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INNOVATIVE URBAN TENURE IN THE PHILIPPINES

SUMMARY REPORT

CHALLENGES, APPROACHES AND INSTITUTIONALIZATION

SECURING LAND AND PROPERTY RIGHTS FOR ALL

UN-HABITAT
FOR A BETTER URBAN FUTURE

GLTN
GLOBAL LAND TOOL NETWORK

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ACRONYMS/ABBREVIATIONS

ADB	Asian Development Bank
APD	Area for Priority Development
BIR	Bureau of Internal Revenue
CELA	Certificate of Entitlement to a Lot Allocation
CLA	Certificate of Lot Award
CMP	Community Mortgage Program
CTR	Certificate of Title Reservation
DENR	Department of Environment and Natural Resources
DPWH	Department of Public Works and Highways
EO	Executive Order
FTI	Food Terminal Incorporated
GK	Gawad Kalinga (literal translation – "provision of care")
GSHAI	Golden Shower Homeowners' Association Inc.
GSIS	Government Service Insurance System
HDMF	Home Development Mutual Fund or Pag-IBIG
HFHP	Habitat for Humanity Philippines
HGC	Home Guaranty Corporation
HOA	Homeowners' Association
HUDCC	Housing and Urban Development Coordinating Council
JFPR	Japan Fund for Poverty Reduction
LGU	Local Government Unit
LHB	Local Housing Board
LIAC	Local Inter-agency Committee
LOG	Letter of Guaranty
MRI	Mortgage Redemption Insurance
MTPDP	Medium Term Philippine Development Plan
NATCCO	National Confederation of Cooperatives
NCR	National Capital Region
NSCB	National Statistical Coordination Board
NGC	National Government Centre
NGCHC	National Government Centre Housing Committee
NGO	Non-government organization
NHA	National Housing Authority
NHMFC	National Home Mortgage Finance Corporation
PBSP	Philippine Business for Social Progress
PCL	Purchase Commitment Line
PCUP	Presidential Commission for the Urban Poor
PHILSSA	Partnership of Philippine Support Service Agencies
PHP	Philippine pesos
PIAC	Project Inter-Agency Committee
RA	Republic Act
SHFC	Social Housing Finance Corporation
STEP-UP	Strategic Private Sector Partnership for Urban Poverty Reduction
UDHA	Urban Development and Housing Act
ULAP	Ugnayang Lakas ng mga Apektadong Pamilya sa Baybaying Ilog Pasig (translated: United Forces of Affected Families along Pasig River)
ULRTF	Urban Land Reform Task Force
UPA	Urban Poor Associates
UPAO	Urban Poor Affairs Office
UP-ALL	Urban Poor Alliance
UPSURGE	Urban Partnership for Sustainable Upliftment, Renewal, Governance, and Empowerment
VMSDFI	Vincentian Missionaries Social Development Foundation, Inc.

FOREWORD

One of the most serious problems of urbanisation in the Philippines is the lack of tenure security. In a country where it is projected that 70 per cent of the population will be living in towns and cities in the next decade, achieving security of land tenure will be a complex and costly process, especially for the poor.

The problem is especially acute in the capital, Metro Manila, where according to the National Housing Authority the slum population stands at some 2.7 million people.

This publication shows how the broader land community now recognises that various types of tenure security exist along a continuum of land rights. It also shows how different strategies may be used to secure each type.

It is generally agreed that while full tenure security may be the goal, there are other immediate objectives. These include protection from eviction, access to services and different types of tenure which are achievable in the short term.

Problems like security of tenure need creativity and innovative thinking if we are to go beyond a status quo which blocks progress and makes little provision for the poor.

In the Philippines, a system for dealing with housing and tenure has been developed. There are some innovative strategies for implementing alternative tenure approaches from which other communities can learn. This publication focuses on three important areas: the Community Mortgage Programme, Presidential Proclamations, and the use of usufruct agreements.

At their Rio de Janeiro summit in June 2012, world leaders placed the urban challenge high on the global agenda. In endorsing the outcome document, The future we want, they recognised the need to strengthen existing cooperation mechanisms, partnerships and agreements for concrete, global implementation of the Habitat Agenda for sustainable urban development.

In the Philippines, this means that the urban future we all want can come from their call for an integrated approach to planning and building sustainable cities, better support for local authorities, better public awareness and involvement, especially of the poor, in the decision making. This approach was reaffirmed at the Sixth session of the World Urban Forum in Naples in September 2012.

UN-Habitat, the Global Land Tool Network and their partners are committed to sharing resources, increasing capacity and focusing on solutions to achieve those collective aims.

I believe this publication is an important contribution to these aspirations.

Dr. Joan Clos,
Under-Secretary-General of the United Nations,
Executive Director UN-Habitat.

EXECUTIVE SUMMARY

In many poor and developing countries, land markets, prevailing policies, practices and institutions limit many of the working poor's access to secure tenure and adequate land for housing. The Philippines is one such country, where patterns of urban growth and development make it difficult for the poor to remain in the cities where employment and other opportunities exist.

Given the size of the urban poor population, a major challenge confronting development agencies, policymakers and social actors concerned with addressing poverty is how to provide better access to secure tenure and housing. Tools and strategies to increase the poor's access to secure land and housing tenure need to be devised. The overall aim of this study is to contribute to the crafting of these alternative tools and strategies.

This publication is a summary report of a study published in 2011 (see www.gltn.net). It documents and culls lessons from the Philippines' experience in implementing alternative approaches to securing tenure for the urban poor, specifically the Community Mortgage Program (CMP), presidential land proclamations and the usufruct arrangement. It provides a description of these three approaches, including the objectives, legal and institutional arrangements, key challenges and outcomes and relevant processes.

The publication also underscores the advantages of designing and implementing simple, intermediate tenure instruments for providing the urban poor with access to land at different levels. While the study acknowledges the successful implementation of these approaches, it also recognizes that there are continuing challenges associated with implementing such alternative approaches. Finally, the publication suggests ways toward institutionalizing alternative secure tenure approaches.

PART I

ANALYSIS OF SECURE TENURE PRACTICES

CHAPTER 1: LAND AND TENURE APPROACHES

1.1. TENURE APPROACHES IN THE CONTEXT OF GLOBAL TRENDS

The innovative tenure approaches that are the subject of this publication, namely the Community Mortgage Program (CMP), presidential land proclamations, and the usufruct arrangement, have occurred alongside similar developments in other countries.

Around the world, the central role played by land rights and the provision of secure tenure, particularly in increasing access to improved housing, is increasingly recognised. As a result, the conventional and static emphasis on ownership and individual titling has given way to an understanding of land rights as a continuum with varying degrees of land and housing security. (UN-Habitat, 2008).

This new understanding has led to the exploration and expansion of the application of various types of non-formal tenure, including customary tenure. Combining customary and statutory tenure was an approach tried in Benin for example, where it enabled poor households to build housing in areas under customary ownership. Customary rights can be registered at a lower cost, as shown in Ethiopia, Mozambique and Benin (ibid). In Ghana, customary land secretariats record land rights, undertake land surveys to mark out development plots, collect rents, draw up land leases and facilitate their registration. In Bolivia, the largely informal arrangement known as the anticretico system has enabled poor families to rent affordable housing.

Other approaches have sought to formalize previously informal types of tenure through institutionalized land and housing programmes for the poor. The massive programme Organismo de la Formalizacion de la Propriedad Informal in Peru was one ambitious attempt to implement titling on a large scale through the formal registration of non-registered lands and the registration of vacant, untitled, government-owned lands adjacent to urban areas (ibid). In Argentina, the physical and legal regularization of informal settlements was the objective of the Programa de Mejoramiento de Barrios Settlement Upgrading Programme implemented in 21 provinces (Almansi, 2009).

The development of intermediate tenure instruments has become a practical and effective strategy for providing some degree of tenure and shelter security and improved access to basic urban services. As Wehrmann and Antonio (2011) pointed out, intermediate tenure instruments are generally easier to access, less cumbersome, faster and more affordable, than conventional methods.

Brazil's tenure policy is based on the principle that the recognition of housing rights should not be based on ownership. The country's Concession of the Real Right to Use (CRRU) has been applied in the regularization of favelas in public areas. The tenure regularization programmes in Porto Alegre and Recife do not, in fact, favour the privatization of public land because doing so could undermine the objective of tenure regularization (Fernandes, 2002). Finally, in Bogota, Colombia, a variety of intermediate tenure instruments has made it possible for residents of illegally built subdivisions to demand services and the improvement of their living conditions, even without owning formal titles to the land (Aristizabal and Gomez, 2002).

1.2. LAND AND TENURE ISSUES AND THE PHILIPPINE URBAN POOR

In the context of the Philippines, the innovative approaches featured in this study were developed largely in response to the increase in informal settlements in urban areas and the increasing demands of their residents for services and secure tenure. This chapter addresses the contextual conditions in the Philippines and their relevance to the application of particular approaches.

1.2.1. PHILIPPINE URBANIZATION

The Philippines is the fourth most populous nation in East Asia. Growing at an average rate of 2 per cent annually, the population is currently 92 million, of which an estimated 63 per cent live in urban areas. Metro Manila, or the National Capital Region (NCR), is the largest urban centre in the Philippines. At present, its 16 cities and one urban municipality together had an estimated population of 12 million. If the current trend prevails, the Philippines is projected to be 70 per cent urban in less than a decade with an urban population of around 86 million. Moreover, the number of cities in the Philippines grew from only 21 cities in 1970 to 122 cities by 2012.

1.2.2. URBAN POVERTY

While poverty has remained a largely rural phenomenon, urban poverty has been rising. A United Nations report noted that urban poverty rose to 24.9 per cent in 2003, indicating a sharp increase of 7 per cent since 1997 (United Nations Country Team, 2008). The unemployment rate in the region has also been the highest among the country's 16 administrative

Baseco, a slum area with 10,000 households, against a backdrop of towering business buildings in Metro Manila. Photo © UN-Habitat / Gerald Nicolas

regions. Of its labour force of 8 million, 12.8 per cent were unemployed in 2009 (National Statistics Office, 2009).

Unregulated urban growth and acute poverty have resulted in severe housing problems. Of the roughly 10 million Filipino families living in cities today, an estimated 3.1 million lack security of tenure with 2.7 informal settler households in Metro Manila alone according to data from the National Housing Authority in 2007.

The huge housing deficit, especially in the low-income sector, is a result of the high cost of land and housing. According to a World Bank report, the cost of secure housing in the Philippines is 58 per cent higher than housing in untitled lands (World Bank, 2009). Slums in danger zones, where households' median monthly incomes is 57 per cent lower than the poverty threshold for Metro Manila, represent the worst-off segment of the landless urban poor (Asian Development Bank, 2002). Meanwhile, the value of areas near employment centres and areas with commercial potential has continued to increase by as much as 6,000 per cent compared with previous years (Yap et al, 2002).

1.2.3. URBAN POOR ACCESS TO LAND

Urban land conversion and development have been mainly private sector-led. As a consequence of the complicated and lengthy legal processes involved in securing tenure, a dynamic informal land market thrives. The system, largely run by squatting syndicates, operates by exchanging "land rights" or the right to use land without the benefit of a formal document or process.

1.2.4. LAND ADMINISTRATION AND MANAGEMENT

A dual system of land titling exists in the Philippines – administrative and judicial. It is claimed that the inefficiency of the land administration system contributes to the inefficiency of the land market (Antonio, 2006) leading to high transaction costs to register and transfer lands, difficulty in obtaining land records and information, and susceptibility to corruption. There have been initiatives to reform the system that focus on land administration, public land management, property valuation and taxation, land information and management, and institutional development and capacity building (Barcena, 2010).

1.2.5. SECURE TENURE AND HOUSING

The Government's "National Shelter Programme" has been designed primarily to address the need of urban informal settlers. Its targets are measured in "shelter security units" (SSUs) to underscore the fact that its goal is to provide security of tenure.

According to the Medium Term Philippine Development Plan (MTPDP) for 2005-2010, the projected housing need for that period was 3.7 million units (Partnership of Philippine Support Service Agencies, 2009). Of this number, around 1.2 million, or 31 per cent, comprise what is termed the "housing backlog" or the unmet need for housing in previous years. The MTPDP aimed to deliver 1.14 million SSUs for 2005-2010, less than a third of the number needed for the same period, implying that the private sector was expected to cover the balance.

Table 1: Estimated housing need, 2005-2010

CATEGORY	UNITS
Housing backlog as of 2005	**1,170,800**
Doubled-up housing	387,315
Replacement/informal settlers	588,853
Homeless	8,298
Substandard (needs upgrading)	186,334
NEW HOUSEHOLDS (DUE TO POPULATION GROWTH 2005-2010)	**2,585,272**
TOTAL	**3,756,072**

Source: HUDCC, Medium Term Philippine Development Plan 2005-2010

Metro Manila has the highest concentration of informal settlers who live on privately owned lands, government land and in danger areas.

