprehensive Tax Reform Program, and others that may be identified.

ARTICLE IV
IMPLEMENTING PROVISIONS

Section 1. The Parties shall create a mechanism to ensure that the Agreement on Financial, Monetary and Fiscal Policies (FMF) is respected and effectively implemented.

Section 2. The Parties shall agree on the schedule of implementation and the work plan specifying the time frame for undertaking their joint and separate commitments under the Agreement on FMF, which shall be attached by way of Annex K.

Section 3. The Parties shall establish the Joint Monitoring Committee on Financial, Monetary and Fiscal Policies (JMC-FMF) to coordinate the separate implementation and supervise the common work of financial, monetary and fiscal policies in compliance with this Agreement on FMF.

Section 4. The Parties shall, within three (3) months from signing this Agreement, agree on the composition, functions, mechanics and logistics of the JMC-FMF and on the implementation schedule and work plan containing the dates and time frame for undertaking their respective commitments under the Agreement on FMF.

Section 5. While the other substantive parts of the CASER are being negotiated, this Agreement on FMF shall be signed by the Negotiating Panels and shall take effect forthwith upon approval by their respective principals.



C. SOCIAL AND ECONOMIC PLANNING

ARTICLE I NATIONAL SOCIOECONOMIC PLAN

Section 1. The Parties shall draw up a strategic long-term socio-economic development plan to build strong domestic economic foundations and secure the rights and welfare of the Filipino people. This shall be implemented over multiple phased five-year economic plans with yearly adjustments as necessary.

Section 2. The national socioeconomic plan shall affirm the primacy of social goals and objectives over the market. It shall determine in general terms the allocation of resources, the level and composition of output, and the returns to factors of production. Such determination may take market-driven prices and quantities into consideration but shall not be decided by these.

Section 3. The policies, programs and measures of the plan shall ensure the following:

- a) Well-balanced growth among heavy industry, agriculture, and light industry;
- b) Well-balanced growth between capital investment and social welfare;
- c) Equitable distribution of economic gains between people, classes and geographic regions; and
- d) Productivity improvements through ample technological support as well as direct incentives and sanctions.

Section 4. The plan shall be coordinated and implemented across all government departments, agencies and other government instrumentalities. Implementation shall be decided democratically, publicly transparent, and socially accountable.

Section 5. The Parties shall draw up specific social and economic development programs to implement the provisions of this Agreement:

- a) Program for Agrarian Reform and Rural Development
- b) Program for National Industrialization
- c) Program to Develop Filipino Science and Technology
- d) Program for Nationalized Power Industry
- e) Program for Nationalized Water Utilities
- f) Program for Nationalized Mass Transport
- g) Program for Strengthening the Public Health System
- h) Program for Strengthening the Public Education System
- i) Program for Ensuring Public Mass Housing
- j) Program for Promoting Patriotic, Progressive and Pro-people Culture
- k) Program for Ensuring the Rights of the Working People
- l) Program for Promoting Gender Equality
- m) Program for Environmental Protection and Rehabilitation

- n) Program for Disaster Preparedness and Response
- o) Program of Foreign Trade and Investment Relations for National Development
- p) Program for Nationalized Banking and Finance
- q) Program of Independent Monetary and Exchange Rate Policies
- r) Program for a Progressive Tax System and Fiscal Responsibility
- s) Program Recognizing Ancestral Lands and Territories of National Minorities

ARTICLE II

THE SOCIAL AND ECONOMIC PLANNING COMMISSION

Section 1. The Social and Economic Planning Commission (SEPC) shall be established to formulate a strategic socioeconomic development plan pursuant to the general objectives of building strong domestic economic foundations and securing the rights and welfare of the Filipino people.

Section 2. The SEPC shall be composed of experts and specialists in different fields of activity with co-chairpersons and co-deputy chairpersons. It shall have (3) members each to be chosen by the two Parties.

