

Process Guide for a More Effective Implementation of the Community Initiative Approach Program in NHA Projects



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This proposal aims to provide guidelines in the implementation of Community Initiative Approach Projects of the National Housing Authority.

1 Shelter Situation Analysis

1.1 Basic General Data of the Philippines

Geography and Administration

The Philippines is an archipelago comprising 7,107 islands with a total land area of 300,000 square kilometers (km²). The 11 largest islands contain 94% of the total land area. The largest of these islands is Luzon at about 105,000 km² and Mindanao at about 95,000 km². The archipelago is located between Taiwan and Borneo. It is strategically situated in Southeast Asia and has become a cultural crossroads of Malays, Arabs, Chinese, Spaniards, Americans, Japanese and such interaction resulted to a unique cultural and racial blend. The islands are divided into three groups, namely; Luzon in the North, Visayas at the central part and Mindanao, down south. These groups are represented by the three (3) stars in the Philippine flag. ¹

¹ August 08, 2010 Google Wikipedia

The Philippines is a democratic country with a presidential form of government, having three (3) branches of government; the executive, legislative and the judiciary.

Demography and Health

The country has high population density due to high growth rate. In the census year of August 2007, the total population is 88,566,732 which grew at 2.04% from May 2000. In terms of population, the second largest of the 16 regions in the country is the National Capital Region (NCR) or Metro Manila, which is also the country's capital. Population density in 2007 is 295 persons per km². The male and female population ratio is almost evenly distributed. The Philippine population is projected to reach 140 million by the year 2040. ²

Economy and Employment

The gross national product (GNP) was registered at Php2.219 trillion³ in the first quarter of 2010 at a growth rate of 12.7% from 2009 to 2010. Correspondingly, the gross domestic product (GDP) grew to Php4.031 trillion or by 11.9% from 2009 to 2010. As of June 2010, Dollar Remittances from land and sea based 1,912,000 Overseas Filipino Workers (OFWs) totalled USD17.348 billion, which greatly helped sustained the economy.⁴

The annual headline inflation rate in the country in December 2010 was 3.0% and inched up to 3.5% in January 2011. The annual inflation rate in Metro Manila is slightly higher at 3.9% in January 2011 whereas outside of Metro Manila, inflation rate was slower at 3.4%.⁵

An estimated 36.5 million persons were employed in October 2010 representing 92.9% employment, of which more than one-half (51.7%) were employed in the services sector. The number of unemployed persons in October 2010 was estimated at 7.1% which is the same as that in 2009. It is interesting to note that 63.3% of the unemployed were males. By age group, almost half (49.3%) of those who were employed were at age 15 to 24 years, whereas, 33.3% of the unemployed had reached at most high school level while 19.4% had attained college level.

Filipino families earned a total of Php3.01 trillion in 2006. The average annual family income of an estimated 17.4 million Filipino families is approximately Php173,000 and the

² NSO Quickstat as of August 2010

³ USD1 = Php45.00

⁴ National Statistics Office (NSO) Census Report as of 4th quarter 2009

⁵ NSO Summary Inflation Report Consumer Index (December 2010 and January 2011)

total annual family expenditure was approximately Php2.56 trillion or Php147,000 per family on the average.⁶

One in three births in the Philippines is either unwanted or unplanned with most unplanned pregnancies among older women than younger women. About 60% of children 12-23 months have been immunized with vaccines against the six preventable childhood diseases.⁷

Statistics show that the Philippines is one of the most highly urbanized countries in the developing world, with almost 60% of the population living in urban areas. Affordable shelter and land markets have not kept pace with the demands of rapid urban growth, resulting in approximately 40% of urban families residing in makeshift dwellings in slum settlements. Many of these urban poor families suffer from lack of access to basic services and infrastructure, poor quality housing, insecure tenure, and high risks to public health. Complicated processes for obtaining legal title and the scarcity of urban land further constrain the urban poor dwellers from mobilizing the capital they require to rise above the poverty line. Moreover, the housing finance system mostly benefits the formal sector employees, while only a few public housing programs are effectively targeted towards the poor urban communities.⁸

1.2 Shelter Related Fact and Figures

Access to Shelter and Other Services

Annual population growth rate is estimated at 2.36% while urbanization rate is 52%. There will be high demand for housing because of the rapid population growth and because of this the demand for housing will also continue to grow. However, the Government cannot keep pace with the demand because of its limited resources and most housing programs of the Government are unaffordable especially to the marginalized families.