Table 2: Magnitude of informal settlers in Metro Manila by category

CLASSIFICATION	NUMBER OF HOUSEHOLDS	PERCENTAGE
Danger areas	107,997	19.83%
Areas earmarked for government infrastructure	35,198	6.46%
Government owned lands	179,653	32.99%
Privately owned lands	219,457	40.30%
Areas for priority development (APDs)	2,304	0.42%
TOTAL	544,609	100%

Source: NHA, as of September 2007

Of the 1.1 million shelter security units the Government planned to deliver, 68 per cent were "socialized housing", or low-priced housing for the bottom 40 per cent of the population

Table 3: Housing targets, 2005-2010

HOUSING PACKAGE	NUMBER OF UNITS	PERCENTAGE SHARE
Socialized (below PHP 225,000)	**780,191**	**68.1%**
Low Cost (PHP 225,000 – PHP 2 million)	365,282	31.8%
Medium (PHP 2 million – PHP 4 million)	195	0.01%
TOTAL	**1,145,668**	**100.0%**

Source: HUDCC, Medium-Term Philippine Development Plan 2005-2010

Three programmes – resettlement, Community Mortgage Programme and presidential proclamation – account for 54 per cent of the total socialized housing target for 2005-2010, and aim primarily to provide secure tenure to urban informal settlers. Figures also suggest that, as far as national government programmes are concerned, there has been increasing support for on-site tenure regularization.

CHAPTER 2: THE LEGAL AND IN STITUTIONAL FRAMEWORK

2.1. THE ROLE OF PUBLIC AND PRIVATE INSTITUTIONS

The Government and the private sector deliver housing services with the participation of several public and private institutions, categorized as follows.

2.1.1. THE HOUSING BUREAUCRACY

- The Housing and Urban Development Coordinating Council (HUDCC) heads the country's housing bureaucracy and is the highest policy-making and coordinating government office on shelter.
- The National Housing Authority (NHA) liaises with local government units to implement resettlement programmes.
- The Home Development Mutual Fund, also known as the Pag-IBIG Fund, provides financing for salaried and self-employed workers.
- The National Home Mortgage Finance Corporation (NHMFC) uses long-term funds provided by lending institutions to purchase mortgages offered by private and public institutions. The NHMFC administers programmes catering to poor and low-income families, namely the Abot-Kaya Pabahay Fund and the CMP.
- The Housing and Land Use Regulatory Board (HLURB) plans and regulates land use and development, enforces subdivision and land use standards, and encourages greater private sector participation in low-cost housing. The Government regulates land use and land tenure.
- The Urban Development and Housing Act (UDHA) authorizes LGUs to enforce certain regulatory and licensing powers pertinent to housing concerns.

2.1.2. LOCAL GOVERNMENT UNITS

LGUs are also key stakeholders in the provision of socialized and low-cost housing. The Urban Development and Housing Act (UDHA) gave local governments the primary responsibility of providing housing services to "underprivileged and homeless citizens".

An Executive Order issued in 2008 instructed cities to create local housing boards (LHBs),[1] principally to oversee and regulate the implementation of informal settler eviction to ensure compliance with the UDHA.[2] The LHBs' broad mandate is to address shelter concerns, monitor the provision of housing and resettlement areas, and observe procedures and requirements during evictions and demolitions of underprivileged city residents' houses.

Some local government units have set up Urban Poor Affairs Offices (UPAOs) directly under the Office of the Mayor, to serve as main policy implementers. Representatives of UPAOs also sit as members of the LHB. The UPAOs enforce the policies drawn by the LHBs.

International development agencies view local government units as partners in their urban reform efforts.

2.1.3. HOUSING FINANCE INSTITUTIONS

- Home Development Mutual Fund (HDMF), or Pag-IBIG, funds the Local Government Housing Programme by extending direct loans to LGUs for land acquisition and development, including the construction of housing units. Its Expanded Home Lending Programme provides financial assistance to HDMF members through house, lot or house and lot loans.

- The Social Housing Finance Corporation (SHFC), meanwhile, administers the CMP, a financing scheme that allows residents of blighted areas to own the lots they occupy and construct houses on them. The LGUs, NGOs and, in some cases, the NHA act as loan originators. SHFC's Abot Kaya Pabahay Developmental Loan Programme provides assistance to social housing developers identified by LGUs as serving priority areas in relation to socio-economic and housing development.

> *Private developers producing and selling social housing units are becoming increasingly important actors in the social housing sector.*

- The Development Bank of the Philippines (DBP), the Land Bank of the Philippines (LBP) and the Philippine National Bank (PNB) also provide loans for various LGU housing programmes.

- The Government Service Insurance System (GSIS) also funds social housing through its Mass Housing Programme, through which the LGU applies for a loan from GSIS-accredited banks. The GSIS shoulders the LGU's corresponding loan, after which loan payments are channelled through the accredited banks.

2.1.4. THE PRIVATE SECTOR

Private developers producing and selling social housing units are becoming increasingly important actors in the social housing sector. Their growth has been facilitated by the efficiency of HDMF in providing financing to government and private sector employees for their housing requirements. HDMF does this through its Pag-IBIG Fund from which members can take out loans to buy a house built by a private developer, and through subsidized interest rates.

2.2. THE CAPACITIES OF STAKEHOLDERS

The development and implementation of alternative secure tenure approaches depends on the political and organizational capacities of key actors who are expected to perform the various roles and activities involved in these approaches.

2.2.1. LOCAL GOVERNMENTS

Tenure regularization is typically not a priority development agenda of local governments. A few local governments have initiated housing programmes that provide secure tenure to the urban poor, using their own resources and approaches. Others have organized communities to access the CMP, while others have forged partnerships with NGOs to upgrade slums in communities where tenure has been secured. These examples indicate that, while political will and capacity for tenure regularization are low among local governments, interest is slowly growing and some local governments have gained experience in this area.

[1] The LHB is usually chaired by the Mayor with the Vice-Mayor as co-chair. Board members include the city council's chair of the Committee on Housing, the heads of planning and engineering, and representatives from HUDCC, the Presidential Commission for the Urban Poor, People's Organizations, NGOs and the private sector.

[2] Executive Order 708 dated 26 February, 2008.

2.2.2. NATIONAL HOUSING AGENCIES

Various shelter agencies have adopted the provision of tenure security as a major initiative; however, the actual level of provision has been low.[3] It is not clear whether this is due to the limited resources given to them by the Government, or their limited capacity to use them.

Held together by a "coordinating council", the existing housing bureaucracy is, in many ways, less cohesive than other government sectors. The HUDCC provides the general policy direction for all shelter agencies and the entire government-housing programme. Still, the housing agencies, most of which are corporations with their own charters, exercise a high degree of independence because they have corporate earnings and are not completely dependent on appropriations from the national budget. They also have their own priorities, programmes and policies. The current set-up shows how the performance of the housing sector appears to depend more on the leadership of the individual agencies than on the HUDCC.

The NHA's biggest and most established role is the implementation of large-scale resettlement projects but its programmes have been widely criticized for the distant location of the new housing sites, the inadequacy of basic services and livelihood support after relocation, the beneficiaries' poor repayment rate, and the high rate of abandonment of the awarded housing units. The NHA also facilitates the disposition of lands but has faced formidable difficulties. This is borne out by the slow progress in the provision of individual titles in the proclaimed areas. Finally, the NHA assists communities in accessing CMP loans. It shares this role with NGOs and local governments.

The SHFC is a smaller and newer organization, with the capacity to deal with smaller-sized communities and work with NGOs and local governments. It can also undertake lending and collections, and is attempting to localize its main programme, the CMP, to increase local government participation. However, NGOs and communities find its processes too slow and its lending requirements restrictive. It has had difficulty increasing the scale of its housing loan portfolio.

2.2.3. NON-GOVERNMENT ORGANIZATIONS

Some NGO networks like Partnership for Philippine Support for Service Agencies (PHILSSA) and Philippine Business for Social Progress (PBSP) have developed the capacity to implement slum upgrading in partnership with local governments and development agencies like the World Bank and Asian Development Bank.[4] Some NGOs also exert a great deal of effort in setting up partnerships among local governments, communities and other NGOs when undertaking tenure and community upgrading programmes.[5]

There are NGOs that help organize communities in these resettlement areas in order to improve the quality of services and secure better terms on housing loans. NGOs have also formed micro-finance institutions capable of giving loans and collecting repayments for enterprise development and emergency needs. However, NGO experience in lending for housing remains very limited, despite some NGOs having also gained some experience in cooperative housing.

A faith-based group known as Gawad Kalinga has harnessed voluntary labour on a larger scale for house construction. Gawad Kalinga has not only succeeded in mobilizing financial resources from private individuals and groups to support housing for the poor, but has also managed to forge partnerships with local governments that aim to deliver secure tenure and improved housing to informal settlers.[6]

A noticeable trend in the work of NGOs is their preference for working with local governments and setting up institutionalized mechanisms so that pilot projects on housing and tenure can be replicated and scaled up. While some successful institutionalization experiences have been noted among NGOs at the national (e.g. CMP) and local (e.g. Local Housing Boards) levels, these experiences are still limited and have not been sufficiently replicated.

2.2.4. URBAN POOR ORGANIZATIONS

For four decades, urban poor communities have been organizing and mobilizing support for addressing land tenure issues. They have formed issue-based movements and national coalitions to advance general urban poor causes, such as fighting eviction and pushing for land tenure programmes. These movements and coalitions have also been pushing specific policy reforms, such as the passage of laws (e.g. UDHA, Comprehensive and Integrated Shelter Finance Act and the repeal of the anti-squatting law). They have similarly been promoting the establishment of pro-poor institutions such as the SHFC and Philippine Commission for the Urban Poor (PCUP), and the reform of resettlement and CMP policies.

Some national urban poor coalitions have demonstrated the capacity for advocacy but have little capacity to mobilize resources or implement development projects for tenure regularization and community upgrading. Different urban poor federations have developed their distinct strengths. For example, there are urban poor organizations that have gone through CMP and have some knowledge about land transfer transactions and loan processing, and can therefore assist communities in land acquisition. On the other hand, some urban poor federations, for example the Homeless Peoples' Federation of the Philippines, specialize in organizing savings groups among the urban poor, to help them meet basic needs such as housing and secure tenure.

Other federations, such as the Urban Land Reform Task Force (ULRTF), are more highly skilled in policy and legislative advocacy. Still others, like the Ugnayang Lakas ng mga Apektadong Pamilya sa Baybaying Ilog Pasig (ULAP) or, translated, United Forces of Affected Families along Pasig River, are most effective in anti-eviction work. That these federations are under an umbrella coalition known as the Urban Poor Alliance (UP-ALL) has allowed the different groups to hone their skills in different areas and has enabled the UP-ALL to collectively and competently engage in different tasks and issues.

[3] See the paper by the Partnership of Philippine Support Service Agencies and the John J. Carroll Institute on Church and Social Issues, Civil Society Assessment of the MTPDP (2005-2010) Performance in Housing" for a detailed analysis of the accomplishments of the different shelter agencies.

[4] One example is PBSP's STEP-UP programme, which provided technical assistance, loans and grants for home improvements, community infrastructure and livelihood activities implemented in 42 communities in 12 cities.

[5] PHILSSA's UPSURGE established local level multi-stakeholder partnerships for housing. It acquired a grant from the British Department for International Development, for a capacity-building programme in 14 cities.

[6] A typical partnership scheme has the local government providing the land and the GK building new houses for informal settlers whom the local government wants to assist.

Informal settlers demonstrate in front of the Housing and Urban Development Coordinating Council (HUDCC) in Makati City. Photo © UN-Habitat / John Lagman

2.2.5. PROFESSIONALS

Land professionals including planners, land surveyors, architects and engineers are involved in land tenure programmes as individuals rather than as groups or professional associations, even though some NGOs are staffed by architects and planners. These professionals usually come in as technical consultants to NGOs, communities, and local governments. Professional associations have had little involvement in policy discussions or in the implementation of land tenure and housing programmes for the urban poor.

2.3. THE LEGAL FRAMEWORK

Overall, the legal framework establishing the rules of access to secure tenure in the Philippines favours the legal acquisition of land or housing tenure through freehold ownership. The bias for ownership in existing land laws as influenced by "colonizers" and reinforced by cultural preferences among low-income city dwellers who favour owning home plots and housing units, explains the large proportion of city dwellers with no legal or formal tenure.

2.3.1. LAND REGISTRATION

Having a parcel of land registered or titled is often a complicated process. In the Philippines, only 46 per cent of 24.2 million parcels of land are titled and 70 per cent of these, or 7.8 million, are residential (www.phil-lamp.org). The land administration system has many problems, several of which are structural in nature. Among the problems identified by a study undertaken under the Philippines-Australia Land Administration and Management Project are the following:

1) the existence of conflicting laws that regulate land use and administration;
2) the existence of two distinct processes for titling land (administrative and judicial);
3) the existence of multiple forms signifying ownership rights over land;
4) the presence of multiple property taxes and other disincentives toward the formalization of land transactions;
5) the existence of multiple land valuation methods; and
6) the duplication of and overlap in rules, functions and the activities of key land administration agencies.