Section 3. The SEPC shall prepare an overall implementation plan for all programs and projects enumerated in Article I, Section 5 above after consultations with the key stakeholders including mass organizations and peasant associations.

Section 4. The action plans shall lay out a hierarchy of tasks, identify responsible parties, set a realistic timetable, determine human resource and financial needs, identify sources of funding, and provide a summary of main actions to be undertaken in each program or project.

Section 5. The Committee on Plan Projects and the Committee on Program Evaluation shall be created to assist the SEPC in the implementation and evaluation of the plan programs.

Section 6. The Committee on Plan Projects shall review the action plans prepared by the government departments and agencies and shall supervise and monitor their implementation. The Committee shall act as the liaison of the SEPC with the government departments and agencies.

Section 7. The Committee on Plan Projects shall be composed of experts in the programs enumerated in Article I, Section 5 above. Representatives of mass organizations, peasant associations and other key stakeholders shall also sit in the Committee. It shall have co-chairpersons who shall serve as chief representatives of the Parties and who shall act as co-moderators of meetings. It shall also have three (3) members each to be chosen by the two Parties.

Section 8. The Committee on Program Evaluation shall evaluate regularly the progress achieved in the execution of each stage of the plan. It shall submit reports to the SEPC on the results of its evaluation. It may conduct on-site evaluation of the work done in the community project areas and recommend adjustments in policies and measures that such evaluation may find necessary.

Section 9. The Committee on Program Evaluation shall be composed of experts in the programs enumerated in Article I, Section 5 above. Representatives of mass organizations, peasant associations and other key stakeholders shall also sit in the Committee. It shall have co-chairpersons who shall serve as chief representatives of the Parties and shall act as co-moderators of meetings. It shall also have three (3) members to be chosen by the GRP Panel and three (3) members to be chosen by the NDFP Panel.

Section 10. The SEPC shall issue progress reports on the implementation of the five-year economic plans and shall recommend the necessary adjustment of policies and measures taking into consideration the results or output envisaged in the whole development program.

Section 11. The SEPC and the Committees on Plan Projects and Project Evaluation shall be organized upon the effectivity of this Agreement and shall continue to exist until dissolved by either party by sending to the other Party a written notice of dissolution or until it shall have been replaced with a more permanent agency under a new political authority as shall be defined in the Comprehensive Agreement on Political and Constitutional Reforms (CAPCR) and the Comprehensive Agreement on End of Hostilities and Disposition of Forces (CAEHDF).

PART VI. OVERALL IMPLEMENTING MECHANISM

Section 1. The GRP-NDFP Social and Economic Oversight and Advisory Council (SEOAC) shall be established to oversee and monitor the overall implementation of CASER and the work of the Joint Monitoring Committees (JMCs) and other bodies created under the agreement. The SEOAC shall also give advice and submit recommendations to the Negotiating Panels on any aspect of the implementation of this Agreement.

Section 2. The GRP-NDFP SEOAC shall be responsible for addressing any dispute arising in connection with the implementation of the CASER and the work of the JMCs.

Section 3. The GRP-NDFP SEOAC shall be composed of three (3) members from each of the JMCs established under this agreement to be chosen by each of the two Parties.

The GRP-NDFP SEOAC shall constitute a management committee consisting of the chairperson of each Party who shall serve as their respective chief representative and who shall act as joint moderators of meetings. The management committee shall be composed of three (3) members from each of the Parties.

Section 4. The SEOAC shall adopt a work plan and appropriate working practices. The co-chairpersons shall call for the convening of the plenary. The SEOAC shall meet regularly and adopt its decisions by consensus.

Section 5. The GRP-NDFP SEOAC shall initially resolve any dispute relating to interpretation, application or compliance with

the agreement through conferences. In case of failure to settle the dispute, the SEOAC shall submit the matter to the Negotiating Panels who shall resolve the matter.

