

NOT ONE IDLE HECTARE: Agrofuel Development Sparks Intensified Land Grabbing in Isabela, Philippines

Report of the International Fact Finding Mission
May 29th-June 6th 2011
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LIST OF ACRONYMS

- APC – Asian Peasant Coalition
- CARHRIHL – Comprehensive Agreement for the Respect of Human Rights and International Humanitarian Law
- CBFMA – Community-Based Forest Management Agreement
- CDM – Clean Development Mechanism
- CLOA – Certificate of Land Ownership Award
- DAGAMI – Danggayán Dagiti Mannalon ti Isabela (Farmers’ Association of Isabela)
- DA – Department of Agriculture
- DAR – Department of Agrarian Reform
- DENR – Department of Environment and Natural Resources
- EIA – Environmental Impact Assessment
- FLA – Foreign Land Acquisition
- GFII – Green Future Innovations Inc.
- HoR – House of Representatives (National parliament of the Philippines)
- KMP – Kilusang Magbubukid ng Pilipinas (Peasant Movement of the Philippines)
- IFFM – International Fact Finding Mission
- IFMA – Integrated Forest Management Agreement (previously known as an “Industrial Forest Management Agreement”)
- NCIP – National Commission on Indigenous Peoples
- NGO – Non-Governmental Organization
- PADCC – Philippine Agribusiness Development Cooperation Center
- PCFS – People’s Coalition on Food Sovereignty
- SIFMA – Socialized Industrial Forestry Management Agreement
- VOS – Voluntary Offer to Sell

I. EXECUTIVE SUMMARY

For close to a century, peasants in the Philippines have been organizing to defend their lands from being grabbed by foreign agribusiness corporations. However, this struggle for land and livelihood in rural areas has intensified over the past five years, as a race to establish plantations of “green oases” for agrofuel development and agro-industrial crops for export has been initiated by foreign companies from Japan, South Korea, China and the Arab world. Communities of small farmers, fisherfolk and indigenous people are being displaced, while food insecurity and hunger are increasing – particularly amongst marginalized rural populations. The ecological balance of forests, watersheds and grasslands and the associated natural buffering system against climate change are all being undermined in this process. Yet, despite widespread public concern, these foreign land acquisitions are taking place under a veil of secrecy and with the complicity of influential international institutions, elected officials and national government mandated agencies. In order to investigate an urgent and ongoing case of land grabbing that has been prompted by the development of an 11,000 hectare agrofuel project in San Mariano, an upland municipality in the Isabela province of the Philippines, an international fact finding mission was conducted by the **People’s Coalition on Food Sovereignty** and **IBON International**, in collaboration with the **Asian Peasant Coalition** and **Kilusang Magbubukid ng Pilipinas**, upon the request of the local organization of small-scale farmers, **Danggayán Dagiti Mannalon ti Isabela**, with the support of **Action Solidarité Tiers Monde**.

Through interviews with local peasants, indigenous people, representatives of civil society organizations, government officials and corporate spokespeople, the IFFM helped to provide a contextualized understanding of some of the devastating impacts of foreign land acquisitions on affected communities of small food producers in the Philippines. The findings of this research demonstrate that after only acquiring 3,000 hectares of land, the Japanese-Filipino consortium of companies backing the San Mariano bio-fuel project, Green Future Innovations Inc., is already exacerbating land grabbing conflicts and socio-economic inequities as well as undermining food self-sufficiency by:

- advancing claims that lands rightfully cultivated by peasants and recognized as indigenous peoples’ ancestral territories are available for conversion into sugar cane plantations;
- engaging in non-transparent lease negotiations that result in lands being grabbed from the people who till the soil;
- promoting flagrant violations of contractual commitments under the Socialized Industrial Forestry Management Agreements by facilitating the growing of sugar cane on these lands;

- leasing land from peasants through exploitative contracts which offer compensation at a substantially lower rate than would be earned if they continued to cultivate the land and sell their produce of rice, corn and bananas at local markets;
- threatening the food security and the livelihoods of farm workers who are now planting sugar cane under highly exploitative conditions; and
- aggravating environmental devastation and destroying the natural climate change mitigation capacities of local ecosystems.

Overall, the intensified land conflicts and food insecurity caused by foreign land acquisitions as revealed in this report are indicative of the situation of rural peoples across the Philippines who are confronting land grabbing and the corresponding threats to their rights to land, livelihood and life.



The landscape of San Mariano is characterized by rolling hills on the edges of the Sierra Madre Mountain Range. Due to years of intensive logging, many of the hillsides are now covered by grasslands.

From 30 May to 6 June 2011, the People's Coalition on Food Sovereignty (PCFS), IBON International, Asian Peasant Coalition (APC), Kilusang Magbubukid ng Pilipinas (KMP) and Danggayan Dagiti Mannalon ti Isabela (DAGAMI) organized an international fact-finding mission (IFFM) among marginalized communities in San Mariano, Isabela, with the support of Action Solidarité Tiers Monde (ASTM). This IFFM was launched to document and analyze concerns about patterns of land grabbing in the region, and examine the impacts of the San Mariano bio-ethanol project on local livelihoods. Combined with data gathered during an earlier national fact finding mission held in February 2011, 108 household interviews were conducted. The evidence provides critical insights into the struggles for genuine agrarian reform and the recognition of indigenous peoples' rights to ancestral domain, as well as the growing resistance to the conversion of lands tilled by families for food into an agro-industrial zone for producing and processing agrofuels. Representatives of the following organizations joined the international fact-finding mission:

- Action Center for Development and Rights – Japan
- Advocates of Science and Technology for the People (AGHAM)
- Anakpawis Partylist
- Asian Peasant Coalition (APC)
- Friends of the Earth – Japan
- Global Forest Coalition
- IBON International
- Kaduami – Northern Luzon
- Kilusang Magbubukid ng Pilipinas (KMP)
- Organic Consumers Association – USA
- People's Coalition on Food Sovereignty (PCFS)
- Sentro para sa Tunay na Repormang Agraryo (SENTRA)
- Southeast Asia Regional Initiatives for Community Empowerment (SEARICE)

Local representatives of the following organizations also joined the IFFM:

- Anakbayan – Isabela
- Danggayan Dagiti Mannalon ti Isabela (DAGAMI)
- Bayan Muna – Isabela
- Kagimungan – Cagayan Peasant Alliance
- SENTRA-Cayayan Valley
- Taripnong – Cagayan Valley

This report is based on site visits, consultations and dialogues with farmers and indigenous people residing in San Mariano, representatives of faith-based organizations, *barangay* (community) officials, the mayor's office in San Mariano, the San Mariano Municipal Council, the provincial governor's office, representatives of GFII and Ecofuel, members of the Philippine House of Representatives and Senate, as well as representatives of the provincial and national offices of the Departments of Agriculture (DA), Agrarian Reform (DAR) and Environment and Natural Resources (DENR). The identities of the small-scale farmers interviewed are withheld to avoid possible repercussions from land owners and politicians.

II. INTRODUCTION

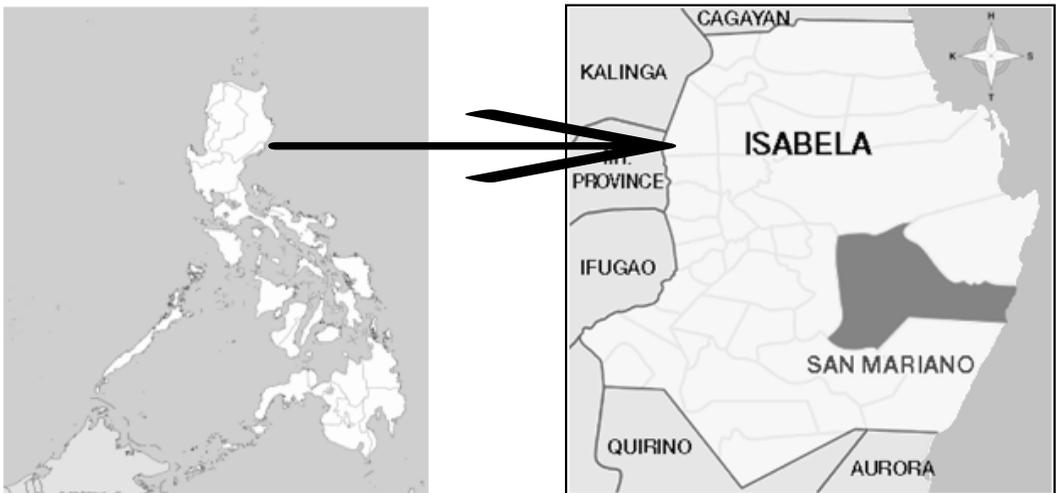
Over the past three decades, structural adjustment programs (SAPs) imposed on underdeveloped countries by the World Bank and International Monetary Fund have led to the liberalization of trade and investment in agriculture, privatization of agricultural extension services and the deregulation of government roles in pricing, marketing and land reform. SAP-induced policies have further caused countries to convert fertile domestic lands from fields of mixed crops cultivated by small-scale food producers into plantations of export-oriented cash crops, and to consequently become reliant on the highly volatile markets of imported foods. Based on the same principles of neoliberal market fundamentalism, advisors from international financial institutions, the World Trade Organization, agribusiness corporations and international funding agencies are promoting foreign land acquisitions (FLAs) as a rural development strategy to bolster industrial agriculture and create greater opportunities for foreign investment. As a result, governments of underdeveloped countries are under increasing pressure to facilitate lucrative deals for foreign firms to acquire extensive lands and establish large-scale agro-industrial plantations or “green oases”. Vast tracts of lands in Asia, Africa and Latin America are therefore being purchased or leased by corporate agro-investors for the purposes of securing land for export-oriented agricultural production, feed grain supplies and agrofuel plantations. This extensive land grabbing by foreign corporations is accelerating at an alarming rate due to a combination of factors including the crises in rising food prices and food insecurity, financial instability and unregulated speculative financial flows, as well as depleted energy resources and the surging demand for agrofuel. Typically, these land developments are not related to providing food security for the people of the host country, and instead contribute to exacerbating hunger amongst local populations due to the fact that the lands being leased are precisely the same as those used and relied upon by small food producers. According to statistics compiled by the World Bank, a significant percentage of these foreign land acquisitions (FLAs) are directed towards biofuel production (21%), cash crops (21%), livestock feed, industrial forestry plantations, and game reserves (21%).¹