These structural defects have resulted in tedious land registration and titling procedures, the proliferation of fake and spurious land titles, overlapping tenure instruments for public lands, and inappropriate land classifications for planning and development. Inefficiencies in the land records management system (PA-LAMP, 2002) have also impeded the implementation of some anti-poverty laws (such as UDHA, Comprehensive Agrarian Reform Programme and the Indigenous People's Rights Act).

2.3.2. THE NEW FREE PATENT LAW

On 9 March 2010, Congress passed Republic Act 10023, which aims to facilitate the registration of residential lands. The law allows the issuance of a free patent requiring only 10 years of actual occupation. It covers all lands zoned as residential areas, including town sites and military reservations. By virtue of this law, any actual occupant may apply for a free patent for up to 200 square metres in highly urbanized cities, up to 500 square metres in other cities, up to 750 in first and second class municipalities, and up to 1000 square metres in all other municipalities. This law can facilitate poor people's access to untitled land in urbanizing areas.

2.3.3. LAND VALUATION

Because secure land tenure is often equated with land ownership, the pricing of land has become critical, constraining poor people's access to legal tenure. Not only has urbanization pushed up land values considerably, thereby making significant portions of urban areas inaccessible to the poor, but land valuation rules can also sometimes vary widely.

2.3.4. RESTRICTIVE BUILDING STANDARDS

Informal dwellings are under constant threat of demolition not only because of their location but also because they do not conform to building standards. Consequently, local authorities frequently use the National Building Code as the legal basis for demolishing unwanted, informally built residential structures.

2.3.5. OTHER FORMS OF TENURE

Aside from ownership, other forms of tenure for which there are laws governing their practice in the Philippines include lease (of land or residential units), usufruct, and cooperative housing. Intermediate or temporary tenure systems are not always provided for by law, but are mostly established on a programme level or by administrative agencies. Examples of intermediate tenure instruments that confer use rights and some degree of security of tenure are the certificates of lot awards issued by the NHA to beneficiary families and for units in resettlement projects or areas subject to presidential land proclamations. The Department of Environment and Natural Resources (DENR) also issues Certificate of Entitlement to a Lot Allocation (CELA) for beneficiaries on areas subject of land proclamations.

> *"Informal dwellings are under constant threat of demolition not only because of their location but also because they do not conform to building standards.*

2.3.6. HOUSING RIGHTS OF INFORMAL DWELLERS

The UDHA, which was signed into law in 1992 as Republic Act 7279, was the first legislation to formally

[7] Section 2, Declaration of State Policy and Programme Objectives, RA 7279.
[8] By law, eviction of a tenant is allowed only for the following reasons: 1) non-payment of rent for three months; 2) subleasing of the unit without the express consent of the owner; 3) the landlord needs the property for personal use; and 4) the landlord needs to make repairs.

confer housing rights. It established as state policy the provision of "decent housing at affordable cost" to "underprivileged and homeless citizens".[7] It also states that evictions will be allowed only in three circumstances:

1) when land needs to be cleared for an infrastructure project;

2) when the informal dwellings are standing on hazardous or "danger" areas; and

3) when there is a court order for the demolition.

Aside from protecting informal settlers against inhumane eviction, the law also directs local governments to allocate lands to be used as social housing sites, where informal settlers can reside under legal tenure. Taken as a whole, UDHA provides for a systematic programme for regularizing informal settlements and providing secure tenure to the urban poor under the leadership of local governments, with assistance from national agencies.

2.3.7. FORMS OF LAND AND HOUSING TENURE AVAILABLE TO THE URBAN POOR

Freehold or full ownership is a form of tenure that has been acquired by former informal settlers who have either become beneficiaries of resettlement programmes and the CMP and have paid for their housing loans in full, or they have directly bought land from landowner through a negotiated purchase.

While there are laws that define the rights of renters and regulate rent increases, renters/tenants in informal settlements hardly have any use for them.[8]

Renters of informally constructed dwellings are only secure insofar as the structures are protected from demolition. There are usually no written contracts. Rental agreements in the lower segment of the rental market are usually verbal, although the landlord often gives the tenant receipts for rent paid.

The Civil Code of the Philippines (Articles 1654-1688) provides the general guidelines governing the lease of urban and rural lands. The Rent Control Act of 2009, on the other hand, provides for more specific regulations on rent increases for residential units with monthly rents not exceeding PHP 10,000 in Metro Manila and PHP 5,000 elsewhere.
Lease arrangements are legally allowed on land owned by private individuals or by Government. In practice, there are few examples of government lands leased either to individual families or to community associations for housing. More common are leases for business or industrial use.

There are also few examples of public rental housing. In these cases, the general rules contained in the Civil Code and the specific regulations in the Rent Control Law would also apply.

More recently, usufruct arrangements have been adopted as an alternative form of tenure for the purpose of making legal housing more affordable for the urban poor. While usufruct was, in the past, primarily and customarily applied in agricultural and industrial settings, it is now being appropriated for use in the residential context.

[8] By law, eviction of a tenant is allowed only for the following reasons: 1) non-payment of rent for three months; 2) subleasing of the unit without the express consent of the owner; 3) the landlord needs the property for personal use; and 4) the landlord needs to make repairs.

PART II

IMPLEMENTING ALTERNATIVE TENURE APPROACHES

CHAPTER 3: THE COMMUNITY MORTGAGE PROGRAM

The community mortgage concept was first introduced and implemented in the Philippines in the mid-1980s when a group of social reform advocates managed to introduce a home lending programme that would specifically cater to the urban poor.

Subsequently, Republic Act 7279, or UDHA, adopted the Community Mortgage Programme (CMP) as a component of the National Shelter Programme to help legally organized associations of underprivileged and homeless citizens to buy and develop land, and own the lots they occupy or wish to relocate to "under the concept of community ownership."

3.1. FEATURES OF THE APPROACH

Through the CMP, the Government lends funds to informal settlers organized as a community association, making it possible for them to buy a piece of land that they can occupy permanently. The land can be on-site, presently occupied by the community, or an entirely new site to where the community intends to relocate. The CMP also offers loans for site improvement and house construction even if, in reality, the majority of CMP loans are issued for the acquisition of land.

The CMP was designed to be a demand-driven approach; it is the community that needs assistance that decides to participate in the programme and initiates the process.

In an on-site project, informal settlers can obtain ownership of the land they occupy by buying it through a community mortgage loan. One of the requirements is a subdivision plan, where the houses and plots are then re-aligned or re-blocked to conform to minimum subdivision standards.

An off-site project, on the other hand, requires relocation to another area that the community chooses and purchases. Communities that are located in danger zones and/or those affected by infrastructure projects and court-ordered evictions usually resort to off-site projects. To be eligible for loans, informal settlers have to have a homeowners' association (HOA) with at least nine households but no more than 300 member households (recently reduced to 200).

After an association has complied with the minimum requirement and met certain criteria, the SHFC approves the mortgage and advances payment to the landowner. The group loan is payable monthly for up to 25 years at 6 per cent interest per annum. The land to be purchased serves as collateral for the loan.

The HOA is considered to be the borrower. Throughout the process, it is responsible for preparing documentary requirements, negotiating with the landowner, collecting the monthly amortizations of its member-beneficiaries, and ensuring that their financial obligations to the lending institution are met. The HOA also enforces sanctions on community members, and oversees the re-blocking and enforcement of the subdivision plan.

Another feature of the CMP is the mobilization of project "originators", which can be non-government organizations, local governments or key shelter agencies such as the NHA. The originator assists with organizing the community and the evaluation of the eligibility of each member-beneficiary. It also helps the HOA comply with the documentary requirements of the programme. In addition, the originator helps the community set up an effective collection system and oversees the collection of payments. In 2009, there were over 200 accredited originators.

BOX 1: STAGES IN ACQUIRING A CMP LOAN

1. The community takes the following steps:
   a. Registers itself as a HOA with the appropriate government agency.
   b. Secures from the landowner a voluntary agreement or intent to sell.
   c. Submits loan documents and a lease purchase agreement signed by the HOA and individual member-beneficiaries. The HOA should engage the services of a loan originator, which can be an NGO, a local government unit, or the National Housing Authority.
2. Issuance of the Purchase Commitment Line (PCL). During this stage, both the project and originator are accredited by the SHFC. The Government assigns a "line" or allocates an amount for the project based on the selling price of the property and/or the cost of site development. Both the appraised value of the property and the borrowers' capacity to pay are considered when determining the PCL. If the selling price exceeds the PCL, the HOA is required to put up equity equivalent to the balance.
3. Approval of the Letter of Guaranty (LOG). By issuing the LOG, SHFC guarantees payment of the property to the owner once the latter transfers the title to the organization. The SHFC board approves the LOG after the loan and mortgage have been examined and the requirements fulfilled.
4. Loan take-out. With the release of the loan, the SHFC pays the landowner for the land while the HOA members start paying their amortization to SHFC after a month.
5. Post take-out. The HOA collects the monthly amortizations of its members and keeps individual records of paid and unpaid amortizations.

As long as the community title to the property remains with the association any default in payment by a member is a liability of the entire association. In cases where a defaulting member can no longer service his/her loan, the HOA finds a qualified substitute borrower who assumes the rights and obligations of the defaulting member. If pursued, the conversion of the community title to individual parcels assigned to individual members and the transfer of the title to the name of each member are done at this stage. The community loan is then individualized.

3.2. APPLICATION OF THE APPROACH IN TWO CASES

3.2.1. THE GOLDEN SHOWER COMMUNITY IN PAYATAS, QUEZON CITY

In 1991, the members of the Golden Shower Homeowners' Association, Inc. (GSHAI) in Payatas, Quezon City, negotiated the purchase of the land from Manila Remnants, Inc., a real estate developer, for PHP 23 million, or an average price of PHP 800 per square metre. GSHAI obtained PHP 6 million from the Vincentian Missionaries Social Development Foundation, Inc. (VMSDFI) and PHP 17 million from the ADB-Japan Fund for Poverty Reduction project[10] to pay for the land.

To repay VMSDFI and Asian Development Bank-Japan Fund for Poverty Reduction (ADB-JFPR), GSHAI applied for a CMP loan in 2001, with the NHA as originator. By then the community was divided into two groups: GSHAI-I and GSHAI-II. In 2004, GSHAI-I decided to cancel its CMP application, while GSHAI-II went ahead. It received its loan in 2009.

The CMP process was lengthy due to delays including the slow processing of documentation and the difficulty in collecting the members' contributions. The PCL took two years to be released after the loan documents were ready.

The process also underwent different re-documentations and revisions of the documents already submitted because of agreement problems and technical issues. The reclassification of the property from residential to commercial also delayed the approval of technical requirements. Once these issues were settled, GSHAI II allegedly had to pay a "facilitation fee" to forward the subdivision plan to the city council for the necessary endorsement. Other items which cost the community money were the Mortgage Redemption Insurance (MRI), the Bureau of Internal Revenue (BIR) documentary stamp tax and the NHMFC documentary stamps, which amounted to almost PHP 1 million. As a result, GSHAI-II needed to access another loan from the Homeless Peoples' Federation of the Philippines, Inc.

With all these issues, the accomplishment of the remedial features took nearly four years and led to the depletion of the savings of GSHAI-II.

Finally, in July 2009, GSHAI-II's CMP loan was released. Monthly amortizations ranged from PHP 252 to PHP 411 per month, which residents thought very affordable. In the first months, GSHAI-II had a collection rate of almost 100 per cent, with some families wanting to pay their loans in full.

Families in Golden Shower community, a CMP site, have been able to improve their houses. Roads have also been developed by the local government.
Photo © UN-Habitat / Gerald Nicolas

3.2.2. LAS PIÑAS CITY USES CMP FOR ITS CITY-WIDE SOCIAL HOUSING PROGRAMME

Las Piñas City is one of the few local governments with an institutionalized programme for local housing needs. In 2007, more than half of its 40,628 urban poor households (56.3 per cent) occupied private lands, while the rest were on land owned by the local government or by national government agencies.
In 1995, the city government created the UPAO. In 2008, the Housing and Estate Development Board was set up to manage policies for housing projects and programmes, and estate management and urban development. The UPAO was the main coordinating body.

The city organized informal settlers into bona fide organizations which were required to register with the Securities and Exchange Commission and/or the Bureau of Internal Revenue and were offered different land acquisition schemes.
By December 2007, a total of 26,926 households, or 66 per cent, of the city's informal settler population had been given security of tenure through the city's land acquisition schemes. Sixty-five per cent of these projects (involving 59 HOAs that had 5,608 households) had been taken-out or completed, while the remainder were at the priming stage or were under process.

The UPAO provides technical and organizing assistance to informal settlers under CMP, while origination activities are delegated to accredited NGOs. The local government manages the construction of amenities, such as roads and drainage. The city government has also negotiated on behalf of the informal settlers for benefits from other government agencies by endorsing requests for transfer tax or capital gains tax exemptions, and amnesty in cases of tax deficiency.

To address the informal settlers' financing needs, the city passed the Municipal Ordinance 303-96, which appropriated PHP 5 million as a revolving fund to finance land acquisitions.