Section 6. The Parties shall agree on the Guidelines on enhancing compliance with the Agreement and responses in case of non-compliance. The guidelines shall assist the Parties, JMCs, mass organizations, peasant associations, and all other relevant stakeholders in enhancing and supporting compliance with the Agreement. The guidelines shall facilitate consideration of compliance issues after the entry into force of the agreement and encourage effective approaches to compliance. Proposed guidelines are attached to the Agreement.

Section 7. There is non-compliance with the Agreement where one party, by words or conduct, demonstrates its intention not to perform either all or the substantial part of its obligations under the Agreement, or to perform them in a way that is substantially different from the requirements in the Agreement.

Section 8. The GRP shall ensure that all national law provisions are compatible or brought into line with the provisions of this Agreement. Thus, the GRP may not invoke national law provisions as justification for its failure to perform its commitments under the Agreement.

Section 9. The SEOAC shall have representation in the overall Consultative Council envisioned by the CAPCR.

Section 10. The Parties may enter into such supplemental agreements or arrangements as may be necessary and appropriate.

PART VII. FINAL PROVISIONS

Section 1. This Agreement shall be approved by the principals of the GRP and the NDFP within one (1) month after signing and finalization by their negotiating panels and shall take full and immediate effect upon approval by the principals.

Section 2. The Parties shall be bound by this Agreement to take the necessary unilateral steps to enable them to carry out any

provision that entails a modification or amendment of their respective constitution, policies and laws.

Section 3. The Parties agree that, irrespective of the course and outcome of the peace negotiations, the provisions of this Agreement that uphold the economic, social and cultural rights of the people shall remain in full force and effect.

Section 4. The Parties agree on the importance and urgency of approving this Agreement in order to address the social and economic roots of the prolonged armed conflict and to open the way to negotiations on political and constitutional reforms.

Section 5. This Agreement shall be binding upon the GRP and the NDFP and their respective successors. Any change in the form of the political structure, government and authority within the GRP shall not affect the validity and binding nature of this Agreement.

Section 6. Nothing in the provisions of this Agreement or in its application shall affect the political and legal status of the Parties in accordance with the Hague Joint Declaration. Subsequently, this Agreement shall be subject to the Comprehensive Agreements on Political and Constitutional Reforms and on End of Hostilities and Disposition of Forces. Any reference to the treaties signed by the GRP and to its laws and legal processes in this Agreement shall not in any manner prejudice the political and organizational integrity of the NDFP.

Section 7. To enhance and strengthen the legal and moral force and effect of this Agreement, the representatives of the government hosting the formal negotiations as well as those of the UN Secretary General, the UN Economic and Social Council and the UN Commission on Human Rights shall sign this Agreement as witnesses upon the signing of the same by the negotiating panels of both Parties.

WITNESS, we sign this Agreement this day of _____,
 ____ at _____. ■

ANNEX A

NDFP Initial List of Proposed Legislations and Executive Issuances Related to Agrarian Reform and Rural Development

1. New legislation on Genuine Agrarian Reform

Aims to propose amendments to House Bill No. 555 (Genuine Agrarian Reform Bill or GARB) to include items or provisions contained in CASER that are not found in GARB or that requires emphasis, such as:

- a. Wider scope and coverage of agrarian reform (eg. military camps, educational institutions etc);
- b. Method of determining/computing compensation to be paid the landlords that shall include the social and economic benefits contributed by the peasants;
- c. Mode of payment of compensation to landlords - to include bonds in industrial or commercial enterprise;
- d. Better compensation to professionals, migrant workers and retirees whose lands were covered by agrarian reform. Compensation should at least be more than the average tax assessment for the last 3 years;
- e. Mechanisms for distribution of expropriated corporate farms to peasants' cooperatives;
- f. On Marine and aquatic reforms;
- g. Protection of rights and welfare of farm and fishery workers - providing living wages, humane working conditions, health and safety and other welfare benefits and right to self-organization;
- h. Condonation of debts (not just property tax or other related taxes/fees) of peasant beneficiaries in connection with land amortization with the Landbank of the Philippines;
- i. Prohibition on land conversion of agricultural lands devoted to food production. Return those that were converted but still suitable for agricultural use;

- j. On rural industrialization; and
- k. Termination/repeal of bilateral agreements related to agriculture that are disadvantageous to achieving agricultural and rural development.