In the Philippines, foreign-controlled export-oriented agribusiness ventures have contributed to land disputes and violations of people’s right to food, land and livelihood for close to a century. With the drive to develop new high-value export-oriented crops over the past decade, land grabbing in the Philippines has intensified and exacerbated land inequities. Small-scale food producers have been displaced, indigenous ancestral domain has been violated, and the urgent call of hundreds of thousands of rural families for genuine agrarian reform have been ignored. With the facilitation of the government-affiliated Philippine

1 IBON International. Addressing the Drivers of the Global Rush for Farmland Acquisitions. Oct. 2010.

Agribusiness Development Cooperation Center (PADCC), established in 2007 to identify lands that may be considered “idle and available” for agribusiness deals, the Philippines has risen to become one of the top places targeted by speculators and companies interested in foreign land acquisitions.² Accordingly, millions of hectares of land have been identified as “business opportunities” for the production of raw materials such as sugar cane, coconut, cassava, jatropha and palm oil. Yet, as affirmed by the United Nations Special Rapporteur on the Right to Food, Olivier de Schutter, “[L]and is an essential safety net for those who have nothing else to fall back upon in hard times,” and state parties as well as private interests must “refrain from taking measures that may deprive individuals of access to productive resources on which they may depend when they produce food for themselves.”³

The following report contains the conclusions and recommendations of an international fact finding mission (IFFM) on land grabbing that was commissioned from 31 May to 6 June 2011 in the northern Philippine province of Isabela. The IFFM was launched upon the request of local farming families associated with the Danggayan Dagiti Mannalon ti Isabela (DAGAMI) and Sentro para sa Tunay na Repormang Agraryo (SENTRA)-Cagayan Valley to investigate the impacts of the intensifying trend of land grabbing in San Mariano, Isabela. This particular municipality is the site of development of the largest agrofuel development in the country (spanning 11,000 hectares⁴), which has been initiated under the auspices of the Japanese-Filipino consortium Green Future Innovations Incorporated (GFII).



San Mariano, Isabela, Philippines

Source: http://en.wikipedia.org/wiki/File:Philippines_location_map.svg

- 2 GRAIN. Seized. <<http://www.grain.org/briefings/?id=212>>.
- 3 UN General Assembly Sixty-Fifth Session, Item 69 (b). Report of the Special Rapporteur on the Right to Food. 11 August 2010. p3.
- 4 To date, company data reveals that only 3,000 hectares has been acquired for project development.



The IFFM spoke directly to peasant families and sugar cane workers to find out if their agricultural lands are being grabbed and converted into sugar cane plantations.



III. OVERVIEW: SAN MARIANO, ISABELA

The municipality of San Mariano is located in the province of Isabela, 400 kilometers north of Manila in the transition zone between the lowlands of Cagayan Valley and the uplands of the Sierra Madre mountain range. The total population of the municipality of San Mariano is 44,718 people in 7,796 households. Though much of the thick tropical forest that once covered the region has been destroyed due to widespread logging, some areas – including indigenous peoples' territories of ancestral domain and specific sites zoned for forest recovery and protection – continue to be places of flourishing biodiversity and significant tree cover. Meanwhile, the plains and rolling hills of grasslands are now cultivated by small-scale farmers of Ilocano, Kalinga, Ybanag, Ifugao and Agta descent, who primarily grow rice, corn, bananas, root crops and mung beans, alongside fruit trees and small garden plots of vegetables. In the past, the use of indigenous heritage seeds has been high (e.g. 25 traditional rice varieties), which are climate resilient and do not need input of chemical fertilizers.⁵ Though land for agricultural production has been declining in recent years, the most recent data (2009) concludes that of the total land area of 146,950 hectares, approximately 29,264 hectares are available for cultivation.⁶ Currently, the



San Mariano farmers' methods of cultivation typically respect the significance of preserving natural watersheds.

5 Notably, only nine rice varieties continue to be cultivated by local farming households, typically due to limited supplies. However, DAGAMI and other allied organizations are making a concerted effort to promote farmer-directed seed exchanges to ensure a greater number of small farmers will have access to indigenous seed stocks, and will accordingly be less reliant on expensive chemical inputs.

6 The Official Website of San Mariano, Isabela <<http://sanmariano-isabela.org/>>.

majority of this land is relied upon for food production, while a small portion is used for processing and production of grain feeds. Meanwhile, forest areas cover 78,450 hectares, watersheds cover 17,046 hectares, and populated towns cover an area of 1,268 hectares of the total land area of San Mariano.

The majority of subsistence food producers in San Mariano established their homes and began cultivating food more than sixty years ago on plots of land averaging between two and three hectares (ha.) per household, while nomadic Agta indigenous people assert that their rights to live on the land are based on centuries of tradition and ancestral connections to the Cagayan Valley region. However, a high percentage of residents are not in possession of government authorized titles that would confirm ownership over their land holdings, and currently face systematic barriers when seeking to assert their rights to land tenure.

The efforts of local farmers have made Isabela renowned as one of the top provinces for the production of corn and rice in the Philippines, and therefore a significant contributor to food security not only for their own communities, but for the entire country. Indeed, national government statistics have noted that as of 2008, the province of Isabela was the number one producer of corn and second top producer of rice.⁷ Even after numerous consecutive typhoons



Local subsistence farmers tirelessly nurture the land, relying on non-mechanized, traditional ways of planting and harvesting.

⁷ Republic of the Philippines: Department of the Interior and Local Government, Region 2 <<http://region2.dilg.gov.ph/isabela.php?lgu=isabela>>.

in 2010, local farmers' tireless nurturing of the soil resulted in relatively high rice and corn production that provided an average gross income per farmer/cropping of between Php 89,568 (approximately 2083 USD⁸) and Php 103,000 (or 2395 USD).⁹ Yet, the average household income in the region was recorded at Php 115,000(2009), which is substantially lower than the national average of Php 206,000. The higher prices of seeds, fertilizers, and other inputs leave many farmers in a constant struggle to avoid debts, and some augment their incomes by working on other community member's fields seasonally. Though some families may temporarily lack financial resources to cultivate their entire land holding, they nevertheless assert that their land is not idle or for sale.

A large segment of the land in San Mariano has been reserved for agro-forestry, being divided into zones for Socialized Industrial Forestry Management Agreements (SIFMAs)¹⁰, Integrated Forestry Management Agreement (IFMAs)¹¹ and Community-Based Forest Management Agreements (CBFMAs)¹². Issued by the Department of Environment and Natural Resources, with support offered through the Departments of Agriculture and Agrarian Reform, these contracts

8 At the time of printing, the exchange rate stood at approximately Php 43 pesos for USD 1.00. (xe.com)

9 Isabela Provincial Department of Agriculture: El Nino Damage Assessment Report. 23 Feb. 2010.

10 The Socialized Industrial Forestry Management Agreement (SIFMA) scheme consists of an agreement with the Department of Environment and Natural Resources (DENR), through which an individual agrees to reforest the degraded forest land s/he occupies for an initial period of 25 years, with a possibility to renew the agreement for another 25 years. Although the SIFMAs stipulate that it is preferable that the holder is "residing in the municipality where the SIFMA is located," it is not necessary for them to be actual occupants of the designated SIFMA area. The SIFMA holder may produce timber and non-timber forest products on the land, provided s/he plants trees in at least 70% of the total area. Maximum 20% of the land may be used for agricultural purposes, an additional 10% for agroforestry. If the SIFMA holder fully complies with the agreement s/he is eligible obtain a formal title to the land. Many SIFMAs are currently held by large landholders in the region. Now that SIFMA land is becoming economically more attractive due to climate change mitigation schemes, there are increasing land conflicts and land grabbing in and around these semi-natural areas. In fact, many of the SIFMA lands in San Mariano are held and controlled by a small number of large land owners.

11 Integrated Forestry Management Agreements (IFMAs) are agreements between the Department of Environment and Natural Resources (DENR) and corporate entities for the establishment and management of industrial tree plantations for 25 years (renewable), with the supposed purpose of rehabilitating denuded forestland and riverbanks. The agreement holder has exclusive rights to develop, manage, protect and utilize the designated area of forestland and forest resources. Under the contract, only 10% of the land can be used for cultivation of agro-industrial crops. In San Mariano, IFMA concessions equivalent to hundreds of hectares have been held by municipal officials (councilors and mayors) and members of their families.

12 Community-Based Forest Management Agreements (CBFMAs) are agreements with people's organizations—such as councils of indigenous peoples and cooperatives—that are made with the DENR and local government units for a period of twenty-five years. In practice, these forest agreements can be issued to unscrupulous individuals who claim to be leaders of people's organizations, and in the case of San Mariano, are seeking access to land to gain cash from leasing it for sugar cane plantation development.

have been mainly signed by local politicians and their families who have taken advantage of SIFMAs, IFMAs and CBFMAs to gain widespread control over local “alienable and disposable” lands. Consequently, these agreements have served to consolidate land concentration amongst a minority of relatively wealthy individuals, while undermining the demands of peasants for land re-distribution and genuine agrarian reform.