BOX 2: LOCAL GOVERNMENT USES CMP FOR TENURE REGULARIZATION OF SLUM COMMUNITIES

One of the communities in Las Piñas that accessed a CMP loan was the Sunshine Ville HOA in Barangay Talon Dos, a property covering 6,000-square metres beside a high-end subdivision. Most of its beneficiaries were factory workers, drivers and laundrywomen.

In 2000, a person named Gorospe wanted to subdivide the property, which prompted the community to approach the UPAO. UPAO suggested that the community reactivate its association, which was eventually named La Suerte Neighbourhood Association. In 2001, another claimant, Smithville Finance Corporation, presented a land title and sued the community association for engaging with Gorospe. The UPAO helped the community association negotiate the price of the land at PHP 3,000 per square metre.

The UPAO introduced the CMP to the community and found an NGO originator for it - the Foundation for Development Alternatives. The PCL was released in 2002. Re-blocking was conducted in 2003 and, with the help of another NGO, Gawad Kalinga, houses were built for 89 families. UPAO managed site development and hired community members as construction workers. The loan was "taken-out" in early 2009.

The HOA president attributed the success of the project to the support of the UPAO, which had made it easier for the association members to comply with the requirements.

[10] In July 2000, the Asian Development Bank, using the JFPR and with the Department of Social Welfare and Development piloted slum upgrading projects in Payatas, Quezon City, and Muntinlupa City. Each was given USD 1 million.

3.3. LEGAL, INSTITUTIONAL AND GOVERNANCE FRAMEWORK

The CMP, as a component of the National Shelter Programme, had an annual budget from the National Government. From 1988 to 1994, short-term loans from government insurance corporations constituted the main source of funding for the CMP. From 1995, through Republic Act 7835, the CMP was to have a PHP 12 billion budget for five years, approximately PHP 2.4 billion a year, from the national budget.[11] Subsequent allocations were to be determined by Congress.

As explained earlier, the CMP was established and first managed by the NHMFC. In 2004, the CMP administration was transferred to the SHFC, which was then a newly-formed subsidiary of the NHMFC, so that its implementing agency would have the flexibility to adopt policies and develop housing finance products that considered the capacities and limitations of the poor.

The participation of local governments in CMP found a legal basis in the Local Government Code of 1991 or RA 7160, which articulated the decentralization of public services related to housing. Because the end-goal of the CMP was formal land ownership, beneficiaries had to deal with other government agencies such as the Bureau of Internal Revenue, the Registries of Deeds, Land Registration Authority (LRA), Lands Management Bureau and the DENR.

3.4. PEOPLE'S PERCEPTIONS OF THEIR ACQUIRED SECURITY OF TENURE

The opportunity to own land made the beneficiaries of the CMP in Golden Shower in Payatas, Quezon City, and Sunshine Ville in Talon, Las Piñas City, better-off than informal settlers under other government housing programmes. Aside from paying relatively smaller monthly amortizations compared to renting or repaying a government-sponsored housing unit in an off-city resettlement site, they felt that CMP provided them with more security and a deeper sense of belonging to the city where they lived. Other impacts of the CMP included social acceptance from other segments of society and the beneficiaries' investing in housing improvements.

From a pocket of improvised dwellings made from scrap materials, Sunshine Ville was transformed into a clean and orderly community. Photo © UN-Habitat / Gerald Nicolas

[11] However, the CMP has appropriated only PHP 500 million annually since the law was enacted and a balance of PHP 6 billion remained unreleased to the programme as of 2009.

3.5. THE BENEFITS AND LIMITATIONS OF THE TENURE APPROACH

3.5.1. BENEFITS

In-city housing: CMP allowed informal settlers to remain in areas near their employment and essential urban services.

Better access to services: Once a community had acquired, or was in the process of acquiring, full security of tenure, other aspects of housing were improved, such as drainage systems, access roads, legal power connections and water supply. Free from the threat of eviction, people in a CMP project could upgrade their structures incrementally.

Affordable security of tenure: The guarantee of full ownership granted at the loan take-out stage encouraged the community association to be committed to keeping their home lots and paying their amortizations, thus the high repayment rates under CMP. The programme also allowed monthly amortizations that were affordable for very poor households.

3.5.2. LIMITATIONS

Limited scope: It only prioritized informal settler families occupying private lands, whose owners were identifiable and willing to sell the land at a price within the loan ceiling of CMP and which the members of the community could afford. In highly urbanized areas such as Metro Manila, it is a huge disincentive for landowners to sell their land below market prices to unauthorized occupants.

Numerous and difficult requirements: A community organization applying for a CMP loan has to comply with very stringent documentary and organizational requirements that are not easy to meet without the help of an originator. Long processing times have delayed payments to landowners, prompting some of them to withdraw their offer to sell the property to the community association. These delays also sometimes disillusion some community members and cause financial problems for the originators.

CHAPTER 4: PRESIDENTIAL PROCLAMATION

The disposition of government-owned lands to their informal settler occupants through a land proclamation is an established policy and practice for providing secure tenure. A Presidential Proclamation normally involves government-owned land that is declared available for disposition to families occupying the subject property, informal settlers residing in other areas, and employees of government agencies or local government units. But some presidential proclamations involve privately-owned lands which the national government acquires through expropriation or simple negotiated purchase and then disposes to the intended beneficiaries.

4.1. FEATURES OF THE APPROACH

There is a set of "pre-proclamation" guidelines issued by the HUDCC.

HUDCC compiles the requisite documents for submission to the Office of the President.

A land proclamation usually takes the form of an Executive Order issued by the President. After the proclamation is issued, the disposition of the land can be initiated by a Local Inter-Agency Committee (LIAC) whose membership, responsibilities and institutional arrangements are usually spelled out in the Executive Order. In cases where these are not specified, the post-proclamation guidelines provide a generic set of arrangements to be followed. Typical steps involved in the land disposition process are:

- A census is done to determine the identities and the number of the actual residents/occupants in the proclaimed site which becomes the basis of a master list of qualified beneficiaries of the proclamation.
- A survey is done to determine, among other things, residents' income and capacity to pay.
- Policies and guidelines for beneficiary selection and awarding are issued.
- An occupancy verification survey is done to ascertain if the present occupants are on the master list or were in the census. This serves as the basis for a certificate of lot allocation.
- Survey works done either by the land or project administrator, or by the community association, which produces a technical description of each plot to be awarded.
- A notice of award is issued specifying the name of the beneficiary and the technical description of the home plot to be awarded.
- A contract to sell is issued specifying the price of the home plot awarded and the terms of payment, including the interest rate and the period of amortization.
- A deed of sale is signed between the beneficiary household and the landowner (a government agency), upon full payment of the land by the beneficiary.
- A land title is issued in favour of the beneficiary after the necessary taxes are paid, or after tax exemptions are obtained.

4.2. APPLICATION OF THE APPROACH IN TWO CASES

4.2.1. BASECO: RECLAIMING THE RIGHT TO SHELTER ON RECLAIMED LAND

The Baseco Compound on public land at the mouth of the Pasig River, north of Manila, contained an urban poor community of 10,000 families (Moraleda, 2009). In 2001, when an ADB-assisted project was initiated for the rehabilitation of the Pasig River and the development of the areas along it, the 52-hectare property was among those declared a priority "urban renewal area". This implied that the informal settler families living within the 10 metre prescribed legal easement of the river would have to be relocated to government-established sites outside Metro Manila. But the families faced with eviction sought the help of an NGO and lobbied with the Office of the President and the HUDCC for the site to be "proclaimed".

Slum condition in Baseco slum settlement, Manila. Photo © UN-Habitat / Gerald Nicolas

In January 2002, the President declared the area "open to disposition" through Presidential Land Proclamation No. 145. A LIAC headed by the city mayor was formed to plan and oversee the disposition of the land to the informal settler families. The community organization, Kabalikat, negotiated with LIAC on various issues, foremost of which was the adoption of the people's plan for the development of the area, and the treatment to be accorded the different types of residents of the area.

The Government invited two NGOs to put up 2,000 houses for people in Baseco.

In 2005, the Philippine Reclamation Authority declared the land in Baseco Compound unsuitable for building even one-storey residential structures. The environmental compliance certificate could not be issued for any social housing project on the site, once again hampering the disposition of the proclaimed land.

BOX 3: COMMUNITY ORGANIZATIONS HELP COLLECT USEFUL INFORMATION AND PROTECT THE RIGHTS OF DISADVANTAGED MEMBERS

Kabalikat undertook a socio-economic survey of 4,419 families in the area and the information was used for a proposed community development plan. The plan noted people's preferred housing designs, needs for livelihood and their capacity to pay.

Between 2001 and 2004, three serious fires broke out in the informal settlement.[12] Some residents suspected they were deliberately set to remove some families from the list of qualified beneficiaries of the land proclamation. However, there were no formal complaints or investigations. After each fire, community members had to fight the authorities to be allowed to return to their former homes. Fortunately, Kabalikat's 2001 community survey could be used to determine which families should be allowed to return. People had to constantly assert their right to return to their former home sites and their eligibility for lot awards.

As a result of Kabalikat's efforts, some 700 homeowners were the first to be awarded lots and renters and sharers were eventually given lots in a new site within the area.

In 2008, LIAC was replaced by a project inter-agency committee (PIAC) constituted by Kabalikat and other community organizations, which had then been working on the formulation for implementing the rules and regulations of Presidential Proclamation 145.[13]

The Baseco case demonstrated that the most critical issues were political and institutional. The legal basis of the proclamation was clear and uncontested; the formal procedures were more or less established by the general guidelines issued by HUDCC. The technical issues on qualifying beneficiaries and soil characteristics could be resolved, but the existence of a climate of distrust and different political agendas muddled the land disposition process. The institutional arrangement of the LIAC was unable to resolve the divergent agendas of the city government, the national government and the community.

BOX 4: ISSUES THAT CAN HAMPER THE DISPOSITION OF "PROCLAIMED LAND"

In the example of the presidential land proclamation in Baseco, three issues were critical for tenure regularization to proceed:

1) the determination of the qualified beneficiaries;
2) the suitability of the site for residential use; and
3) the securing of an agreement among the key stakeholders and authorities on the allocation of land uses within the proclaimed area.

While the community organization wanted to include sharers and renters among the qualified beneficiaries, the Government proposed giving priority to homeowners, but no assurance that renters and sharers would be awarded lots. Ultimately, however, the post-proclamation guidelines issued by the HUDCC did not discriminate between structure owners and renters. The eligibility criteria included only those stated in the UDHA, namely that the beneficiary:

1) is a Filipino citizen;
2) is an underprivileged or homeless person;
3) does not own any real property in a rural or urban area; and
4) is not a professional squatter or member of a squatting syndicate.

The suitability of the site for residential use became an issue because the subject property stood on improperly reclaimed land. Other major issues were the cost of the soil rectification procedure, whether the people would have to pay for this, and which agency would bear the cost.

The third critical issue that delayed the disposition of the land was the failure of the different stakeholders to agree on the actual size and location of the socialized housing site. This would not have been an issue if the actual proclamation had been definitive and explicit.

[12] The fires occurred in March 2001, March 2002 and January 2004. There was a fourth fire in January 2010.
[13] Other members of the PIAC included the City of Manila, the HUDCC, the NHA, the DENRand the Department of Public Works and Highways (DPWH).

4.2.2. THE NATIONAL GOVERNMENT CENTRE (NGC): FOUR PRESIDENTS AND AN UNFINISHED PROCLAMATION

The following case involving the NGC shows that it may be decades before the beneficiaries of a presidential proclamation receive titles to their lots. In 1975, President Ferdinand Marcos issued Proclamation 1826 reserving 444 hectares of an area in Quezon City to constitute the NGC. The NGC Development Committee was created and a survey was done in 1979 to establish the boundaries of the NGC.

Across several administrations, the institutional arrangements for implementing the proclamations underwent many changes: Under President Corazon Aquino (1987-1992), the HUDCC acted as administrator and created the NGC Housing Committee (NGCHC). As trustee, the Home Guaranty Corporation (HGC, then known as the Home Insurance and Guaranty Corporation) received a yearly appropriation from the national Government and held the titles to the properties contained in the NGC.[14] DPWH was in charge of buying privately-owned lands, but the titles were placed under HGC. This arrangement continued under President Fidel Ramos (1992-1998).

Then, under President Joseph Estrada (1998-2000), the administration of the East Side of the NGC was transferred from HUDCC to the Presidential Commission for the Urban Poor. In 2005, under President Gloria Arroyo, the NHA became project trustee, replacing the HGC.

In 2009, about 4.5 hectares in the West Side, with approximately 650 families, was still unacquired. In the East Side, 129 hectares underwent judicial reconstitution because there were no existing titles to establish ownership. Reconstitution was expected to take some time.

Communities in NGC have to follow the approved subdivision plan by adjusting their houses to make way for access roads. Photo © UN-Habitat / Gerald Nicolas

[14] About 136 hectares of the NGC was covered by a private donation to the Government. But Presidential Proclamation 1826 expanded the coverage of the NGC land and decreed the reservation of over 400 hectares as part of it. Still, many land parcels were privately-owned and had to be acquired before the land could be disposed of.