2. “An Act mandating Free Land Distribution of All Private and Public Agricultural lands Including lands of the Public Domain suitable for Agriculture and for other purposes otherwise known as the “Free Land Distribution Act.”

This act aims to ensure that the expropriated private and public agricultural lands including lands of the public domain suitable for agriculture shall be redistributed for free and absolutely at no cost to all tillers, farmers, farmworkers, agricultural workers, fisherfolks, and all others willing and capable to till the land, with preference given to those who have been occupying the lands as beneficiaries, tenants and leaseholders. The goal of agrarian reform is free land distribution as a means of achieving social justice.

This act also aims to guarantee that the necessary support services, including but not limited to production, harvest, post-harvest subsidies and insurance, low-interest credit, free irrigation, shall be provided in favor of the beneficiaries.

3. “An Act Providing for Comprehensive Support Services in favor of Agrarian Reform Beneficiaries and for other purposes.”

This act aims to provide agrarian reform beneficiaries comprehensive support services such as free irrigation, credit, fertilizer subsidies, crop insurance, among others. Land reform beneficiaries shall be provided with support services in the production and processing of crops, livestock, poultry, and fish, credit, marketing, price support, technical training on appropriate technology. They shall be provided with financial assistance in the form of production subsidies for farm inputs, the purchase or rent of farm machinery and equipment shall be extended to cooperatives and collectives.

Low-interest or interest-free credit or subsidies shall likewise be offered to peasant associations, fisher folks and other associations of producers to enable them to expand their production and

raise productivity to assure the stable supply of food and other agricultural products for the entire population.

Crop insurance shall be provided and prices shall be set at a level beneficial and encouraging to farmers and other agricultural producers. Farmers shall also be provided with life insurance as well as other types of insurance covering health, disaster, business interruption and property.

4. “An Act Subjecting to Agrarian Reform Military Reservations or portions thereof not actually used for the purpose for which they have been reserved, and lands belonging to schools, colleges and universities which are idle or not actually used for educational purposes and distributing them to qualified beneficiaries.”

The proposed law aims to expand the scope and coverage of agrarian reform by including lands under military reservations and state universities and colleges that are suitable for agriculture and are not actually, directly and exclusively used for military and educational purposes. It also aims to provide a simplified procedure of coverage/acquisition of said lands and qualifications of farmer-beneficiaries, as well as provide for the budget or source of funds for the implementation of this law.

4. “An Act Revoking All existing Agribusiness Venture Agreements over lands awarded in favor of Agrarian Reform Beneficiaries and for other purposes.”

This act aims to nullify/revoke all existing agribusiness venture agreements (AVA) entered into over lands awarded in favor of agrarian reform beneficiaries. AVAs are meant to circumvent the agrarian reform laws as the control of vast tracks of land is given to corporations and/or landlords thereby undermining the rights of the agrarian reform beneficiaries to the awarded land.

5. Confiscation of sullied landholdings

The proposed law aims to provide the equitable remedy of confiscation or seizure of private agricultural lands acquired through illegal and fraudulent means including but not limited to land grabbing, misrepresentation, circumvention of agrarian reform laws, distorting the history of tenancy, and through the use of force

and violence, without compensation. Confiscation shall be subject to due process.

While the proposed Genuine Agrarian Reform Bill (HB No. 555) has several relevant provisions on confiscation, there is however a need to amend the composition of the authorized body that shall be given the responsibility to execute the confiscation proceedings. In place of the People’s Coordinating Council for Agrarian Reform (PCCAR), there is a need to determine the appropriate political authority to ensure the effective implementation of the confiscation proceedings.