Ecofuel Land Development has asserted their presence in San Mariano and control over agricultural land.

IV. A QUEST FOR FERTILE FARMLAND FOR FUEL: GREEN FUTURE INNOVATIONS INC. SETTLES ON ISABELA

The Isabela Bio-Ethanol and Cogeneration Project, based in the municipality of San Mariano, is proposed to become the largest agrofuel development in the country. The project is planned to include 11,000 hectares of monocrop sugar cane plantations and nurseries, along with cogeneration facilities and an ethanol distillery plant. The facilities are expected to be operational by March 2012, producing 50 – 55 million liters of bio-ethanol per year and consuming an estimated 6,000 cubic meters of water per day (or the daily water consumption of almost the entire population of San Mariano)¹³ from four local wells. According to company data, once the plant is running at full capacity, 260 skilled personnel will be employed.¹⁴ Local people will be hired as manual farm workers to plant, weed, fertilize, harvest and load sugar cane. At the time of writing, 3,000 hectares had been reportedly acquired from local farmers for planting.

This joint venture by Japanese companies Itochu Corporation and JGC Group with the local partner, Ecofuel Land Development, is incorporated under the name Green Future Innovations Inc. (GFII). Under Philippine law, foreign corporations cannot directly purchase land, and as a result, a local business partner is needed for such industrial size projects as the GFII venture. Ecofuel serves this purpose, and is therefore securing all contracts and necessary labor for the sugar cane plantation sites.

The Itochu Corporation is a Tokyo based company that trades and invests in businesses worldwide, including in sectors for fuel generation, chemical production, extraction of minerals, finance and insurance. It has invested over 120 million USD in the GFII bio-ethanol project and has applied for the GFII project to be approved as a positive contribution to environmental sustainability under the “Clean Development Mechanism” (CDM) carbon credit scheme of the UN Framework Convention on Climate Change (UNFCCC).

The JGC Group is an engineering company based in Yokohama, Japan that provides services in planning, designing, constructing, and commissioning industrial plants and facilities. It is providing financial backing for the construction of the bio-ethanol processing plant in San Mariano. JGC is also involved in the CDM proposal to the UNFCCC.

13 UNESCAP. Statistical Yearbook for Asia and the Pacific 2009. <<http://www.unescap.org/stat/data/syb2009/28-Water-use.pdf>>; The Official Website of San Mariano, Isabela <<http://www.sannmariano.org>>.

14 Dialogue with GFII resident manager, Luis Villa-Abrille, 3 June 2011.



The sugar cane nurseries and plantations in Barangay Binatug are already encroaching on land used by small-scale farmers to grow rice (foreground of photo), and are expected to cause greater pressures on the groundwater levels as well as soil fertility and contamination.

V. INTERNATIONAL FACT FINDING MISSION RESULTS

Jeopardizing the Rights to Food, Land and Life

Since San Mariano is marked by historical complexities of shifting land tenure and conflicting claims over ownership, the research gathered by the IFFM revealed that the expansion plans of GFII's bio-ethanol project are fuelling a pattern of land grabbing, violating local community rights to food, land and livelihood. Local farmers and indigenous people testified that over the past three years, they have been engaged in seeking to better understand the implications of this development, since the land to be utilized is the very basis of their subsistence and existence. According to one of the community leaders, Diony Yadao:

We first heard about this project in 2008, but we didn't know if it would involve the growing of jatropha or sugar cane for bio-fuel. However, we were aware this project would violate our rights to land and livelihood because all who live here depend on agriculture for our lives. We believe there is no land that is 'idle and available' for bio-fuel plantations because this is land where we grow corn, rice, vegetables, bananas and other fruits. That is why we considered this project as a serious threat – because it would lead to the grabbing of our land without our consent; a land monopoly by and for the interests of foreign agribusiness that would lead to a complete loss of food security.

According to the GFII resident manager, Luis Villa-Abrille, the bio-fuel project in San Mariano targets lands that have been categorized as “idle and abandoned” by the DAR and DENR. However, these “idle and abandoned” lands cover areas where people have established homes, cultivate the soil and hold traditional or indigenous ancestral rights to the land.

The IFFM gathered detailed evidence from farming families about their estimated incomes from their mixed crop land plots (on average, between 2-3 hectares). This data revealed that families who sell rice can earn at least Php 42,000 per ha. per year, those with corn earn a minimum of Php 5,000–9,300 per ha. per year (depending on the type) and those with bananas can earn a minimum income of Php 34,000 per ha. per year. Based on this information, it became clear that the amount of money offered by Ecofuel for the lease of the land for sugar cane production (from Php 5,000 to Php 10,000 per ha. per year) is not commensurate to the amount they would have earned if they were cultivating the land themselves. Given that local farmers practice diverse cropping patterns to ensure they can provide for much of their family's needs, the planting of monocrop sugar cane on their fields has direct negative

consequences on their rights to determine the use of land and to have a reliable basis of nourishing, sustained food supplies. Over the long term, the undermining of rights to food and health could cause future problems for the food security and population's health conditions in the entire province of Isabela (due to the significance of the area in relation to the cultivation of staple foods).

Lack of Transparent Processes

Despite widespread concerns about the project expressed by local community members, all evidence provided to the IFFM indicated that GFII and Ecofuel did not engage affected communities in genuine public consultations. According to the former and current presiding officials for Barangay Del Pilar, Jose and Jessel Wanol, "There is a regular dialogue with barangay captains and the company." Announcements about the project were made during public barangay assemblies. However, resident families interviewed in the sitios of Del Pilar contest the claim that there was no time for meaningful consultations or transparent public disclosure of information about the project. They testified that the meetings:

- did not provide opportunities for genuine consultation for them to democratically and collectively decide if – and how – the project should advance;
- did not provide opportunities to raise fundamental questions about the project plans;
- presented the bio-fuel project as a "done deal" in which residents had no option to reject or modify the plans to address community livelihood concerns; and
- presented land lease contracts with onerous and poorly explained confidentiality clauses related to land use and the conclusion of the contract terms.

Interviews in different localities of the municipality demonstrated to fact-finding mission members that in general, very little information about the industrial development and land acquisition agreements appears to be known by the people in the affected communities. This lack of transparency on the part of the companies involved as well as local government institutions is particularly alarming given the devastating impact the project will have on the lives and livelihoods of subsistence farmers in the area.

Representatives of DAGAMI also recall numerous times they tried to approach local authorities with their concerns, but have never seen any action in response to their concerns. For example, the February 2011 presentation to municipal and provincial officials of the results of the national fact finding mission on the bio-fuel project by members of DAGAMI, Rural Missionaries of the Philippines, Kilusang Magbubukid ng Pilipinas (KMP) and other organizations representing



This woman from Barangay Panninan testifies that she was issued with a notice that the land her family has cultivated for decades was titled to the father of the current municipal mayor and subsequently grabbed to be converted into sugar cane plantations.

the local student, worker, health, legal, human rights and indigenous peoples' sectors were met with promises of prompt responses that are yet to be fulfilled.

Deceptive Schemes For Seizing the Land

Since the large landowners in Isabela are also the local politicians and the people facilitating the establishment of the GFII project, they have a direct interest in ensuring the demands for land and operational requirements are met through sufficient land lease commitments. In the Barangays¹⁵ of Del Pilar, Panninan, Alibadabad, Binatug, Minanga, Casala, Libertad and Gangalan, the IFFM heard how small food producers are being subjected to a number of deceptive schemes involving unscrupulous land speculators, government agencies and company officials. Common experiences the interviewees recounted to the IFFM included:

- finding out that the lands their families have occupied and tilled for decades have been falsely identified as “idle, abandoned and unproductive” and are the planned sites of sugar cane production;
- being promised free land titling services but actually being charged exorbitant ‘processing’ fees, and then finally receiving legal tenure documents issued under names of different individuals;

15 The “barangay” is the smallest political and administrative division of the Government of the Republic of the Philippines.

- finding themselves reduced to tenant-status and being compelled to pay high amortization fees for the land rather than being recognized as the original residents and rightful owners; and
- being evicted from their homes and dispossessed of their lands.

The IFFM heard testimonies from peasants in the Barangays of Del Pilar, Libertad and Gangalan that the lands their families have historically tilled (including land covered by homestead titles) being surveyed for titling without their expressed permission by persons known to be relatives and acquaintances of the barangay captains, municipal politicians and Ecofuel employees. These farmers were subsequently presented with evidence that their lands had been subsumed into a land allotment for Ecofuel to plant sugar cane. For example, members of the IFFM spoke to a married couple with five children, who have claims to nine hectares of land in Del Pilar that have been cultivated by their predecessors. However, since they have never had the opportunity to learn to read or write, the legal process for asserting their rights to land presents many barriers and challenges. In 2010, the barangay captain was seen measuring this land – without informing them. The family found out that ownership to the land that their family had cultivated for generations had been recently issued to a certain individual with whom they had no relationship. At the time of writing, they continue to live on the land that has been occupied by their predecessors, cultivating corn, rice, bananas and vegetables, and have demanded that the barangay captain not arbitrarily evict them from the fields that are their primary source of income and survival. According to them:

The government and barangay officials should stop taking our land away and recognize us as the original occupants, granting us the legal titles to the land. We want respect for our rights to grow food on this



This woman from Barangay Libertad testifies that her land was surveyed for a possible contract with Ecofuel without her permission.

land. We do not like the idea that the bio-ethanol company may come here to grow sugar cane. We fear the land will be sold to the company without us knowing. That is why we will fight for our rights to claim our land.