BOX 5: THE NECESSITY AND USES OF INTERMEDIATE TENURE INSTRUMENTS

In the early stages of project implementation, the following steps were taken. First, resident families were given Beneficiary Qualification Stubs upon being interviewed for the census. Based on the criteria for beneficiary qualification in NGCHC's Code of Policies, families included in the census were qualified and their names were then put on the master list, after cross-checking these against NHA's alpha-list of all previous awardees of NHA's social housing projects. Qualifying residents got Certificates of Project Qualification.

Groups of families were organized into HOAs that contracted the survey works and the drawing up of subdivision plans. These plans were then submitted to the Department of Environment and Natural Resources (DENR) for approval. Award processing then started and sometimes, while the processing was under way, the project office issued certificates of title reservation (CTR) to qualified families upon request. After processing, the beneficiary received a notice of award and the parties signed a contract to sell. Beneficiaries began to pay their monthly amortizations and, once the full payment was made, a deed of sale was prepared and a title issued.

When the NHA assumed administration of the project, the process was simplified and the first document the beneficiary got was the notice of award. The NHA noticed many cases of unauthorized transfers of census stubs, which led to disputes and complications in verifying the rightful beneficiaries. Doing away with the stubs and certificates would not have been a problem if the process of qualifying beneficiaries and processing the award did not take so long. Many factors delayed the processing. Currently, there are certificate holders in the still unacquired properties in the NGC West Side. For them, the issuance of intermediate rights-based instruments may protect their rights as the intended project beneficiaries, especially if another change takes place in administration and in institutional arrangements and policies.

4.3. LEGAL, INSTITUTIONAL AND GOVERNANCE FRAMEWORKS

The policy and practice of providing tenure security to informal settlers through presidential proclamations were further strengthened by the UDHA. This is because while the law did not specifically cite or mandate the adoption of this particular approach to provide legal tenure to informal settlers, it directed the Government to make idle, government-owned lands that had not been used for ten years prior to the law's enactment, available as social housing sites.[15]

This specific provision became the legal basis for a Memorandum Order issued by then President Arroyo in 2002, making presidential land proclamations a formal policy. Following the issuance of the Executive Order, the President issued Memorandum Order 74 directing HUDCC to formulate post-proclamation guidelines. This standardized the processes for the disposition of government-owned lands to informal settlers. The HUDCC also issued the implementing guidelines for the pre-proclamation process.

[15] Article IV Section 8 of RA 7279

Memorandum Order 74 specifically directed HUDCC to confer and coordinate with the local government to plan and expedite the disposition of the proclaimed site to the bona fide occupants and to grant titles. The order also stated that the necessary funds would be incorporated into the annual budgets of HUDCC and participating agencies under the General Appropriations Act. Agencies were to incorporate the post-proclamation activities in the budgets submitted to Congress to ensure funding. Congress could decide not to grant the full amounts requested.

Guidelines for implementing presidential land proclamations were issued by HUDCC, which assigned appropriate roles and tasks to HUDCC itself, to the land administrator, local governments and the communities. The establishment of a project inter-agency committee for each proclaimed site was mandated to oversee the land disposition process.[16]

National Steering Committee (NSC) was likewise established to oversee the implementation of the post-proclamation guidelines and activities of the PIACs. HUDCC was to serve as the NSC's secretariat.

The post-proclamation activities were spelled out as follows:

1) the conduct of social preparations, including community consultations and census and tagging;
2) beneficiary selection and arbitration;
3) physical development; and
4) estate management.

The guidelines also stipulated the land valuation and pricing policy. Valuation was to be based on the zonal valuation but was not to be lower than the assessed value. It would follow the rules for valuation set by the Department of Finance or the DENR.[17]

The tenure arrangements allowed by the guidelines included:

1) ownership through sale;
2) lease with the option to purchase; and
3) usufruct, with an explicit preference for the first two. [18]

Financing for the purchase of lots was to be provided through the home financing facilities of the HDMF or Pag-IBIG Fund, CMP of the SHFC, the GSIS, the Social Security System and local government-initiated financing schemes.

There is a prohibition against the sale, conveyance, encumbrance, or leasing of the awarded lots by the beneficiary, except to qualified beneficiaries as determined by the land administrator or the local government.

Under these guidelines, the local government and the land administrator play key roles in the implementation of post-proclamation activities and the land disposition process. Depending on the level of interest of the local government, it can play a decisive or a minimal role. In the Baseco case, the local government played a lead role and exercised its authority over major decisions, such as the formulation of beneficiary qualification criteria, deciding on which census to recognize as the basis of the master list, and inviting NGOs to undertake housing projects in the area. In the NGC, on the other hand, the local government was practically uninvolved, while HUDCC and NHA were the principal players. One reason behind this set-up was that the land disposition process had been far advanced in the NGC when the post-proclamation guidelines were issued in 2007.

4.4. THE PEOPLE'S PERCEPTIONS OF THEIR ACQUIRED SECURITY OF TENURE

Residents of the Baseco-proclaimed site feel more secure now that they did before the area was proclaimed because they expect to be given land titles in the future even with the unresolved issues about the suitability of some areas for residential structures. In the NGC, people currently feel a greater sense of security compared to the residents of Baseco, because of the distribution of lot awards. Many areas are being re-blocked, which the residents view as stronger evidence of security because it signals the Government's resolve to transfer ownership of the home plots to them.

Unlike in Baseco settlement, roads in NGC are more developed. Photo © UN-Habitat / Gerald Nicolas

[16] The guidelines state that the PIAC shall be composed of, but not be limited to: HUDCC, PCUP, DENR Land Management Service, people's organizations, NGOs and the local government concerned.
[17] Rules are in Department of Finance (DOF) Circular 1-97 and for proclaimed sites administered by DENR, in Department Administrative Order 98-20.
[18] The guideline states that "In certain justifiable cases that are mutually acceptable to the concerned parties, the government may resort to usufruct as an alternative mode of tenure arrangement." (Sec 16) A usufruct arrangement requires "justification".

4.5. BENEFITS AND LIMITATIONS

4.5.1. BENEFITS

The process is simpler: One obvious advantage of a presidential proclamation is that residents of informal settlements have some security or protection from eviction, without the arduous process of acquiring land through purchase. It also provides reasonable security against eviction on a much larger scale, compared with, for instance, the CMP.

Facilitates the provision of services: A presidential proclamation can persuade governments to provide basic services, upgrade informally settled communities and institute a tenure regularization programme on these sites.

Curbs squatting syndicates: Aside from putting pressure on local governments to regularize the tenure of informal settlement, it has also challenged syndicates or private landowners who are legitimately or illegitimately claiming lands occupied by informal settlers. It can expand the scope of lands made available to the urban poor beyond market transactions or judicial processes.

4.5.2. LIMITATIONS

Delays in land acquisition: The pre-proclamation process can be just as arduous and protracted as, for instance, negotiating a land purchase with a private landowner and getting a CMP loan approved. In fact, experiences have been mixed. While some proclamations had to go through the proverbial eye of a needle, others were facilitated by political pressure or influence.

Politics: The disposition of land under a presidential proclamation might be vulnerable to political influences. The President may choose to give high or low priority to a specific proclamation and consequently decide what resources would be made available for it. Similarly, a local government official can block the implementation of post-proclamation activities if the beneficiary community happens to be in a rival politician's area of power.

Weak accountability: The fact that the post-proclamation and land disposition processes are not cast in stone can be both an advantage and a disadvantage. The process maybe less bureaucratic but enforcing accountabilities, even if spelled out in the post-proclamation guidelines, is weak.

BOX 6: A SUCCESSFUL PRESIDENTIAL PROCLAMATION

One example of a relatively successful Presidential Proclamation is that involving the property owned and administered by the Civil Aeronautics Administration in Las Piñas City which was proclaimed in 2000 and a social housing project was inaugurated on the site in 2002 by President Arroyo. The project was to benefit 8,000 informal settler families.

The NHA was made project administrator and the local government assumed responsibility for the site development, while the congressional representative used her congressional fund allotment to provide water, electricity and housing assistance.

The agencies decided to include the costs of the land survey and titling fees in the monthly amortization to avoid the problem encountered by several community associations in the NGC, whose members refused or could not afford to pay for these items. As project administrator, the NHA conducted the census, the socio-economic survey and occupancy verification.

It issued certificates of lot allocation as the first intermediate tenure instrument after beneficiary qualification. Socialized pricing of the lots was adopted, starting at a minimum price of PHP 1,000 per square meter. The individual notices of award were issued within three months. The project began titling after eight years, the same amount of time Baseco needed to complete the process of beneficiary qualification and selection.

CHAPTER 5: USUFRUCT AGREEMENT

Usufruct is a peculiar property right in which beneficiaries are entitled to enjoy nearly all rights of ownership, except the right to have a legal title and to alienate, transfer or dispose of property. This right is entrenched in the Civil Code of the Philippines or Republic Act 386, Articles 562-612 and has been a viable approach to providing in-city tenure to poor people.

5.1. FEATURES OF THE APPROACH

In a usufruct arrangement, the local government retains ownership of the land, but poor families are allowed the use of the land for 25 to 50 years, renewable if mutually agreed upon. In most cases, a private entity or non-profit organization constructs the housing units for which the families amortize payments over 20 to 30 years. Because the users do not have to pay for the cost of the land, amortization payments are affordable.

5.2. APPLICATION OF THE APPROACH IN TWO CASES

5.2.1. THE TAGUIG-HABITAT MEDIUM-RISE BUILDINGS

Confronted with the problem of relocating 25,000 informal settlers in Taguig, the LGU ventured into a partnership with the NGO, Habitat for Humanity Philippines (HFHP). Beneficiaries had to have been Taguig residents for at least five years, be registered voters with no property anywhere else in Metro Manila, and have at least one income-earning family member.

BOX 7: TERMS AND INSTITUTIONAL ARRANGEMENTS IN A MEDIUM-RISE HOUSING PROJECT ON LAND UNDER USUFRUCT

Taguig City's medium-rise housing development, the first social housing project by a local government to make use of the usufruct approach, was made possible through the partnership between the city and two NGOs: Habitat for Humanity Philippines (HFHP) and Philippine Business for Social Progress under the STEP-UP project. The city government provided the land, the HFHP financed building construction and PBSP provided PHP 70,000 of the PHP 220,000 unit cost or loan amount per beneficiary. The borrower put in PHP 20,000 and the balance was covered by Habitat for Humanity. This pooling of funds is an important strategy because MRBs are more expensive than individual core houses normally provided by the NHA or the CMP.

The Family Selection Committee of the Local Housing Office managed the screening of intended beneficiaries. Before units were turned over, HFHP met with qualified beneficiaries and discussed the contents of the "Kasunduan sa Pagbili/Pag-upa" (Contract of Lease or Sale).

The beneficiaries' use rights did not include ownership of the land and beneficiaries were not allowed to resell or rent out any of the MRB units awarded to them without the written consent of HFHP and Taguig. The Forward Taguig Neighbourhood Association (Pinagsama) and the Habitat-Bagumbayan Neighbourhood Association (Bagumbayan) were formed. They maintained membership savings for building repairs and regular seminars were conducted with the beneficiaries in coordination with HFHP, Couples for Christ, city government and the Department of Social Welfare and Development (DSWD).

Through a city resolution, the local government approved the HFHP project on a parcel of land in Pinagsama Village, Western Bicutan. Consequently, three-storey condominium buildings were erected on land owned by the city and units were turned over to 60 beneficiaries in 2004. Thereafter, more Habitat-MRBs were constructed in Barangay Bagumbayan and turned over to 48 beneficiaries in 2006.

Taguig's latest completed usufruct arrangement was for a property known as the Food Terminal Incorporated (FTI) Compound. FTI was a government-owned corporation.

The Taguig LGU and FTI entered into a Memorandum of Agreement (MOA) allowing the former to use a portion of the property for socialized housing on usufruct terms, in exchange for the unsettled real property taxes of the latter. The project was funded by the Rotary Club of Manila, which commissioned HFHP as the builder.

The project yielded 96 housing units with a floor area of 26.10 square meters each, dispersed across eight buildings. The tenure arrangements were similar to those for Pinagsama and Bagumbayan, but buyer's financing would be sourced from the Pag-IBIG Fund.[19] After taking out a Pag-IBIG loan, a Contract to Sell was issued to the beneficiaries. Monthly amortization on the unit was PHP 950, payable over 25 years. City employees, teachers, Philippine National Police staff, military personnel and other qualified informal settlers formerly residing in the FTI Compound were the target beneficiaries.

FTI-Taguig MRB is the latest socialized housing venture of HFHP. Photo © UN-Habitat / Gladys Ann Rabacal

5.2.2. SOUTHVILLE 3 MUNTINLUPA HOUSING PROJECT

This project involved the resettlement of informal settler families displaced from the rights-of-way of the Muntinlupa segment of the Rail Linkage Project-Southline.