6. “Executive Order No. 129-B”- Modifying Executive Order No. 129-A Expanding and Strengthening the Mandate of the Department of Agrarian Reform (DAR) and for Other Purposes.

This executive order aims to expand and strengthen the mandate of DAR to include the power to (1) provide free distribution of land to all tillers, farmers, farmworkers, agricultural workers, fisherfolks, and all others willing and capable to till the land, with preference given to those who have been occupying the lands as beneficiaries, tenants and leaseholders, (2) determine the compensation payable to landowners and; (3) to condone unpaid amortizations of the farmer-beneficiaries.

The executive order shall modify/amend the following sections of Executive Order No. 129-A, which shall now read as follows:

“Section 4. Mandate. — The Department shall be responsible for implementing the Comprehensive Agrarian Reform Program and, for such purpose, it is authorized to:

a) Acquire, determine the value of, subdivide into family-size farms or organize into collective of cooperative farms and develop public and private agricultural lands for free distribution totillers, farmers, farmworkers, agricultural workers, fisherfolks, and all others willing and capable to till the land, with preference given to those who have been occupying the lands as beneficiaries, tenants and leaseholders.

X xx

e) Facilitate the compensation of landowners covered by agrarian reform;

In determining compensation, consultation between the peasants and workers on these lands and the current owner/s shall be undertaken and the following shall be considered:

- a) the history of tenancy;
- b) the social and economic benefits contributed by the farmers and farm workers to the property;
- c) the cost of acquisition of the land;
- d) the current value of like properties;
- e) the land's nature, actual use and income;
- f) facilities and machinery, and in the case of ranches and cattle farms, the number and quality of livestock; and
- g) tax declarations, rentals, income and other earnings and contributions by the peasants and farm workers to the property, and unpaid taxes, loans and other liabilities.

X xx

g) Condone or waive the unpaid amortizations including interests on all lands in favor of the farmer-beneficiaries.

X xx

k) [*PROPOSED TO DELETE THIS SECTION*] Approve or disapprove the conversion, restructuring or readjustment of agricultural lands into non-agricultural uses;

xxx

Section 5. Powers and Functions. — Pursuant to the mandate the Department, and in order to ensure the successful implementation of the Comprehensive Agrarian Reform Program, the department is hereby authorized to:

X xx

l) Have exclusive authority to approve or disapprove conversion of agricultural lands for residential, commercial, industrial,

and other land uses as may be provided for by law; (Proposed to delete this section).

X xx

7. “Executive Order: Authorizing the Department of Agrarian Reform (DAR) to conduct a full, comprehensive nationwide inventory and identification of all agricultural lands for distribution to qualified farmer-beneficiaries, with detailed data thereon gathered, in furtherance of the agrarian reform and rural development policy, and for other purposes”

The proposed executive order aims to establish a database on the range and size of private agricultural lands for distribution to farmer-beneficiaries pursuant to the purposes of agrarian reform and rural development. It aims to gather detailed data and systematize the methods and guidelines to be used in identifying the lands that should be included in the coverage of the new agrarian reform law.

ANNEX B

SAMPLE IMPLEMENTATION SCHEDULE AND WORK PLAN FOR ARRD

1. Breaking up of land monopoly and support against remonopolization

Summary of Commitments	
IMMEDIATELY IMPLEMENTABLE	SCHEDULE OF IMPLEMENTATION
1. Distribution of land under CARP for free	
2. Distribution of public agricultural lands and other public lands suitable for agriculture to include military bases/reservations and lands of public educational institutions not actually and directly used for agricultural purposes	
3. Waiver or condonation of unpaid amortization payments	
4. Provision for support services: production facilities; harvest and post-harvest facilities; insurance; low-interest credits; free irrigation	
5. free home lots	

LONG TERM COMMITMENTS	SCHEDULE OF IMPLEMENTATION
1. Expropriation of all private agricultural lands devoted to or suitable for agriculture formation of appropriate body to determine just compensation;	
2. confiscation with due process;	
3. Redistribution of expropriated and confiscated lands for free.	