In the Barangays of Alibadabad, Del Pilar, Libertad, Gangalan and Panninan, the IFFM documented instances of representatives of government agencies collaborating with proponents of the bio-ethanol project to facilitate land grabbing by authorizing anomalous Certificate of Land Ownership Awards (CLOAs)¹⁶. Farmers provided the IFFM with evidence of CLOAs being issued on the basis of fraudulent land boundaries that did not reflect the geographic location or number of hectares of lands they actually till and consider to belong to them. The peasants were then required to pay an annual amortization fee of Php 35,000 per hectare to the Land Bank along with accumulated interest, which they could clearly not afford considering their minimal income. They were also forced into an unfair position given that the land had been falsely attributed to them. The subsequent notices of foreclosure they received were then swiftly followed by information that their land was being re-allocated under a Voluntary Offer to Sell (VOS). Once under a VOS, the land was made available for GFII and Ecofuel.

According to the Ecofuel Vice-President of Operations, Mr. J. E. Tampo, the company seeks land with a “Voluntary Offer to Sell” (VOS) categorization. However, the current and former barangay officials of Del Pilar, Jose and Jessel



This woman from Barangay Del Pilar testified that her land was surveyed without her permission, issued an anomalous CLOA and foreclosure notice, and then taken over to be prepared for the planting of sugar cane.

16 The Certificate of Land Ownership Award (CLOA) is a titling process offered under a government land distribution program that allots land to farmer beneficiaries who are required to pay onerous annual amortization fees to the Land Bank of the Philippines before being fully recognized as the rightful title-holder. If a farmer cannot pay the required fees, the title is foreclosed and the land is categorized under a “Voluntary Offer to Sell”.

Wanol, stated to the IFFM that they believe that “there is some confusion on some land titles because of the VOS.” As explained above, farming families testified repeatedly to the IFFM that lands on which they reside have come to be designated under VOS with neither their prior knowledge nor consent and converted into sugar cane plantations.

One family from Barangay Panninan interviewed by the IFFM spoke of cultivating upland rice, corn, bananas, vegetables and gmelina trees for more than two generations. In October 2009, a rich land owner claimed the farmland, asserting that he had the documents to prove ownership. This man subsequently contracted the area for sugar cane cropping with Ecofuel. As a result, the family testified:

We were unable to plant corn for two cropping times. Our bananas and trees were also cut and destroyed to make way for sugar cane. But we have the right to continue tilling this land, where our ancestors cultivated and harvested food crops.

Despite being harassed and facing violent intimidation (including attempted shootings by military personnel), this family continues to demand the return of the land, so that it will be back in their hands, as the original tillers of the fields.

Violating Land Management Agreements

In a land survey produced in 2010 for Ecofuel¹⁷, a significant section of the targeted area for expansion evidently overlaps with land already zoned as Socialized Industrial Forestry Management Agreement (SIFMA) areas. Over 500 SIFMA areas exist in San Mariano, and tend to be too steep or otherwise unsuitable for rice production, typically containing a semi-natural ecosystem of fruit tree cultivation alongside forested undergrowth. For GFII to identify SIFMA areas as idle and suitable for sugar cane plantations is in fact a contractual violation, since technically this land is reserved for reforestation, and therefore cannot legally be converted for monocrop cultivation. Indeed, the said intention to take over “idle and abandoned lands” significantly undermines the existence of the national reforestation program in Isabela.

In Sitio Digud of Barangay Del Pilar, land traditionally considered as ancestral domain of the Agta people covered by a Community-Based Forest Management Agreement (CBFMA) was seized for conversion into fields of sugar cane through a process that lacked any form of transparency. In this instance, control over the CBFMA was claimed by the barangay captain who identified himself as the

17 According to first-hand research by SENTRA – Cagayan Valley and DAGAMI, surveys conducted for Ecofuel /GFII have been carried out by those working under the auspices of the government-affiliated Philippine Agribusiness Development Cooperation Center (PADCC).



These members of a community with claims to Agta indigenous heritage were amongst those who testified that ancestral land was grabbed through a CBFM application filed by the barangay officials in Del Pilar.

leader of a fictitious co-operative, so that he could subsequently lease the land to Ecofuel.

In a statement to the IFFM, a youth with Agta heritage from Del Pilar asserted that:

The bio-ethanol company should not come in because this is land that should not be taken over by a business. The land must be preserved to feed and provide for the people. We will defend the land and will not allow any company to enter and destroy Agta ancestral land.

A Future For Whom?

The IFFM observed that significant opposition to the planned expansion of sugar cane plantations and accompanying industrial facilities is growing amongst farmers and indigenous people in each of the barangays visited. People in these communities asserted that the patrimony of the nation should continue to be cultivated for food and passed on to future generations, rather than converted into a zone of agrofuel production that will merely bring short-term profits to foreign corporations and a small number of already well-endowed land owners.

Explaining peasant resistance to the project, an elderly farmer from Barangay Del Pilar told the IFFM:

If we enter into an agreement with the bio-ethanol company, we believe this land will be set up like an hacienda, and that we will be pushed aside to become landless squatters. Therefore, our resistance is strong. We are



Areas covered by SIFMAs in Barangay Del Pilar are being identified as idle and available for sugar cane planting, despite contractual commitments to use the land for reforestation, not monocrop plantations.



Peasant families, such as this one, want to defend the land for future generations and do not believe Ecofuel will benefit small farmers like themselves.

prepared to hold a barricade and... fight for our right to the lands. We were the first ones to occupy, till and live on these lands. Those who till the land for generations, as we have, have the right to hold the land, and this must be respected by the company and the government. We must be prepared to die for the land to be kept in the hands of the tiller-peasants, because land is life. Even when I die, this land must be left to my children and their children.

Rather than signing away their rights to cultivate the land through a multi-year lease, farmers interviewed typically suggested that more adequate support from responsible government agencies would be preferable. They asserted it would be more economically and socially sustainable for the government to institute a genuine land reform and redistribution program that would grant the land to those who till the soil, provide adequate support for appropriate farming technologies towards attaining food self-sufficiency, encourage cooperatives, invest in initiatives to promote the cultivation of the wide and rich variety of indigenous seeds, facilitate transport of the food produced locally to populated centers, and offer genuine recognition and respect for the ancestral domain of indigenous people.

Labor Conditions on Ecofuel's Sugar Cane Plantations: No Sweet Deal

Workers employed in sugar cane fields contracted by Ecofuel reported highly exploitative conditions and labor law violations. With wages based on a *pakyaw* system (payment of a group of laborers based on the completion of a specified piece of work), workers described payments far below legal minimum standards,



Local peasants of Barangay Del Pilar rely on cultivating rice fields to sustain their families and earn a basic living.



Workers on Ecofuel-leased sugar cane plantations, including this man from Barangay Alibadabad, report earning less than half of the minimum local wage mandated by law for agricultural workers (Php233/ day or 5.40 USD).



This 18-year-old worker from Barangay Alibadabad severely injured his foot while working to harvest sugar cane on Ecofuel leased lands. He can no longer walk properly, but reports never receiving compensation from Ecofuel or GFII.

including as low as Php 15-30 per day (0.35-0.70 USD/day) for weeding or spraying, and approximately Php 100 per day (2.30 USD) for harvesting. The IFFM also documented other violations of workers' rights as reported by the sugar cane workers in Alibadabad, Binatug, Minanga and Del Pilar, including:

- having some wages withheld on a three-day alternating basis to ensure "loyalty" to the job;
- being paid *only* if a combination of tasks of harvesting and loading was done;
- being required to bring their own equipment for any on-site duties;
- being required to spray toxic fertilizers and pesticides without proper safety equipment, resulting in rashes and headaches as well as work clothes soaked with pesticides;
- being exposed to occupational health risks, including incidences of severe limb injuries;
- violations of government-mandated social security and health insurance benefits; and
- job insecurity, including working without a contract, and without certainty of employment even in the short term.



This woman harvests sugar cane on Ecofuel-leased fields and testifies to earning Php59 (1.37 USD) a day.

Some residents interviewed from the Barangays of Alibadabad, Binatug, Minanga and Del Pilar reported that family members have faced increasing health problems since working on the plantations, such as chronic coughs, diarrhea, and skin rashes, and have also had to cope with the onerous burden of the costs of workplace injuries. For example, an 18-year-old sugar cane worker from Barangay Alibadabad sustained a severe foot injury and testified to paying medical bills amounting to Php2,240 without reimbursement by Ecofuel.

Women who wash the pesticide-laden work clothes of their family members also commonly reported that the chemical residue causes skin, eye and nasal irritations. Though sugar cane workers indicated they heard that social security and government mandated health benefits would be offered for those hired on lands contracted by Ecofuel, all who were interviewed said they were unable to avail of such benefits.

As this report was being finalized in July 2011, the IFFM was notified of two more alarming incidents of labor and human rights violations. According to eyewitness reports, there was a road accident involving a vehicle carrying forty Ecofuel workers, where two were immediately killed and 38 others were severely injured. Compensation and access to health benefits have not been granted to the workers and their families, with Ecofuel claiming on public radio they are a small start-up business and should therefore not be held liable for the incident.

On 13 July 2011, IFFM members met with a group of ten Ecofuel workers representing a crew of 97 workers who were recruited from General Santos City in the southern island of Mindanao in June 2011 by Sarangani Development Cooperative. They were told they would be compensated at a rate of between



Sugar cane farm workers, such as those in Barangay Alibadabad, live under subsistence conditions and are struggling to survive.

Php 292 and Php 500 per day, with health benefits as well as food and accommodation provided free of charge. However, when they arrived in San Mariano, they were not given food or lodging, were not provided with health benefits, and were paid as little as Php 40-65 per day. Some were paid on a weekly basis, while others had their wages withheld for longer periods of time. As a result, they were not able to send money home to their families as they had expected and could barely eke out a living on their meager pay. Furthermore, the workers reported that during some of the weeks of June, there was an apparent lack of work available because of the fact that the company seemed to have not secured the land for clearing and planting sugar cane.