The large-scale social housing project was the object of Presidential Proclamation 1159 issued in September 2006, which set aside 50 hectares of

[19] The Pag-IBIG Fund is a government-managed mutual and pension fund to which all government and private sector employees and employers make a contribution by law. The fund provides housing finance to its members.

the New Bilibid Prison Reservation for the housing needs of government employees and long-time residents of the area. The proclamation declared that the usufruct arrangement was for an initial period of 50 years. NHA, named as the lead agency of all subprojects within the site, decided to use the property as a resettlement site for approximately 7,000 informal settlers in the city, most of whom were to be displaced by the South Rail project. The landowner was the Republic of the Philippines and the usufructuaries were the informal settlers relocated to the NHA-built housing in the resettlement site.

For the beneficiaries, Southville 3 provided them decent and affordable shelters. Photo © UN-Habitat / Gerald Nicolas

BOX 8: INNOVATING RESETTLEMENT PRACTICE THROUGH USUFRUCT

The Southville 3 Housing Project in Muntinlupa was the NHA's first socialized housing project to use the usufruct arrangement. In early 2007, the NHA conducted "social preparations" with the beneficiaries who were the inhabitants of the National Bilibid Prison site and the families affected by the Government's South Rail-Linkage Project[20] in the Muntinlupa segment. The NHA discussed with them following documents it drafted: the Usufruct Agreement between the beneficiaries and NHA, the Loan Agreement, and the Housing Materials Loan Agreement.

The housing project yielded 7,253 units. Development financing came from the NHA and the cost per unit (excluding the land) was PHP 100,000, of which PHP 25,000 was a subsidy and did not have to be repaid. Monthly payments would increase from PHP 200 in the first year, to PHP 808 in the last year and an amount of PHP 1.50 was charged for every month that the payment was delayed.

As stated in the usufruct agreement, the beneficiaries would continuously occupy the property exclusively for residential purposes and abide by the NHA's occupancy rules and regulations. They also paid taxes, assessments, and for home improvements. The usufructuary rights were not transferable, except to their heirs in hereditary succession if they qualified under the project's beneficiary selection criteria.

Beneficiaries can be evicted if they violate the usufruct agreement. The rights of the usufructuary may stop upon the death of the usufructuary, the end of the agreement, the renunciation of the usufructuary, the total loss of property in usufruct, and the termination of the right of the person conducting usufruct.

5.3. LEGAL, INSTITUTIONAL AND GOVERNANCE FRAMEWORKS

The terms and conditions of a usufruct arrangement can be stipulated in legally binding documents which specify the period, other terms, conditions and the responsibilities of the parties concerned. Depending on the tenure and financing mechanisms, the usufructuary can either be an institution or an individual.

Local and national governments can make land that they own available to their poor constituents without transferring ownership. In Taguig, its Local Housing Office entered into a partnership with a private non-profit organization (HFHP) that constructed the housing units. In Muntinlupa, the NHA was the lead administrator of a large-scale housing project on a proclaimed site. An inter-agency committee that was formed to oversee the relocation had representatives of the community and NGOs as well as local officials of PCUP and NHA as members.

[20] The South-Rail Linkage was a "flagship" project of the Arroyo administration and got priority funding through the NHA.

In general, the builders or developers of houses on lands under usufruct recover their costs of construction. Beneficiaries pay monthly amortization to the administrators within a specified period and, on completion of payments, the housing units (not the land) are "owned" by them.

The Taguig MRBs in FTI, HFHP and the LGU had a special arrangement with Pag-IBIG to provide beneficiaries (who were Pag-IBIG members) with a loan, even if they did not have land to serve as collateral. The administrators also monitored the beneficiaries' payments and conduct. Failure to comply with the agreed provisions resulted in eviction.

The city government of Taguig realized that it could provide decent and secure housing for its informal settlers without losing control and possession of the lands it owned.

5.4. THE PEOPLE'S PERCEPTIONS OF THEIR ACQUIRED SECURITY OF TENURE

5.4.1. PERCEIVED SECURITY

Residents of both sites perceived that they had secure tenure for 50 years. The Taguig residents had an additional 25 years if they complied with the rules and regulations stated in the contracts.

5.4.2. PROOF OF SECURITY

The usufruct grants on both sites were well documented through the MOAs and proclamations executed. The beneficiaries of Taguig MRBs had with them the Contracts of Lease / Sale signed by the home partners and HFHP. The only document the beneficiaries had was an "entry pass" with their promise to abide by the regulations of the housing programme. The pass also served as a permit to enter the resettlement site. However, it was not an automatic award to the unit.

5.4.3. LOBBYING FOR THE LAND

Even though the Muntinlupa beneficiaries were contented with their housing, they still wanted land ownership. For them, full security of tenure was if they had a land title that they could pass on to their children. One Taguig beneficiary, however, believed that by the time the usufruct agreement had expired, his child would have enough savings to be able to buy a house and lot of his own.

5.4.4. A GOOD MOVE BY THE GOVERNMENT

One beneficiary from Muntinlupa said the usufruct scheme was a good move by the Government to stop illegal settling. She believed that the NHA had found a way to ensure that the poor had access to socialized housing and it was reasonable that beneficiaries did not own the land.

5.4.5. SECURITY FOR BENEFICIARIES

Taguig beneficiaries felt more secure knowing that a housing project was NGO-sponsored rather than built by the Government. Beneficiaries of both sites also believed that it would not be easy to eject them because so many agencies had invested money in the development.

5.5. BENEFITS AND LIMITATIONS OF THE APPROACH

5.5.1. BENEFITS

Affordability: With a usufruct arrangement, housing units were made affordable because the land was acquired at no cost. Beneficiaries of both sites agreed that the payment for the units was affordable and reasonable, since they only had to pay for construction costs and site development.

Nevertheless, despite this affordability, some residents still found it difficult to make the monthly payments because they prioritized paying other bills (electricity, water and school fees).

Addressing the housing needs: The city government of Taguig realized that it could provide decent and secure housing for its informal settlers without losing control and possession of the lands it owned.

5.5.2. LIMITATIONS

Restrictions: The usufruct approach prevents beneficiaries of housing projects from actually owning the land. Where people live in multi-storey buildings on usufruct land, not only must they adjust to living in densely populated residential structures, they also have limited control over their respective units. Alterations in these units are subject to the approval of the building administrators.

Some anxiety over the expiration of the usufruct: Some beneficiaries were puzzled over what would happen when the usufruct agreement expires after 50 years. Some also worried about what they were going to leave their children, which is why Muntinlupa beneficiaries continued to lobby for land ownership.

PART III

INSTITUTIONALIZING ALTERNATIVE TENURE APPROACHES

CHAPTER 6: FINDINGS AND CONCLUSIONS

The study of the three approaches has provided insights on the benefits of alternative tenure approaches in general and lessons on what worked and where certain difficulties lie. At the same time, opportunities for scaling up and institutionalizing these approaches can be culled from an analysis of the laws, institutions and capacities of stakeholders. Some common problems with institutionalizing and scaling up the approaches are the subject of this chapter.

6.1. BENEFITS OF INSTITUTIONALIZING ALTERNATIVE SECURE TENURE APPROACHES

6.1.1. PROVISION OF TENURE SECURITY IN LOCATIONS PREFERRED BY THE URBAN POOR

The three approaches surveyed in this study are viable strategies for providing secure tenure and housing for the urban poor at scale particularly in locations where they have established viable settlements and livelihoods. They provide an alternative to off-city or distant relocations of informal city dwellers. Among the benefits of institutionalizing alternative approaches is the enabling mechanism it lends to the Government's stated policy of providing good housing and livelihoods to urban poor citizens as contained in existing laws.

6.1.2. PROVISION OF SERVICES AS A RESULT OF THE PROVISION OF IMMEDIATE TENURE

Institutionalizing secure tenure approaches could accelerate the regularization of untenured communities. Case studies have shown that formalizing the tenure of informal settlements triggered the provision of services to these communities, not only by Government, but also by private entities such as utility companies and civic organizations. Poor people are more willing to invest in legalizing their water and power connections when tenure is more secure.

6.1.3. THE ENABLING OF EFFECTIVE LAND MANAGEMENT

In a situation where the urban population is growing very fast and the land available for housing is decreasing, the need for effective land management by the state is increasingly recognized. Institutionalizing secure tenure approaches that favour alternatives to private land ownership, such as community leases, occupancy rights, rental and the usufruct arrangement, provides opportunities for city-wide planning that is flexible and sustainable. This is because it enables the Government to retain control over land that can be used to address future shelter and development needs.

6.1.4. MORE AFFORDABLE SECURE TENURE

Conventional approaches to providing secure tenure primarily aim to confer ownership rights. Alternative tenure approaches do not entail paying the full economic cost of the land and so afford an opportunity to get tenure at a lower cost compared with acquiring a title. For authorities, providing tenure through freehold titles is also more costly because of the transaction costs involved, which are usually subsidized for low-income families. Intermediate tenure instruments, such as usufruct contracts and certificates of lot awards, enable the Government to provide secure tenure more cheaply.

The benefits of institutionalizing alternative secure tenure approaches are summarized here.

Table 4: Benefits of institutionalizing alternative tenure approaches

FEATURES	CONVENTIONAL APPROACHES	ALTERNATIVE SECURE TENURE APPROACHES
Form of tenure	Individual ownership of lot and housing unit.	Community ownership, usufruct, occupancy right, community lease.
Cost to the beneficiary	PHP 150,000 – PHP 180,000 for a typical NHA-provided resettlement lot and housing unit.	PHP 100,000 for resettlement unit on usufruct land; PHP 50,000 – PHP 80,000 for lot only in a typical CMP project.
Institutional arrangement	Responsibilities for implementing all the steps in providing tenure are centralized in one (national) agency.	A range of multi-stakeholder partnerships involving communities, local governments, NGOs and other private groups. Different modalities of cooperation are possible.
Tenure instruments	Certificate of award, leading to the grant of a title upon full payment.	Various instruments; mix of intermediate and long-term. Examples: certificate of lot award, contract to sell, usufruct agreement
Rights enjoyed by holder	During period of amortization: Right to use/occupy but not the right to transfer, lease, sublet or sell. Upon full payment: right to sell, lease or transfer.	Right to use/occupy, but not the right to transfer, lease, sublet or sell.
Location and proximity to jobs	Off-city, few livelihood opportunities on-site.	On-site or in-city, easy access to employment and livelihood
Effective city-wide planning and land management	Predominantly privatized ownership of land, which leaves more limited opportunities to influence land uses and management.	Continuing control and ownership by the community or Government of land provides more opportunities for government to influence land uses, enforce zoning regulations, and use land resources to meet future shelter and development needs.
Repayment rates	Low rates of repayment (average of 30 per cent)	Higher repayment rates by beneficiaries (e.g. average of 80 per cent repayment for CMP and MRBs under usufruct) because of greater willingness to pay since the beneficiaries were involved in all major decisions.

Urban poor communities enjoy the benefits of the new road system and other infrastructure after a land proclamation in Quezon City. Photo © UN-Habitat / Danilo Antonio

6.2. WHAT APPROACHES HAVE WORKED?

6.2.1. INTERMEDIATE INSTRUMENTS

They can simplify tenure regularization. Aside from making tenure acquisition affordable, alternative approaches simplify the process. The issuance of usufruct contracts or land proclamations is simpler, cheaper and takes less time compared to a full titling process.

Rights-based intermediate tenure instruments used in some of the proclamation projects can be given immediately to residents of informal settlements, while already providing some measure of security to their holders. These instruments protect their holder from eviction, thereby conferring virtual tenure security. In cases where full titles are to be provided, these instruments confer security of tenure during the process of titling, which often takes several years to be completed.

In the case of the CMP, the process of gaining legal ownership is likewise long. But because the programme has established a clear procedure for acquiring tenure through the purchase of land from a private owner, there are documents which certify that the community is qualified to get a loan and that the Government intends to buy the land from the landowner. With these documents, families virtually enjoy security of tenure from the time a letter of guarantee is obtained - normally a few months after an application is filed.

6.2.2. INSTITUTIONAL ARRANGEMENTS THAT SUPPORT SECURE TENURE APPROACHES

As the case studies have shown, local governments have been able to initiate alternative tenure schemes on their own or in partnership with central government agencies. Government institutions and NGOs have developed systems and procedures that are appropriate and effective for implementing secure tenure approaches, even though they are frequently constrained by limited absorptive capacity and resources. Many local governments want to provide safe and secure housing for poor residents and will benefit from partnerships with other government institutions and private groups that provide clear mandates, accountabilities and standards of performance.