2. Marine and aquatic reforms

LONG TERM COMMITMENTS	SCHEDULE OF IMPLEMENTATION
1. Protection from big commercial operators with vessels more than 5 gross tons of municipal fishing grounds within 15 kilometers from the shoreline (Note: Needs amendment of Fisheries Code)	
2. Owner-operated fisheries and aquaculture more than 1 hectare shall be expropriated	

3. Protection of Rights and Welfare

IMMEDIATELY IMPLEMENTABLE	SCHEDULE OF IMPLEMENTATION
1. Prohibition against criminalization of agrarian-related disputes; withdrawal of criminal cases filed against farmers that are agrarian related.	
2. Provision of crop insurance and other types of insurance set up by the farmers or mutual benefit associations.	
3. Reorientation of the Land Bank of the Philippines in providing funding for agricultural development.	
4. Setting guidelines to strengthen the procurement of palay, corn and other grains;	
LONG TERM COMMITMENTS	
1. Upholding of rights and welfare: living wages, welfare benefits; humane working conditions.	
2. Participation of the peasantry in directing all policies and programs.	

4. Prohibitions

IMMEDIATELY IMPLEMENTABLE	SCHEDULE OF IMPLEMENTATION
<p>1. Prohibition on conversion of agricultural lands devoted to food production; policies allowing conversion shall be suspended, reviewed and reversed.</p>	
<p>2. Usury and other exploitative practices shall be combated, prohibited and eventually eliminated;</p> <p style="padding-left: 20px;">a. lowering the interest on loans to 50% of existing rates as an initial step to cancelling unjust debts and recomputing old debts as far back as 5 years.</p>	
<p>3. Prohibition against establishing of military camps and detachments in agrarian lands</p>	
LONG TERM COMMITMENTS	
<p>1. Farmland reclassification shall be stopped (Note: needs amendment of LGC)</p>	

5. Rural Industrialization

COMMITMENTS	SCHEDULE OF IMPLEMENTATION
1. Provision of farm technicians, training and other facilities, farm to market roads.	
2. Adopt measures to improve and develop agricultural production	
3. Development of traditional food processing and non-farm rural industries by providing marketing, financial and technical assistances	
4. Development of manufacturing of agricultural inputs	
5. Development of priority rural industries	
6. Development of agricultural science and technology to raise productivity and rural industries	
7. Integrate all aspects of rural production, distribution and processing to meet the needs of the people, local industries and the domestic economy as a whole	

ANNEX C – NIED

LIST OF KEY INDUSTRIES

- 1) Integrated iron and steel industry
- 2) Agricultural tools, machinery and equipment
- 3) Industrial tools, machinery and equipment
- 4) Transport vehicles and equipment
- 5) Mineral processing
- 6) Electronic components and equipment
- 7) Precision instruments manufacturing
- 8) Information and communication technology (ICT) development
- 9) Electrical power equipment (especially renewable energy)
- 10) Construction materials
- 11) Industrial chemicals and chemical products
- 12) Pharmaceuticals
- 13) Food and beverage
- 14) Textiles, clothing and footwear
- 15) Coconut processing
- 16) Nationalized water utilities
- 17) Nationalized power industry
- 18) Nationalized mass transport
- 19) Nationalized telecommunications

ANNEX D - NIED

LIST OF LAWS, ORDERS AND ISSUANCES INCONSISTENT WITH NATIONAL INDUSTRIALIZATION

Multilateral Free Trade Agreement (FTAs):

- 1) Ratification of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) in 1994 for membership in the World Trade Organization (WTO), and subsequent commitments to agreements on:
 - a. Agriculture (AoA)
 - b. Trade-Related Investment Measures (TRIMS)
 - c. General Agreement on Trade in Services (GATS)
 - d. Trade-Related Intellectual Property Rights (TRIPS)