Even though Ecofuel did not pay for the full cost of their return tickets to Mindanao, most of the 97 workers left Isabela between 10 and 13 July 2011, as they had given up hope that their working conditions would improve. They continue to call on the company to compensate them for full back wages owed and for their transportation costs, and to provide health care to workers who were injured or who fell ill on the job. They also hope that those who are responsible for this deception will be prosecuted accordingly. The IFFM team holds Ecofuel accountable for compensating and providing justice to the workers in a prompt, sensitive and respectful manner, and to rectify this situation expeditiously.

During a dialogue with the IFFM, GFII representative Mr. L. Villa-Abrille and Ecofuel representative Mr. J. E. Tampo responded to the adverse reports with the explanation that their consortium is still small, as the venture is “just beginning.” Nevertheless, the IFFM asserts that there is no justification or excuse for these



Farm workers harvest sugar cane on land leased by Ecofuel.

blatant labor rights abuses and violations of people's rights to the lands they and their families have tilled for decades.



GFII and Ecofuel were informed of the IFFM results during a dialogue with members of the IFFM team.

Understanding the Business of the Military in San Mariano

Beginning in October 2010, the 502nd Brigade of the Philippine Army and the paramilitary Civilian Armed Forces Geographical Unit (CAFGU) established camps in Del Pilar and outposts in the surrounding residential areas, in close proximity to homes, schools and local community centers. DAGAMI members reported to the IFFM a corresponding increase of incidents of military coercion in Del Pilar – including death threats – against those who oppose the project. DAGAMI members and a representative from SENTRA–Cagayan Valley testified to the IFFM about incidents of soldiers shooting at and assaulting local women in Barangay Del Pilar, taking over community centers in the evenings for drinking sprees, and generally creating a heightened environment of fear and insecurity in the affected communities. Diony Yadao of DAGAMI reported that on the morning of 25 October 2010, the military surrounded homes of peasant leaders, knocking down their doors with loaded guns and searching their belongings without warrants.



Local small-scale farmers and indigenous people perceive that the intervention of the military in San Mariano through the establishment of military checkpoints and camps is directly facilitating the planting of sugar cane in particular areas, such as in Alibadabad and Del Pilar. These military outposts are located directly adjacent to fields now being planted and leased by Ecofuel.



Incidents of violence and abusive behavior, committed by military officers and particularly targeting women in the community, have led to a concerted effort by women to campaign for the demilitarization of their communities. In particular, the IFFM heard from women who have joined local mobilizations to demand the withdrawal of the brigade, organizing effective “disobedience” campaigns to mock the military and to show them that their presence and community interventions are unwelcome. It was noted that since some community activities organized in San Mariano (such as fiestas and other local celebratory events) include both the sponsorship of GFII and the involvement of military troops, there is a resulting perception of connection between the two entities.

Though local women collectively presented their concerns in a petition to the provincial governor in December 2010 – with the support of local priests and other respected faith leaders – the violations of their rights to freedom of mobility, dignity and bodily integrity were hastily dismissed by municipal officials.¹⁸ In response, a broad-based coalition of women’s human rights defenders came together under the banner “Defend!” to unite against community militarization and the imposition of the bio-ethanol project. At the



Women discuss their concerns with the IFFM about militarization and land grabbing in San Mariano.

¹⁸ According to testimonials recorded by the IFFM in Del Pilar, municipal officials reportedly asserted that the officers’ aggressive behavior towards the women could be expected because the men were “just missing the company of their wives.”

time of the IFFM, 521 families from 12 barrios had signed the petition along with bishops, priests and pastors from the Anglican Church, United Church of Christ, United Methodist Church, Episcopal Church, and the Iglesia Filipina Independiente (IFI, or Aglipayan church).

During a dialogue with civil society members of San Mariano on 2 June 2011, the use of the military to secure San Mariano as a site for stable, unhindered land investments and the associated attempt to intimidate people to end their resistance to the bio-fuel project were raised as injustices of urgent concern. Some faith-based leaders who attended – including Reverend Alexander Wandag, Bishop of the Episcopal Churches in the Philippines (Diocese of Santiago) – specifically asserted that the military presence within residential areas is a direct violation of the provisions of the Comprehensive Agreement for the Respect of Human Rights and International Humanitarian Law¹⁹ and must be denounced, both nationally and internationally.



The Provincial Governor of Isabela was informed of the results of the IFFM and was requested to take immediate action to respond to the land grabbing. Representatives of the Land Bank and provincial agencies of DA, DAR and DENR were present.

19 The Comprehensive Agreement for the Respect of Human Rights and International Humanitarian Law (CARHRIHL), signed in March 1998 during the peace negotiations between the National Democratic Front of the Philippines and the Government of the Philippines, aims to guarantee the protection of human rights of all Filipinos under all circumstances; affirm and apply the principles of international humanitarian law in order to protect civilians, as well as people who do not take direct part or who have ceased to take part in the armed hostilities; and pave the way for comprehensive agreements on economic, social and political reforms that will ensure the attainment of a just and lasting peace.

Plantation Plans of GFII Threaten Local Ecological Balance

With the present plans of GFII to convert 11,000 hectares of productive lands into monocrop plantations of sugar cane, there are emerging issues and concerns about the impacts on the local agricultural patterns and the health of the broader ecosystems. The IFFM was told by representatives of GFII that an Environmental Impact Assessment (EIA) had been completed, but further discussions with the DA Undersecretary Mr. Joel S. Rudinas clarified that the EIA had only taken into account the bio-fuel processing plant, and not the thousands of hectares of plantations. The results of the EIA have not been made easily accessible to the affected communities of San Mariano, and without a full assessment that takes into consideration the entire operation, the long-term and short-term impacts have yet to be examined.

Monocrop sugar cane cultivation is a highly intensive industrial process that requires a much larger volume of synthetic fertilizers than would be used by local people, who rotate crops seasonally and use chemical inputs more sparsely. The perennial crop of sugar cane also depletes the soil of nutrients needed for



Expanses of land once used for food production are being cleared to make way for the Green Future Innovations Inc.'s co-generation and processing facilities.

cultivation of food crops, and consumes immense amounts of water. Despite GFII's commitment to recycle water, consumption will be drawn from local wells at a daily rate that is approximately equivalent to the daily usage of almost the entire population of San Mariano²⁰, and will inevitably negatively impact on both surface and ground water sources. Therefore, the soil and water will not only become highly contaminated with chemical residues, but will also be used and degraded at a rate which would deprive local households of their rights and needs to water and food, and compete with the agricultural uses by small-holder farmers.

Since the targeted land also covers steep slopes (i.e. on SIFMA land), the production of sugar cane under these conditions would exacerbate the risks of landslides and floods. Considering that climate change is leading to an increased risk of typhoons and other erratic weather patterns, the bio-fuel project would unequivocally contribute to undermining the climate resilience of San Mariano, and would represent significant risks for the lives and agricultural lands of local communities. Large-scale expansion of this agribusiness venture would undermine local reforestation efforts while sparking further deforestation as displaced farmers would seek lands to occupy and cultivate. In particular, these developments would threaten the ecological balance of the protected Northern Sierra Madre Natural Park, including the Abuan River system, which is a significant water source for thousands of residents in the area.



The steep hills of San Mariano are susceptible to landslides and erosion, particularly during seasonal typhoons.

20 UNESCAP. Statistical Yearbook for Asia and the Pacific 2009. <<http://www.unescap.org/stat/data/syb2009/28-Water-use.pdf>>; San Mariano Municipality Website <<http://www.sannmariano.org>>.

Ultimately, the agrofuel project will result in a loss of biodiversity, and lead to significant carbon emissions due to the destruction of natural carbon storage sites. The application of Itochu Corporation for recognition of this project as a “Clean Development Mechanism”, submitted under the Kyoto Protocol of the United Nations Framework Convention on Climate Change (UNFCCC) on 28 April 2011²¹, is therefore based on highly questionable data. All evidence gathered by the IFFM indicates that this large-scale land grab and displacement of peasants can be understood as contributing to an ecological crisis, implicated in exacerbating climate change and environmental destruction.

Dialogues With Local, Provincial and National Officials

The IFFM engaged in dialogues about the situation of land grabbing in Isabela that is being exacerbated by the GFII agrofuel project with following officials:

- San Mariano Municipal Vice-Mayor Dean Anthony Domalanta and municipal councilors,
- Isabela Provincial Governor Faustino Dy III along with representatives of the Land Bank, DA, DAR and DENR,
- DAR Secretary Virgilio R. Delos Reyes,
- DENR Secretary Ramon Jesus P. Paje,
- DA Undersecretary Joel S. Rudinas,
- Representative Mark Mendoza, chairperson of the House of Representatives (HoR) Committee on Agriculture and Food
- Representative Pryde Teves, chairperson of the HoR Committee on Agrarian Reform, and
- Representative Rafael Mariano, vice-chair of the HoR Committee on Agriculture and Food and member of the Committees on Agrarian Reform and Human Rights.

The offices of Senator Francis Pangilinan, Chairperson of the Senate Committee on Agriculture and Food and Senator Gregorio B. Honasan, Chairperson of the Senate Committee on Agrarian Reform, were also visited.