Table 5: Roles and responsibilities of different institutional actors under the three secure tenure approaches

INSTITUTIONAL ACTOR	CMP	PRESIDENTIAL PROCLAMATION	USUFRUCT
Shelter agency of the national government (e.g. HUDCC, NHA)	Provides financing for the acquisition of land by a community association	HUDCC recommends unused or idle government land as disposable for socialized housing and the issuance of a land proclamation Can either be the owner of the land or its administrator As administrator, it leads, organizes, and funds the activities for the disposition of the proclaimed land to its occupants	As owner of the land, it grants the right of use to a "usufructuary" or user Decides on the target beneficiaries, eligibility, and other policies of the project Provides long-term financing to beneficiaries for lots and/or homes
Local government	Selects communities for tenure regularization. Sometimes acts as an "originator" of a CMP project by assisting in the organization of the community, and preparing and guiding it throughout the process of loan application and the servicing of the loan or its repayment. Sometimes provides basic services in the CMP site. Approves the development plan.	Convenes the inter-agency committee which oversees the disposition of the proclaimed land. By virtue of its oversight function, it can influence policies and decisions regarding the disposition of the proclaimed land. Sometimes provides basic services in the proclaimed sites. Approves the development plan.	As owner of the land, it grants the right of use to a "usufructuary" or user. Decides on the target beneficiaries, eligibility and other policies of the project. Provides long-term financing to beneficiaries for lots and/or homes. Approves the development plan.
Department of Environment and Natural Resources (DENR)	Provides technical assistance and information on land surveys and status of the land.	Recommends public land or idle government-owned land as disposable for socialized housing and for the issuance of a land proclamation.	Provides technical assistance and information on land surveys and status of the land.
Land Registration Authority (LRA)	Certifies land registration; provides information regarding the status of the property.	Provides information regarding the status of the property.	Provides information regarding the status of the property.
Housing and Land Use Regulatory Board (HLURB)	In certain cases, approves subdivision plans.	Approves the subdivision plan.	Approves the subdivision plan.

Table 5: continued

INSTITUTIONAL ACTOR	CMP	PRESIDENTIAL PROCLAMATION	USUFRUCT
Community association	Organizes community members who want to avail of a CMP loan. Negotiates with landowner for the purchase of land. Complies with loan requirements. Collects loan payments from the members and remits to the lending agency.	Represents the community in the inter-agency committee, dialogues and negotiations with the government. Prepares a "community development plan" which it presents to government for adoption into the project Conducts activities in support of the community development plan (e.g. household surveys, community assemblies, etc.).	Represents the end-users or beneficiaries of the land. Assists in estate management. Implements the policies of the project and enforces its rules and regulations
NGOs	Acts as an "originator" of a CMP project by assisting in the organization of the community and preparing and guiding it throughout the process of loan application and repayment.	Provides technical assistance to the community association in the preparation of a people's plan. Assists in organizing the community association. Sometimes provides housing to the poorest families.	Acts as "usufructuary" and develop the land and/or builds low-priced housing on land owned either by a private donor or the Government. Provides financing.
Private sector	Private landowner sells land to the association and is paid by the lending institution.	Private landowner sells land to the government for disposition to urban poor occupants.	Private landowner provides land for use by an NGO and ultimately by poor families.
International Development Agencies (e.g. UN-Habitat, World Bank, Cities Alliance)	Provides technical assistance for city-wide shelter and land use planning which can identify CMP sites. Provides grants for slum upgrading in partnership with local governments and/or NGOs.	Provides technical assistance for city-wide shelter and land use planning which can identify sites for land proclamation and target communities. Provides grants for slum upgrading in partnership with local governments and/or NGOs.	Provides technical assistance for city-wide shelter and land use planning which can identify possible sites for usufruct. Provides grants for slum upgrading in partnership with local governments and/or NGOs.

6.2.3. ALTERNATIVES TO PRIVATE OWNERSHIP OF LAND

These increase access to secure tenure. Collective ownership and lease and usufruct arrangements do not only bring down the cost of secure tenure but also allow greater flexibility in generating secure tenure options for a larger number of households.

6.2.4. EXISTING LEGAL FRAMEWORKS

They provide openings for alternative secure tenure approaches. Innovations and significant impacts in the provision of legal tenure to informal settlers have been possible even without new laws or new mandates from central governments. Existing legal systems and laws have been exploited to support innovative approaches. Innovations, in turn, lead to new institutionalized practices and even new legislations that can further support the large scale application of alternative tenure approaches.

6.2.5. COMMUNITY ORGANIZATION AND PARTICIPATION

Community organizations facilitate consensus building and negotiation, thereby ensuring that community members speak with one voice when talking to concerned authorities. They enable community members, especially women, to participate in all the processes involved in resolving tenure issues. They make sure that the needs and interests of all in the community, including vulnerable households and members, are given the appropriate attention and interventions. They assist in the collection of payments associated with tenure acquisition and are also often able to access additional resources for community improvement.

6.2.6. SOURCES OF FINANCING FOR HOUSING AND TENURE

A combination of public and private sources, including community savings, works best for financing housing and tenure because government budgets are usually limited. Several different housing finance sources are available, which provide opportunities for forging institutionalized partnerships between the public and the private sectors.

Easy access to sufficient housing finance is important so that government agencies and local governments that want to embark on secure tenure programmes can pay for activities such as land acquisition, survey works and site development, and other forms of assistance provided for the urban poor. The urban poor also need access to housing finance so that they can pay for land acquisition (in the case of ownership-based approaches), site development (if not subsidized by Government) or house improvement.

6.2.7. PUBLIC-PRIVATE-PARTNERSHIPS

Private organizations like NGOs, microfinance institutions (MFIs), charitable and religious organizations, private foundations and even business corporations all engage in cooperative undertakings with government agencies to provide social services, including land tenure and housing, for poor families. They also bring into these partnerships valuable knowledge and technologies (e.g. building technologies, business systems) that can improve the efficiency and sustainability of innovative land tenure and housing schemes. NGOs provide valuable expertise in community organizing and capacity building to communities for managing tenure and housing projects, among them CMP projects. Some private organizations and NGOs, such as the HFHP in Taguig, can even provide financing for house construction. MFIs provide livelihood support, which is essential to strengthening the poor families' capacity to pay for services and tenure-related costs.

BOX 9: ROLES OF COMMUNITY ASSOCIATIONS

Community organizations help make poor communities become real stakeholders in development processes, including the regularization of tenure of informal settlements. They do this through the many roles they perform.

Consensus building and negotiation. **Issues such as the negotiation of the land acquisition process, qualifying beneficiaries and the treatment of residents can be resolved with the facilitation or mediation of community associations.**

Ensuring the continued participation of the community. **Collective action by a community is essential for the tenure acquisition process. For instance, agreement with Government on beneficiary qualifications and repayment plans are best decided with the community.**

Protection of vulnerable members. **Community associations play a role in safeguarding the interests and special needs of vulnerable members of the community. They sometimes have to intervene so that these needs are not overlooked when policies and rules are formulated.**

Participation of women. **Community organizations provide an effective vehicle for women to participate in decision-making. Participation in a land acquisition or secure tenure process equips women leaders with skills in negotiation, forging and enforcing compliance with contracts, filling out loan documents, understanding subdivision plans and basic accounting.**

Collection of payment. **Some collection schemes allow community associations to retain a small percentage of collections to support their operating expenses. Government agencies can get community organizations to help collect payments since many of them can go to the level of the households. Community associations may find ways to help defaulting members.**

Accessing additional resources. **Organized communities are better able to access additional resources from external entities such as civic organizations to meet various community needs, for example additional community infrastructure (e.g. day care facilities, multi-purpose halls).**

BOX 10: INSTITUTIONALIZING PUBLIC-PRIVATE PARTNERSHIPS

Alternative tenure approaches, such as the Community Mortgage Programme (CMP) and the Taguig City Social Housing programme, are built on institutionalized partnerships between government entities and NGOs.

One distinct feature of the CMP is the project "originators", which can be NGOs, local governments or public shelter agencies such as the National Housing Authority. The majority of CMP originators are NGOs.

The Taguig city government entered into a partnership with Habitat for Humanity Philippines (HFHP), to construct medium-rise residential buildings for low-income families. HFHP used innovative building technology - interlocking blocks - to bring costs down. It also offered medium-term financing to beneficiaries. HFHP had its own system of costing the beneficiaries' sweat equity, which reduced construction costs. Through its partnership with HFHP, the Taguig City government harnessed the NGO's management and construction technologies in several low-income housing projects under a usufruct arrangement on land owned by the city.

6.2.8. NATIONAL-LOCAL COORDINATION, WHICH INCREASES EFFICIENCY

Local governments that are able to tap into national government programmes can increase the scope of tenure and housing services they can provide. Conversely, national government programmes can be implemented more widely with the cooperation of local governments. This was the motive for the localization strategy recently initiated by the CMP. Local governments play an important role in tenure regularization programmes for many reasons. First, such programmes have to be harmonized with land use, city development and shelter plans that are formulated by the city government. Secondly, local governments are directly accountable to communities for all public programmes implemented in their jurisdiction. In implementing land and housing programmes, the local government would often need the assistance of national government agencies, which, by their nature, have specialized mandates and perform sector-specific activities.

6.2.9. LAND MANAGEMENT CAPACITY, WHICH MUST BE LINKED TO TENURE PROVISION

In the Philippines, a number of initiatives supported by multilateral and bilateral development agencies have been directed at enabling local governments to formulate city-wide land use and shelter plans. These initiatives have underscored the need for rational land management to influence land uses that meet social, environment and economic development objectives. In the process, local governments have gradually developed an appreciation for land management as a development tool.

6.3. WHAT ARE THE CONSTRAINTS?

6.3.1. LACK OF AN INTEGRATED LAND POLICY AND COORDINATED IMPLEMENTING INSTITUTIONS.

Existing land laws and regulations tend to restrict the access of the poor to land because they appear too complicated, expensive and getting formal tenure means dealing with many institutions. Government agencies also find it hard to implement their mandates because existing laws and policies direct them to do different things. Institutional reforms to streamline the agencies would help to make formal tenure more accessible. They would also empower local authorities.

6.3.2. INTEGRATING SECURE TENURE PROVISION IN CITY DEVELOPMENT PLANS

Many initiatives for providing secure tenure to informal settlers are implemented as distinct projects and are often planned and carried out independently of other development programmes in the same locality. Upscaling tenure regularization programmes will be greatly facilitated if they are linked with city development plans and strategies. This will also facilitate the provision of complementary services to the target communities, including infrastructure and basic services.

6.3.3. AVAILABLE FUNDS

Ensuring continuous and adequate funding for necessary activities to facilitate tenure regularization is indispensable for the implementation of secure tenure approaches on a large scale. Approaches that depend on Government acquiring private lands require substantial financial resources. Funding for land acquisition and other related activities related should be incorporated into local and national agencies' budgets.

6.3.4. HARMONIZING TENURE INSTRUMENTS WITH LAND REGISTRATION SYSTEM

In many countries, the land registration system records only ownership rights. There is no system for registering other tenure rights, such as leases and usufruct rights. A system of registering these could give rights-based instruments a firmer legal status and enhance their holder's sense of security.

6.4. CONTINUING CHALLENGES

Addressing these constraints should form part of the strategy for institutionalizing secure tenure approaches. The measures that policymakers and local governments will take to address the above constraints will nevertheless have to deal with social, economic, and political realities.

6.4.1. DECLINING SUPPLY OF LAND AND RISING LAND PRICES

Most land in the Philippines' larger urban centres is privately owned. Growing densities have also pushed land prices up. Given competing uses for limited land, a challenge for government is to preserve its control over land to ensure its use for the benefit of the greatest number of people. In many countries, land use decisions are driven by market forces that government has little effective control over.

Makeshift shelters in diminishing open areas in the City of Manila. Photo © UN-Habitat / Gerald Nicolas

6.4.2. HIGH POPULATION GROWTH IN CITIES, INCREASING DENSITIES IN INFORMAL SETTLEMENTS

Densities in informal settlements are also increasing. Poorer households tend to have bigger families, even in urban areas, so approaches built around individual land ownership are not ideal. Land consolidation would seem to be more beneficial compared to dividing land into small parcels, because larger land parcels increase the number of possible uses of it.

6.4.3. LAWS ON EASEMENTS AND DANGER ZONES

Some communities have done their own mapping and assessment of risks and hazards. They have used these maps to negotiate with local authorities on what would be reasonable sizes of easements. The wide use of such community-based mapping and hazard assessment tools can inform policies.

6.4.4. LEVERAGING RESOURCES ON A LARGE SCALE AND TAPPING FUNDS FROM THE PRIVATE SECTOR

Implementing a tenure regularization programme on a large scale and on a sustained basis entails large funds and bringing them together from different sources is crucial. While a variety of sources can be tapped, bringing them together on a large scale can be challenging. The traditional model, in which local governments or government agencies borrow from formal financial institutions, is not easily replicated. Nor is it appealing because of the high interest rates. New models of leveraging and tapping into private sources of funds are needed.

6.4.5. SUSTAINING SUBSIDIES FOR SECURE TENURE

Most urban poor communities, especially those informally settled for a long time, have socio-economically mixed residents. In tenure regularization projects that require the payment of land costs, some members may find it difficult to make payments and may be displaced. Moreover, with rising land prices, it may be difficult to find affordable land. In proclaimed areas, costs for land and site development could be subsidized. Nevertheless, it would be a challenge for the Government to sustain these subsidies and to design appropriate subsidies for the very poor.