Regional/Bilateral Free Trade Agreements (FTAs):

- 1) ASEAN FTA-Common Effective Preferential Tariff (AFTA-CEPT, 1992)
- 2) ASEAN-China (2005)
- 3) ASEAN-Korea (2007)
- 4) ASEAN-Australia-New Zealand (2008)
- 5) ASEAN Trade in Goods Agreement (2010)
- 6) Japan-Philippines Economic Partnership Agreement (JPEPA, 2008)
- 7) European Free Trade Association-Philippines FTA (2016)

Trade and Investment Framework Agreement (TIFA):

- 1) United States-Philippines Trade and Investment Framework Agreement (TIFA, 1989)

Bilateral Investment Treaties (BITs):

- 1) BITs in force (31 countries): Argentina, Australia, Austria, Bangladesh, BLEU (Belgium-Luxembourg Economic Union),

Canada, Chile, China, Czech Republic, Denmark, Finland, France, Germany, India, Italy, Korea, Republic of, Mongolia, Myanmar, Netherlands, Portugal, Romania, Russian Federation, Saudi Arabia, Spain, Switzerland, Syrian Arab Republic, Taiwan Province of China, Thailand, Turkey, United Kingdom, Viet Nam

- 2) BITs signed, but not yet in force (6 countries): Cambodia, Indonesia, Iran, Islamic Republic of, Kuwait, Pakistan, Sweden, France

International Conventions:

- 1) Multilateral Investment Guarantee Agency Convention (MIGA Convention)
- 2) Convention on the Settlement of Investment Disputes Between States and Nationals of Other States (ICSID Convention)
- 3) Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention)

Domestic Investment Laws (preliminary indicative list):

- 1) Republic Act No. 7042, or the Foreign Investments Act of 1991 (FIA)
- 2) Executive Order No. 226, or the Omnibus Investments Code of 1987 (as amended by RA 7918)
- 3) Republic Act No. 7916, or the Special Economic Zone Act of 1995 (as amended by RA 8748)
- 4) Republic Act No. 7227, or the Bases Conversion and Development Act of 1992; and other special laws creating other special economic zones such as the Cagayan Special Economic Zone, Zamboanga City Special Economic Zone, Freeport Area of Bataan, and Aurora Special Economic Zone
- 5) Republic Act No. 9593, or the Tourism Act of 2009
- 6) Republic Act No. 8756, or An Act Providing for the Terms, Conditions, and Licensing Requirements of Regional or Area

Headquarters (RHQs), Regional Operating Headquarters (ROHQs), and Regional Warehouses (RWs)

- 7) Republic Act No. 7652, or the Investor's Lease Act
- 8) Republic Act No. 7844, or the Export Development Act of 1994
- 9) Republic Act No. 7718, or the Amended Build-Operate-Transfer (BOT) Law
- 10) Republic Act No. 8293, or the Intellectual Property Code of the Philippines (as amended by RA 10372)
- 11) Republic Act No. 7942, or the Philippine Mining Act of 1995
- 12) Republic Act No. 8479, or the Downstream Oil Industry Deregulation Act of 1998
- 13) Republic Act No. 9136, or the Electric Power Industry Reform Act (EPIRA) of 2001
- 14) Republic Act No. 8762, or An Act Liberalizing the Retail Trade Business

ASEAN Commitments:

- 1) ASEAN Investment Agreement
- 2) ASEAN Services Agreement
- 3) ASEAN-India Investment Agreement
- 4) ASEAN-China Investment Agreement
- 5) ASEAN-Korea Investment Agreement
- 6) ASEAN-Korea Framework Agreement
- 7) ASEAN-India Framework Agreement
- 8) ASEAN-Japan Framework Agreement
- 9) ASEAN-China Framework Agreement
- 10) ASEAN-United States Trade and Investment Framework Agreement (TIFA)
- 11) ASEAN-European Union Cooperation Agreement