After hearing from members of the IFFM, the political representatives and legislators acknowledged that systemic land grabbing is a direct threat to local food production and that the GFII project will inevitably have a negative impact on local food security. A general consensus arose to support the idea of a public consultation in San Mariano to pursue a dialogue with the affected communities based on their expressed concerns, and to convene a discussion on the IFFM results between DAR, DA and DENR. Participation of the

21 UNFCCC Website. Prior Consideration for CDM Projects. <http://cdm.unfccc.int/Projects/PriorCDM/notifications/index_html>



National government agencies were informed of the fact-finding results during dialogues with members of the IFFM. Above, Diony Yadao of DAGAMI (front, right hand corner) and Danilo Ramos (behind, right hand corner) of KMP engage Secretary Jesus Paje of the DENR and his staff (left hand corner) in a discussion about land grabbing in San Mariano.

officials from the National Commission on Indigenous Peoples (NCIP) and the Philippine Forest Corporation was also suggested due to the implications regarding ancestral domain and SIFMA areas, respectively. Significantly, DAR officials stated their willingness to work towards launching an investigation into the situation, in collaboration with officials from the DA and DENR. In turn, DA and DENR officials agreed that an investigation—or at the very least, a consultation with different stakeholders—should be conducted. The IFFM will be assessing the officials' actions on these issues, and holds them accountable to the proposals made to organize an independent investigation. In addition, the IFFM is committed to working with concerned officials to urge the rejection of the application of the San Mariano bio-fuel project as a “Clean Development Mechanism”.

It is the conclusion of the IFFM that there must be a critical examination of the overall lasting impacts of the San Mariano agrofuel development on the health of the surrounding ecosystem and communities. Since the Green Future Innovations Inc. venture in Isabela is not yet operational, it is not too late for the Government of the Republic of the Philippines to re-evaluate the project and the overall direction of rural development in Isabela, based on an inclusive process of meaningful dialogues with organizations representing small scale farmers, local indigenous populations, agricultural workers and other rural sectors, in order to delineate and implement programs that will support and strengthen their rights to food, land and a dignified livelihood.

VI. RECOMMENDATIONS

Based on the results of this Fact Finding Mission, the Government of the Republic of the Philippines and local governance bodies are called upon to take immediate, urgent steps towards fulfilling the following recommendations:

Concerning the Green Futures Investment Inc. bio-ethanol project and other bio-fuel schemes

- Halt any further development of the San Mariano bio-ethanol project based on the associated social, economic and environmental risks;
- Cease support for the San Mariano bio-ethanol project in Isabela, including any endorsement as a host country for the registration of the project as a “Clean Development Mechanism” under the United Nations Framework Convention on Climate Change mechanism;
- Review bio-fuel legislation and targets in light of the consequences of accelerated land grabbing, food insecurity, violations of indigenous peoples’ and farm workers’ rights, agricultural seed diversity, ecosystem biodiversity as well as climate change resilience.

Concerning the rights of small-scale farmers in San Mariano and surrounding municipalities

- Conduct an inventory of all issued Certificates of Land Ownership Awards (CLOAs) to ascertain if the issuance is in order or anomalous;
- Review and suspend all pending CLOA foreclosure proceedings and revoke or recall foreclosure orders;
- Conduct an investigation on the reported involvement of DAR, DENR, Registry of Deeds and the Land Bank of the Philippines in the pattern of anomalous land titling that is leading to the displacement of farmers and indigenous peoples;
- Investigate and prosecute those who are the main perpetrators and involved in anomalous land titling;
- Initiate proceedings to reverse and cancel land titles acquired through fraudulent means and misrepresentation;
- Ensure the return of lands which have been grabbed from farmers and indigenous people to the original tillers of the land;
- Facilitate expeditious issuance of free patent titles to the legitimate and actual occupants/possessors of the land (free of charge);
- Support infrastructural development to enhance the food security, health, livelihood, and well-being of local peasants and indigenous peoples; and

- Implement a program of genuine agrarian reform program that will redistribute the land to the actual tiller families, uphold the livelihood rights of small-holder farmers and indigenous peoples, and encourage cooperativization, farmer-directed credit and sustainable, appropriate farming technologies towards attaining self-sufficiency in food and raw materials.

Concerning the rights of sugar cane workers in San Mariano and surrounding municipalities

- Provide hospitalization and associated medical fees for all current and future on-site occupational health injuries;
- Respect minimum health and safety labor standards as outlined in national law and the standards of the International Labor Organization (as ratified by the Philippine government);
- Provide dignified compensation to all migrant workers who were recruited on the basis of false or deceptive contractual terms, and finance their homeward travels upon request; and
- Provide agricultural tools and necessary safety equipment for on-site duties (with instructions in local languages) free of charge;
- Implement a dignified living wage and benefits.

Concerning repression and human rights violations

- Withdraw all military detachments and camps from the populated areas of San Mariano, in compliance with the provisions of the Comprehensive Agreement for the Respect of Human Rights and International Humanitarian Law (CARHRIHL);
- Stop harassment by military, paramilitary and security forces of community members and allies opposing the bio-fuel project and other large-scale developments;
- Stop harassment by military, paramilitary and security forces of farm workers who demand respect and dignified labor conditions; and
- Refrain from imposing criminal proceedings on peasant and indigenous peoples' advocates.

Concerning people-centered development and inclusive land use decision-making processes

- Ensure accessible, comprehensive public consultations, hearings and transparent information dissemination in the communities currently

affected by the bio-fuel project and any other future development project affecting the region, as per the legal standards outlined in national and international laws;

- Prohibit pressure tactics imposed on small-scale food producers to convert existing land holdings into sites for agrofuel production or export-oriented production;
- Proactively ensure the respect of the collective rights of indigenous people to land ownership with regards to ancestral domain, and all provisions within the UN Declaration on the Rights of Indigenous Peoples;
- Preserve the diverse natural resources provided by forests and other natural ecosystems;
- Ensure climate change resilience by maintaining natural vegetation on steep slopes and banning the monoculture production of crops such as sugar cane that exacerbate erosion and landslides;
- Develop programs for the conservation and the sustainable use of agricultural biodiversity, particularly offering support to farmers' cultivating traditional seed varieties, farmer-directed seed exchanges and cooperative/participatory plant breeding to ensure food production and land productivity;
- Promote the cultivation of crops for local consumption and the purposes of food self-sufficiency (with particular respect for the climate-resilient indigenous seed varieties), rather than the production of crops for the purposes of serving the market demands for agrofuel or exportable agro-products; and
- Implement a program of land re-distribution centered on principles of genuine agrarian reform.

APPENDIX I

Statement from the International Fact Finding Mission San Mariano, Isabela 6 June, 2011

From 30 May to 6 June 2011, the People's Coalition on Food Sovereignty (PCFS), IBON International, Asian Peasant Coalition (APC), Kilusang Magbubukid ng Pilipinas (KMP) and Danggayang Dagiti Mannalon ti Isabela (DAGAMI), organized a fact-finding mission among marginalized communities in San Mariano, Isabela, with the support of Action Solidarité Tiers Monde (ASTM), to document and analyze the concerns about patterns of land-grabbing and about a bio-ethanol project of the Japanese-Filipino corporate consortium Green Future Innovations, Inc. (GFII). In the process of carrying out this mission, members of the IFFM confirmed the recent findings of the national fact finding mission conducted from February 22 to 23 by KMP, DAGAMI and Rural Missionaries of the Philippines.

For all members of the IFFM, it became highly evident that residents in the area are gravely concerned with widespread patterns of landgrabbing, militarization and intensive agro-industrial development serving the interests of agribusiness corporations. The unequivocal concern from local farmers was the lack of redistributive justice in relation to agrarian reform in San Mariano, and the exacerbation of these historical injustices by the large-scale land acquisitions for monocropping of sugar cane.

The project will be operational by March 2012, with the processing plant and plantations spanning across 11,000 hectares of prime agricultural lands and forest restoration areas. It is currently promoted as an environmentally responsible industry that will bring an economic boom to the region, decrease the Philippines' current reliance on imported biofuels and be a unique investment which will make Isabela the site of the largest biofuel project in the country. Japanese companies are also in the process of certifying this project as a Clean Development Mechanism.

However, a large part of the 11,000 hectares in Isabela targeted for the plantation project are occupied and tilled by thousands of farmers in San Mariano and neighbouring towns. These lands are the primary source of livelihood for resident families, providing harvests of vegetables, bananas, pineapples, indigenous rice crops, and corn varieties. However, most local residents - including beneficiaries of the Comprehensive Agrarian Reform Program (CARP), Indigenous Peoples with claims to ancestral domain, and land patent holders - are concerned they will be displaced by the sugarcane plantations.

The region is marked by historical complexities of shifting land tenure over generations and a large number of conflicting claims over ownership. It is incorrect to classify the targeted land as idle, unproductive or unpopulated. Many affected farmers and IP occupant-tillers have already applied for patents but most applications have been denied. Fact finding mission members recorded first-hand cases of how unscrupulous persons in connivance with government officials took advantage of the farmers and indigenous peoples' lack of knowledge about land titling laws and engaged in fraudulent titling schemes. The entry of the bio-ethanol project has made these farmers and communities of Indigenous Peoples increasingly vulnerable to landgrabbing and land speculation schemes. Notably, most of the CLOAs are facing foreclosure proceedings by the Land Bank.

The practices of GFII contractor and Eco-Fuel Land Development Inc. have also been subjecting farm workers (many of whom were previously small - scale farmers, but now displaced by landgrabbing) to severe violations of labour rights. Workers report highly exploitative conditions in sugarcane plantations, including low wages based on a pakyaw system. All wages reported during the interviews were below the mandated minimum wage for agricultural workers in the region (233php per day). Other conditions include: spraying toxic fertilizers and pesticides without any safety equipment, working 6 days per week without a contract, frequent occupational health problems (including severe limb injuries), and no Social Security System or PhilHealth benefits, even when these have been promised.