6.5. OVERCOMING LEGAL BARRIERS TO LAND ACCESS

6.5.1. INCREASING THE FLEXIBILITY AND TRANSPARENCY OF LAND RECORDS

The Philippines has a complicated system of land administration and records.This restricts the scope of land that can be accessed legally for various purposes and hampers the implementation of pro-poor land reform programmes. Complicated land administration and registration processes discourage the formalization of tenure and make land markets vulnerable to deceptive land claims or squatting syndicates that thrive because of the difficulty of authenticating records. People can get accurate and credible information through accessible and transparent land records and processes to make informed decisions on acquiring tenure. Allowing intermediate instruments to be registered, easier identification of suitable lands, and facilitating access to reliable land information for pro-poor land tenure programmes would increase poor people's access to secure tenure.

6.6. OVERCOMING INSTITUTIONAL AND GOVERNANCE BARRIERS

6.6.1. STREAMLINING COMPLEX AND MULTIPLE ARRANGEMENTS FOR LAND REGISTRATION

Aside from the codification of existing laws and regulations concerning land registration, streamlining the complex arrangements and processes is needed. This would reduce transaction costs, make information more available, and increase efficiency in delivering secure tenure.

Allowing intermediate instruments to be registered, easier identification of suitable lands, and facilitating access to reliable land information for pro-poor land tenure programmes would increase poor people's access to secure tenure.

6.6.2. IMPROVING COORDINATION OF TENURE AND HOUSING INTERVENTIONS

Institutional reforms will also improve the coordination of tenure and housing interventions. Better coordination between national housing agencies and local governments must also be attempted through localization strategies (e.g. a localized CMP) that empower local governments.

6.6.3. ENSURING CONTINUITY ACROSS LOCAL GOVERNMENT ADMINISTRATIONS

Effective land management requires the consistent implementation of land policies and land use decisions. It is important that land use and shelter plans developed by local governments are adopted by their legislative bodies so that they can remain in effect beyond the current administration. Approaches that provide secure tenure within a short time, even if they use only intermediate tenure instruments, would be more attractive to local government administrators.

6.6.4. ENHANCING LOCAL GOVERNMENT CAPACITY FOR LAND MANAGEMENT

Local governments need the capacity for land management so that they can effectively and

sustainably respond to the need for secure tenure among the poor. Planning and providing for the future requires sustained commitment from local authorities to preserve the state's control over land and to use it for the widest benefit. Land consolidation is a strategy that national and local governments can pursue. Encouraging land banking, adopting lease and usufruct arrangements and avoiding the outright disposition of government lands is consistent with this strategy.

6.7. OPPORTUNITIES FOR FINANCING SECURE TENURE

Given the huge number of poor people who do not have secure tenure, public resources alone cannot meet the demand for secure land and housing. There are a variety of funding sources that can be tapped to finance land acquisition and tenure regularization programmes.

6.7.1. GOVERNMENT-PROVIDED HOUSING FINANCE

Government can use public funds, for example the Philippines' Community Mortgage Programme which is funded through budgetary appropriation. Governments can also use private funds but because the ability to provide subsidies is restricted to public funds, managing the mix of public and private funds would be a challenge for government housing finance institutions.

6.7.2. COMMUNITY SAVINGS

Forming savings groups is a strategy that a growing number of NGOs and urban poor federations are promoting and using. Community savings have been used to leverage government resources and grants from development aid agencies. Savings can augment government resources in financing land acquisition and site development. It is important for savings groups to instil a culture of saving and managing community funds.

6.7.3. HOUSING MICROFINANCE

Although microfinance is still a limited strategy in the Philippines, more banks are developing products catering to low-income borrowers. Microfinance institutions can also tap bigger banks for funds. However, MFIs will need to be more flexible with their lending policies and practices.

6.7.4. COOPERATIVES

Housing cooperatives have resources that can finance land acquisition for secure tenure or housing arrangements that employ usufruct. In the Philippines, some of the bigger federations of cooperatives are beginning to develop and promote housing cooperatives and housing microfinance among their members. An example is the National Savings and Home Cooperative based in Cebu City. An affiliate of National Confederation of Cooperatives(NATCCO), it provides housing to homeless members, particularly those with disabilities and special needs (www.mycoop.ph). Some cooperatives provide housing loans to their members. These loans are re-financed by the government housing finance institution, HDMF or Pag-IBIG. Such a scheme expands the number of beneficiaries that can be given housing loans. If Government can provide a guarantee facility to loans made by cooperatives for communities that want to engage in cooperative housing or land acquisition, for instance, the pool of resources available for providing secure tenure to the poor can be expanded.

CHAPTER 7: WAYS FORWARD – PROSPECTS AND CHALLENGES OF INSTITUTIONALIZATION

Achieving scale in the provision of secure tenure depends on the existence of a sound institutional framework, assured resources and well-defined systems and procedures. Scaling up would require strengthening processes that have worked and addressing the gaps and weaknesses. Some elements that resulted in the successful implementation of alternative secure tenure approaches are:

1. The use of tenure instruments that can immediately provide security through a participatory and simple process.
2. The use of tenure forms not based on private ownership of land, such as usufruct.
3. Existing institutional arrangements supportive of secure tenure.
4. The use of existing laws and administrative guidelines.
5. Community organization and participation.
6. Partnerships involving private organizations, NGOs and local authorities.
7. Access to housing finance that combines public and private sources.
8. Coordination between national and local governments.
9. Stronger capacity for land management.

> *Achieving scale in the provision of secure tenure depends on the existence of a sound institutional framework, assured resources and well-defined systems and procedures.*

Some constraints were also identified, among them:

1. The lack of an integrated land policy and coordinated implementing institutions.
2. Secure tenure provisions not being integrated in development processes.
3. The lack of large-scale leveraging of resources for tenure regularization.
4. The non-inclusion of intermediate forms of tenure in land registration systems.

The following section outlines some ways to address these constraints, to pave the way for scaling-up and institutionalizing alternative tenure approaches.

7.1. INTEGRATE AND CODIFY PROCESSES AND STEPS FOR SECURING TENURE CONTAINED IN EXISTING LAWS.

The legal processes and steps for acquiring tenure should be integrated and codified to provide easy and accessible reference and guidance to all stakeholders, especially the poor. What would be useful is a "code for securing land and property rights" that provides information on different options, with clear instructions for each option, a list of the institutions responsible for the different steps, a simplified set of documentary requirements, and information on accessing financial resources.

The codification of existing laws should be able to:

1. Establish a set of land rights which the poor people can acquire;

2. Establish the mechanisms for enforcing these land rights, including the manner by which they can be incorporated in existing national land registration systems;

3. Define the ways by which these land rights may be acquired;

4. Identify the types of land that will be made available for the application of these land rights and how these lands can be made available; and

5. Identify the institutions that will implement and enforce procedures for acquiring land rights.

7.2. DEVELOP INTERMEDIATE TENURE INSTRUMENTS AND SCHEMES FOR SECURE TENURE ACQUISITION

The institutionalization of other secure tenure instruments, for example certificates of occupancy rights, could be explored. Also, the schemes for acquiring these land rights need to be clear about specific procedures, eligibility qualifications, contracts, and necessary forms and documents.

7.3. SET UP INSTITUTIONAL ARRANGEMENTS THAT STREAMLINE THE PROCEDURES OF ACQUIRING FORMAL TENURE BASED ON AN ASSESSMENT OF EXISTING INSTITUTIONAL MANDATES AND CAPACITIES.

There are two ways of institutionalizing a secure tenure approach. One is to set up a programme and mandate a specific agency to implement it. Another is to rely on multiple implementers that would use a uniform set of "tools" which could be a set of tenure instruments, housing finance schemes, documents and contracts. A capacity development programme should enable key implementing institutions to build their capacities.

BOX 11: HOW PROVIDING SECURE TENURE THROUGH PRESIDENTIAL LAND PROCLAMATIONS COULD BE INSTITUTIONALIZED

The following are possible measures for institutionalizing or strengthening the use of presidential land proclamations as a secure tenure approach.

Establishing a land proclamation programme. An agency with the most experience in administering and distributing land rights should implement it and funding would have to be assured. The programme would also specify the modes of disposition and the different processes to be observed under each mode of disposition. Such a programme can be established through an executive order, but legislation would provide a stronger legal basis and political support.

Pricing of land. While there is a set of guidelines for the valuation of lands subject to a proclamation, the challenge is to make land affordable. Setting the rules for the provision of subsidy, defining how much the subsidy should be, and identifying the source of subsidy will be necessary when institutionalization is pursued.

Complete legal and technical research. Before a site is proclaimed, technical and legal issues pertinent to the disposition of the land such as legal ownership of the land, compliance with zoning laws, the land's suitability for housing, etc. should be resolved to prevent delays.

Environmental assessment. Before the issuance of a proclamation an environmental assessment should ascertain the habitability or suitability of the land for residential use. Soil test analysis to check the types of structures that can be built should be part of this.

Intermediate rights-based instruments. The legal status of intermediate tenure instruments should be defined, ideally through legislation, to establish the legal right of their holders and protect them from eviction or from being disqualified as beneficiaries of a proclamation. These instruments must be recognized administratively and by the courts. Moreover, various modes of disposition, including individual and community leases, rental and usufruct, should be explored.

Alternative institutional arrangements. Institutionalization would imply prescribing a set of institutional arrangements, with clear accountabilities. The roles and responsibilities of local governments vis-à-vis central government shelter agencies should be defined.

LGUs to subsidize site development. Local governments are mandated and have the wherewithal to provide basic infrastructure. This could cover the provision of serviced land in the proclaimed areas to include the availability of water, sanitation and other infrastructure.

Government partnerships with the non-government and private sectors. The success of keeping the cost of housing to a minimum rests on government's ability to tap resources offered by NGOs and the private sector. Government subsidy alone will not be enough to make housing affordable to the poor.

Empowering community organizations. Community organizing is critical to enabling the poor to make decisions and fulfil their obligations as holders of secure tenure instruments.

7.4. INTEGRATE SECURE TENURE APPROACHES IN CITY DEVELOPMENT PROCESSES.

Secure tenure programmes should be integrated in the preparation of city development, land use and shelter plans to synchronize the provision of infrastructure and services with the provision of secure tenure. The designed institutional arrangements must by necessity define the role, authority and accountability of the local government in the implementation process.

7.5. CITY-WIDE LAND INVENTORIES AND ENUMERATIONS

The planning of city-development processes and secure tenure strategies for informal settlements would benefit greatly from information collected through a systematic enumeration of households without secure tenure and through an inventory of available land. Methodologies for this are available and can be adapted to local contexts.[21]

7.6. DEVELOP FINANCING SCHEMES FOR TENURE REGULARIZATION

An inventory of the available housing finance would be helpful. If needed, ways of making tenure instruments acceptable to financial institutions as a form of guaranty or collateral should be devised for the purpose of increasing poor people's access to housing finance.

7.7. STRENGTHEN COMMUNITY ORGANIZATIONS

Capacity-building of community organizations should be part of any institutionalized secure tenure programme. They can become more effective partners if they have sufficient knowledge of the laws and procedures involved in the programme being implemented.

[21] See GLTN publications: UN-HABITAT (2010). "Count Me In: Surveying for tenure security and urban land management"; and UN-Habitat (2010). "Land Inventory in Botswana: Processes and lessons".

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ABOUT GLTN

THE GLOBAL LAND TOOL NETWORK

The main objective of the Global Land Tool Network (GLTN) is to contribute to poverty alleviation and the Millennium Development Goals through land reform, improved land management and security of tenure.

The Network has developed a global land partnership. Its members include international civil society organizations, grassroots, multi-lateral and bi-lateral organizations, international research and training institutions, and professional bodies. It aims to take a more holistic approach to land issues and improve global land coordination in various ways. These include the establishment of a continuum of land rights, rather than a narrow focus on individual land titling, the improvement and development of pro-poor land management, as well as land tenure tools. The new approach also entails unblocking existing initiatives, helping strengthen existing land networks, assisting in the development of affordable gendered land tools useful to poverty stricken communities, and spreading knowledge on how to improve security of tenure.

The GLTN partners, in their quest to attain the goals of poverty alleviation, better land management and security of tenure through land reform, have identified and agreed on 18 key land tools to deal with poverty and land issues at the country level across all regions. The Network partners argue that the existing lack of these tools, as well as land governance problems, are the main cause of failed implementation at scale of land policies world wide.

The GLTN is a demand driven network where many individuals and groups have come together to address this global problem. For further information, and registration, visit the GLTN web site at www.gltn.net.

ABOUT THIS PUBLICATION:

This publication documents and draws lessons from the Philippines' experience in implementing alternative approaches in securing tenure for the urban poor. It also explores how these approaches can be institutionalized and ensure sustainability.

The study examines three approaches: presidential land proclamations, the Community Mortgage Program, and the usufruct arrangement. The key features of each approach are described and their application illustrated through two actual cases. The approaches are then analyzed in terms of the legal and institutional frameworks that supported their implementation and the benefits they delivered, both as perceived by the beneficiaries and in terms of meeting the broader social need for secure housing and tenure.

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