If the project pushes through, it will significantly reduce the food production capacity of the community and cause further encroachment of forest areas as farmers will clear new lands to farm for food. It is evident to the fact finding mission members - as international and national experts in forest biodiversity and agroecology issues - that the conversion of lands once allotted for diverse cropping and forest cover will lead to significant carbon emissions and biodiversity loss. This project is also a serious threat to the declared protected areas such as the Sierra Madre Natural Park that covered forest ecosystems of San Mariano, which have been providing water resources for food production of the communities. Being located in the north of Luzon - an area where typhoons typically strike on a seasonal basis - also means there would be increased vulnerability of the area to landslides and flooding. The long term socio-economic costs, as enumerated above, compounded with ecological impacts will be disastrous.

The IFFM heard directly from local residents about an increasing presence of soldiers and military camps in areas where there is a growing opposition to the project. Residents who are vocal against the bio-ethanol project are victims of human rights abuses such as intimidation, coercion, attempted shooting, death threats, false accusations as members of the NPA and criminalization. The military detachments deployed in residential areas is a clear violation of

the terms of the Comprehensive Agreement for the Respect of Human Rights and International Humanitarian Law (CAHRIHL), and must be addressed with urgency.

Based on the findings of the international fact finding mission, representatives of the HoR, Senate, DAR, DENR, and DA are called upon to take immediate action to:

1. **Listen to the farmers', farm workers', and Indigenous Peoples' demands** to recognize and respect their human rights, in particular to own and till their land and to end **land grabbing and anomalous land titling**. Uphold the rights of Indigenous Peoples to their ancestral domain and their traditional systems of knowledge and governance which are threatened by the bio-ethanol project. Investigate and prosecute cases of widespread anomalous land titling and landgrabbing by unscrupulous individuals in connivance with government officials. Stop foreclosure of land deeds. Initiate proceedings to reverse and cancel land titles acquired through fraudulent means and misrepresentation.
2. **Withdraw all state support and endorsement of the GFII biofuel project in Isabela**. Revoke support for the registration of the Isabela bio-ethanol project as a Clean Development Mechanism project. Recognize monocropping for biofuel as a form of ecological destruction which will exacerbate problems related to global warming, land erosion and loss of biodiversity, and review national Philippine legislation related to biofuels in this respect.
3. **Removal of all military detachments and camps in the populated centres** of the barrios of San Mariano in compliance with provisions of the Comprehensive Agreement for the Respect of Human Rights and International Humanitarian Law (CAHRIHL). Stop the harassment by military, paramilitary and security forces of community members and allies opposing the biofuel project. Respect the human rights of residents, and prosecute perpetrators of human rights abuses.

APPENDIX II**IFFM Petition to Implicated
Government Officials and Agencies****SUPPORT SMALL FARMERS AND INDIGENOUS PEOPLE STRUGGLE
AGAINST AGRO-BUSINESS DEVELOPMENT PROJECTS**

Stop landgrabbing and Put an End to Military Intimidation
in San Mariano, Isabela

To the following government authorities and implicated institutions:

President Benigno S. Aquino III, Malacañang Palace, Manila
Hon. Proceso J. Alcala, Secretary, Department of Agriculture, Q.C.
Atty. Virgilio R. Delos Reyes, Secretary, Department of Agrarian Reform, Q.C.
Hon. Ramon Jesus P. Paje, Secretary, Department of Environment and Natural Resources, Q.C.
Hon. Mark Mendoza, Chairperson, Committee on Agriculture and Food, House of Representatives, Q.C.
Hon. Pryde Teves, Chairperson, Committee on Agrarian Reform, House of Representatives, Q.C.
Hon. Francisco Matugas, Chairperson, Committee on Natural Resources, House of Representatives, Q.C.
Hon. Rene Relampagos, Chairperson, Committee on Human Rights, House of Representatives, Q.C.
Hon. Francis Escudero, Chairperson, Senate Committee on Justice and Human Rights, Pasay City
Hon. Kiko Pangilinan, Chairperson, Senate Committee on Agriculture and Food, Pasay City
Hon. Gregorio B. Honasan, Chairperson, Senate Committee on Agrarian Reform, Pasay City
Hon. Juan Miguel F. Zubiri, Chairperson, Senate Committee on Environment & Natural Resources, Pasay City
Atty. Roque Agton, Chairperson, National Commission on Indigenous Peoples, Q.C.
Governor Faustino Dy III, Province of Isabela, Cauayan, Isabela
Mayor Edgar Go, Municipality of San Marino, San Mariano, Isabela
President & CEO Gilda E. Pico, Land Bank of the Philippines, Manila

CC:

Mr. R. P. Bantug, President, Green Future Innovations, Pasig
Mr. L. Villa-Abrille, Plant General Manager / Consultant, Green Future Innovations, Cauayan, Isabela

Mr. J. E. Tampo, Vice-President for Operations, Ecofuel Land Development Inc.,
Cauayan, Isabela

Mr. M. Okafuji, President & Chief Executive Officer, ITOCHU Corporation,
Tokyo, Japan

Mr. K. Takeuchi, Chairman and CEO, JGC Corporation, Yokohama, Japan

Your attention is called upon to urgently address the concerns raised by the recent International Fact-Finding Mission by the People's Coalition on Food Sovereignty (PCFS), IBON International, Asian Peasant Coalition (APC), Kilusang Magbubukid ng Pilipinas (KMP) and Danggayon Dagiti Mannalon ti Isabela (DAGAMI) on the impacts of the bio-ethanol project of the Japanese-Filipino corporate consortium Green Future Innovations, Inc. (GFII) in San Mariano, Isabela on peasant and Indigenous Peoples' land rights and livelihoods, on food security, food self-sufficiency and the state of the environment.

The bio-fuel project is proposed to become operational by March 2012, with the processing plant, nurseries and monocrop sugar cane plantations spanning across 11,000 hectares of prime agricultural lands and forest restoration areas. These lands are the primary source of livelihood for thousands of farmers in San Mariano and neighboring towns who harvest indigenous rice crops, and corn varieties, vegetables, and a range of fruits. Many families lack documented proof of land ownership due to the government's non-recognition of their land rights as long term and original occupants/cultivators. Instead, government authorities are requiring that they pay unjust and unaffordable fees for the land, and subsequently delivering foreclosure notices. The entry of the bio-ethanol project has made these communities increasingly vulnerable to land grabbing, land speculation schemes and fraudulent titling schemes. Ultimately, displacement of many of these local residents is an inevitable reality if the project continues to proceed.

The bio-fuel operation, consisting of thousands of hectares of monocrop sugar cane, will significantly reduce the food production capacity of the community, the diversity of seeds that are of unique significance to the local culture, and cause further encroachment of forest and protected areas, including the Sierra Madre Natural Park as well as the Palanan Wilderness. The conversion of lands once allotted for diverse cropping and forest cover will lead to significant carbon emissions and biodiversity loss, and would increase the vulnerability of the area to landslides and flooding.

Displaced farmers who become farm workers are experiencing severe violations of labor rights, including wages well below the mandated minimum wage, being required to spray toxic fertilizers and pesticides without any safety equipment, severe occupational-related injuries, and no access to any medical or social welfare benefits.

The increasing presence of soldiers and military camps in residential areas of San Mariano where there is growing opposition to the bio-fuel project is a direct

violation of the Comprehensive Agreement for the Respect of Human Rights and International Humanitarian Law (CARHRIHL). This situation must be addressed with urgency, especially in light of the reported human rights abuses against residents who are opposed to the bio-ethanol project.

Based on the outcome of the international fact finding mission, all concerned authorities are called upon to take immediate action to:

1. Listen to the farmers', farm workers', and Indigenous Peoples' demands to recognize and respect their human rights, in particular **their rights to till and own their land free of the threats of anomalous land titling and land grabbing. For these rights to be upheld, affected residents of San Mariano are calling for the implementation of genuine agrarian reform.**
2. **Conduct urgent investigations into widespread anomalous land titling, land grabbing, and the encroachment of protected ecological areas** in the region. Support affected farmers and Indigenous People in seeking justice by establishing effective mechanisms to expedite the prosecution of the implicated perpetrators.
3. **Uphold the rights of Indigenous Peoples to their ancestral domain**, their traditional systems of knowledge and governance which are threatened by the bio-ethanol project, and rights to Free, Prior and Informed Consent as per international and national law.
4. **Withdraw all state support and endorsement of Ecofuel and the GFII operations in Isabela**, including the pending approval as a Clean Development Mechanism project. Withdraw support for any other initiatives in the area that turn prime agricultural land used by small-scale land holders cultivating food into areas for non-food production.
5. **Removal of all military detachments and camps from all communities in San Mariano**, in compliance with provisions of the Comprehensive Agreement for the Respect of Human Rights and International Humanitarian Law (CAHRIHL). All perpetrators of human rights abuses, including those who harass any community members and allies opposing the bio-fuel project, must be prosecuted.

It is trusted that all government authorities will take these concerns seriously and respond proactively with the urgency required, and that your assurance will be forthcoming in these matters. Your actions in this regard will be observed closely.

Sincerely,

APPENDIX III

IFFM Letter to Itochu Corporation

June 24, 2011

Dear ITOCHU Board of Directors and CSR Committee,

On the occasion of the ITOCHU Shareholders Meeting, we are writing to advise your company of the serious human rights violations, environmental damage and socio-economic concerns that are associated with the San Mariano Bio-ethanol project in which you are involved. Your attention is requested to take heed of the realities of the communities in San Mariano as outlined below and to ultimately consider withdrawing from an initiative which is neither a stable nor ethical investment.

Given that ITOCHU is committed to upholding the UN Global Compact principles and the CSR Action Guidelines for the ITOCHU supply chain, we understand that you would prioritize ensuring your company is fulfilling human rights and labor rights obligations as well as the duty to take a precautionary approach to environmental impacts, and also not implicated in corrupt land dealing schemes. A recent investigation into the situation in San Mariano in relation to the bio-fuel project was conducted by an International Fact Finding Mission from May 29-June 6th 2011 (during which interviews were conducted with farmers, sugar cane laborers working on fields under an Ecofuel contract, Indigenous Peoples with claims to ancestral domain, *barangay* captains and 'Socialized Industrial Forestry Management Agreement' land holders, as well as dialogues held with the offices of the Municipal Mayor, Provincial Governor, and representatives of Green Future Innovations). The compilation of data revealed that the biofuel project is directly implicated in violations of human rights, labor regulations and environmental provisions related to forestry protection. Notably, a national fact finding mission conducted in February 2011 in different *barangays* of San Mariano raised similar conclusions. For full details on the situation documented in San Mariano during the International Fact Finding Mission, please refer to the attached summary of the conclusions. A full report will be posted online in early July on www.foodsov.org and www.asianpeasant.org.

We are urging you to immediately review your investment and involvement in the San Mariano project, based on the following main concerns:

- The bio-ethanol project development did not pursue a process of free, prior and informed consent with the Indigenous communities as mandated under international and national law, and did not comply with national

legal standards regarding prior consultations with all communities affected. Corruption is rampant as land is being prepared for use by the project without the explicit consent of current residents. Much of the 11,000 hectares in Isabela targeted by Green Future Innovations for the plantation project are already occupied and tilled by thousands of farmers in San Mariano and neighboring towns. Most of these residents whom have worked on the land for decades, and/or have claims to it as Indigenous ancestral domain. These lands are not idle and abandoned, but rather the primary source of their livelihood, providing harvests of vegetables, bananas, pineapples, indigenous rice crops, and corn varieties. Given this context, one of the consequences of the project is an apparent exacerbation of corrupt and illegitimate land titling schemes, as properties are being handed over for sugar cane production by agents acting without the explicit consent of current residents.

- This bioethanol project results in human rights violations of the legally binding right to the highest standard of health and right to food (International Covenant on Economic, Social and Cultural Rights), and land rights upheld under the International Covenant on Civil and Political Rights. Farmers and communities of Indigenous Peoples are being dispossessed of their lands, and correspondingly, the food production capacity of the region, as well as cultivation of a diversity of locally adapted indigenous seeds, can only be expected to rapidly decline. This situation is clearly at odds with ITOCHU's stated CSR goal to support and ensure communities have 'a stable food supply'.
- Farm workers hired on sugar cane plantations contracted through the Green Future Innovations consortium member, Ecofuel Land Holdings, report severe violations of labor rights. All wages reported during the interviews by the International Fact Finding team were below the mandated minimum wage for agricultural workers in the region (233 Philippine pesos per day), and included testimonies of payments as low as 15-30 pesos a day (28-56 Yen). Other conditions include: spraying toxic fertilizers and pesticides without any safety equipment, working 6 days per week without a contract, frequent occupational health problems (including severe limb injuries), and no Social Security System or health benefits, even when these have been promised.
- This project has many associated environmental risks and should not be certified as a Clean Development Mechanism. The bio-fuel project will convert lands once allotted for diverse cropping and forest cover into sugar cane plantations, leading to significant carbon emissions, biodiversity loss, watershed disruption and increased vulnerability of the region to landslides and flooding. This project is also a serious threat to the declared protected areas such as the Northern Sierra Madre Natural Park and areas zoned for reforestation in San Mariano.

Based on the above data - as compiled by national and international experts in the field of human rights, agro-ecology, food security, land tenure, forest ecology and biodiversity - we trust you will seriously re-consider your involvement in the San Mariano Bio-fuel project. Making a decision based on ethics and an investment that is good for future generations would mean divesting from the San Mariano Project.

We understand ITOCHU has recently taken the time to meet with Japanese non-governmental organizations to discuss the above concerns. As you may be aware, there is an ongoing international petition campaign since members of civil society around the world are similarly alarmed by the impacts of the San Mariano bio-fuel project. If prompt remedial action is not taken to ensure the rights of the small holder famers and Indigenous Peoples in Isabela are respected and upheld, these communities will be seeking redress through appealing to international institutions. We await an update from you on decisive actions taken in response to these concerns, which can be sent to: secretariat@foodsoy.org; apcsecretariat@asianpeasant.org.

Sincerely,

People's Coalition on Food Sovereignty (PCFS)

IBON International

Asian Peasant Coalition (APC)

Kilusang Magbubukid ng Pilipinas (KMP) and

Dangyan Dagiti Mannalon ti Isabela (DAGAMI)

On behalf of the San Mariano International Fact-Finding Mission Team

CC: JGC Corporation, Yokohama, Japan

APPENDIX IV

Excerpt of Notes from Kilusang Magbubukid ng Pilipinas (KMP): Dialogues with Congress Members of the Government of the Republic of the Philippines

Consultation with Congressman Pryde Henry Teves, Chairperson of the Committee on Agrarian Reform

Congressman Pryde Henry Teves initially asked how many towns of San Mariano are being covered by the biofuel operations. Cita Managuelod of DAGAMI answered that the whole biofuel operation will cover eight (8) towns. He narrated that sugar cane can only be planted once a year. Cropping is from eight to ten months. The hot season is from the months of June to January. January would be the start of the milling. One of the important considerations during harvesting would be the transport of freshly harvested sugarcane. Hence, good roads need to be in place.

He also shared the Negros experience in the sugarcane plantation wherein 90% of the areas devoted to sugarcane are not using a monocropping system. Crop diversity is still promoted and practised. In La Paz, farmers are encouraged to plant sugarcane under a Joint Venture agreement. In this way, the land is not abused for monopolized use of landlords or corporations.

As a Committee Chair of Agrarian Reform, he can commit to setting up a dialogue with all the parties concerned. He asked for the agencies that are involved in the said issue. Aside from DA, DENR and DAR, he also mentioned the Philippine Forest Corporation since the covered areas also have SIFMA applications.

The Senate offices of Hon. Kiko Pangilinan, Chairperson of the Committee on Agriculture and Food, and Hon. Gregorio B. Honasan, Chairperson of Committee on Agrarian Reform were also visited. In each case, the IFFM members found the officials to be attentive to the concerns raised, but some were particularly defensive of the current plans to move ahead with an agro-industrial project which would supposedly bring income and jobs to the region.

At the national and provincial level, officials visited agreed to delve into the issues raised by the IFFM report. Most significantly, officials at DAR stated their willingness to work towards launching an investigation into the situation, in collaboration with officials from the DA and DENR. In turn, officials from DA, DENR and elected HoR officials also agreed that an investigation -or at the very least, a consultation with different stakeholders- would need to be conducted.

The IFFM will be assessing the actions of officials on these issues, and will hold all of them accountable to their said proposals to organize a formal independent investigation into the situation.

Consultation with Congressman Mark Mendoza, Chairperson of the Committee on Agriculture and Food

Congressman Mark Mendoza welcomed the initiatives made by the members of the International Fact Finding Mission. He spoke about the close working relationship with Congressman Mariano on issues concerning agriculture and food. He then asked on the status of the bioethanol operation. Cita Managuelod and Diony Yadao of DAGAMI related the history of land grabbing in San Mariano and how Green Future Innovations, Inc. and Eco-Fuel Land Development Inc. took advantage of taking the land to shift from planting staple food crops to sugarcane crops as primary feed stock for biofuel.

The IFFM Team also mentioned that there is a Joint Administrative Order NO. 2008-1, Series of 2008 "Guidelines Governing the Biofuel Feedstocks Production, and Biofuels and Biofuel Blends Production, Distribution and Sale Under Republic Act No. 9367". They asked if it is possible for the Committee to review this policy on issues concerning encroachment of food production areas.

Mendoza acknowledged that the problem of land grabbing is a direct threat to local food production as well as the food security of the country. Danilo Ramos of Kilusang Magbubukid ng Pilipinas asked what the Congressman can do to address the problem, since he is the Chair of the Committee on Agriculture and Food. The Congressman responded that he will tackle this issue with Congressman Mariano of Anakpawis Partylist and seek an in-depth review of the situation.

He also mentioned coordinating a talk with the Department of Agriculture and all the involved agencies. He would also discuss the problem with Congressman Agapito Guanlao of BUTIL Partylist because of the concern on food grains production such as rice and corn. He is also open for a public consultation in San Mariano to have a better grasp of the situation through actual dialogue with the affected communities.

Cita Managuelod inquired on the status of the government support to the farmers hardest hit by typhoon and droughts, specifically in the northern Luzon and Cagayan Valley. Diony Yadao also reported the status of the irrigation in San Mariano. Brgys. Del Pilar and Casala are the only irrigated areas in San Mariano covering about 20 ha out of the 29,000 ha irrigable areas in the municipality. The irrigation project is a Build-Operate-Transfer by the World Bank extended as loan to the farmers' cooperative. Each farmer pays 5 cavans/ha to National Irrigation Administration. The payment became 1.5 cavans/ha/cropping payable in 381 years because the WB claimed that there was restructuring in 2008. Mendoza

requested DAGAMI to document the status of the current situation of the local agriculture in San Mariano for him to take action on the problems of the localities concerning agricultural issues.

Responding to the general needs of the farmers, as the Oversight Committee Head of Agriculture and Food, Mendoza shared the committee's support of local agriculture through the ACER Fund with the Department of Agriculture. The main thrust of this fund is to support the local farmers in the form of agricultural logistics such as postharvest facilities with 70% of the total fund will be a grant while the remaining 30% will be the loan with only 4% loan interests. Apart from the support facilities, the fund would also cover a scholarship program.

For more information, please contact:



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