In 2005, the total estimated housing backlog which includes Doubled-Up Housing, Replacement/Informal Settlers and Homeless is 597,362 and is expected to swell to 3,756,072 by the end of 2010. In terms of geographical location, more than half of the housing need is in Southern Tagalog, Metro Manila and Central Luzon, 21% in the Visayas and 23% in Mindanao.

⁶ 2006 NSO Report on Family Income and Expenditure Survey (FIES)

⁷ 2008 NSO Report on National Demographic and Health Survey (NDHS)

⁸ Development of Poor Urban Communities Sector Project (DPUCSP) Report of April 2005 –Philippine Urban Forum

Table 1: Housing Need 2005-2010

Housing Need 2005-2010	
Housing Backlog (includes Doubled-Up Housing, Replacement/ Informal Settlers and Homeless)	984,466
Substandard (Upgrading)	186,334
New Households	2,585,272
Total Housing Need (2005-2010)	3,756,072⁹

Almost 69% in the country own the house and lot they occupy. The remaining 31% occupy houses and lots under the following tenure:

Table 2: Tenurial Occupation of Houses and Lots

<i>Tenurial Occupation of Houses and Lots</i>	
Own house, rent-free lot with consent of owner	12.8%
Rent house/room including lot	7.5%
Rent-free house and lot with consent of owner	4.8%
Own house, rent-free lot without consent of owner	3.4%
Own house, rent lot	2.7%
Rent free house and lot without consent of owner	0.3%

Among the families in the 70% stratum, about 70.4% own their house and lot while 64.1% of the bottom 30%, own their house and lot. In the bottom 30% in Metro Manila, fewer families or 39.4% own the house and lot they occupy.¹⁰

Housing Expenditure versus Other Expenditures

In 2006, the average annual family saving or average net income after expenditure was at Php26,000 or an increase of 5.6% from Php24,000 per family in 2003.

In 2006, the bottom 30% income group spent more on food than housing. Housing expenditures was second largest in the family budget and showed an increase from 8.8% in 2003 to 9.0% in 2006. Total housing expenditure was estimated at Php340.6 billion. Of the total housing expenditure, 12.7% went to rent/rental value of house and lot, while only 0.5% was spent on house maintenance and minor repairs.

However, people living in Metro Manila spent more in housing representing 18.8% of the family's total expenditure. The national estimate was reported at 13.3%. The upper 10% spent

⁹ Housing and Urban Development Coordinating Council (HUDCC) Medium-Term Philippine Development Plan on Shelter, 2004-2010

¹⁰ National Housing Authority (NHA) Corporate Profile of 2008

the highest proportion of housing expenditure to total family expenditure with 15.4% whereas the poor had the least at 9.4%.

In 2000, Php76.1 billion was reported as total education expenditures, of which Php53.4 billion or 70.2% was spent for education fees followed by expenditures in allowance for students studying away from home at Php14 billion. On the average, a family spent about Php6,894 for education.¹¹

1.3 Existing Housing Policy

During the period 2001 to 2004, the housing sector (government and private) through the National Shelter Program (NSP) provided for 882,823 shelter security units or an accomplishment rate of 73.6% against a target of 1.2 million. Out of the total accomplished units, 493,496 units were socialized housing representing 60% of the total output and 40% by the formal sector.

Table 3: Housing Target v/s Accomplishment 2001-2004

Housing Package	Household Targets	Total Accomplishments 2001-2004
Socialized {below Php225,000 (USD5,000)}	880,000	493,496
Low Cost (Php225,000-2 M./USD5,000-44,444)	320,000	389,327
TOTAL	1,200,000	882,823

To ensure shelter security for the Filipino family and provision of affordable and decent housing especially for the poor, the housing construction sector is faced with key challenges which include:

1. Meeting the rapidly growing housing need;
2. Expanding private sector participation in socialized housing financing and construction; and
3. Strengthening the capacity of housing institutions.¹²

The banking system and private sector groups has minimal participation in socialized housing, partly because they cannot compete with the subsidized housing loan interest rates of the government housing programmes. With the thrust of the government to shift towards a

¹¹ NSO Quickstat as of August 2010

¹² (HUDCC) Medium-Term Philippine Development Plan on Shelter, 2004-2010

market-oriented housing finance system, a level playing field for both public and private housing programmes will be ensured.

Efforts in the central level often do not meet the needs and preferences of the targeted beneficiaries. The supply-driven housing policy has resulted in the accumulation of about 100,000 units that remain unoccupied over the years. Noticeably, more effective programs were those that were implemented involving the Local Government Units (LGUs), under a decentralized framework.

There is also a need to strengthen or enhance the capacity of housing institutions especially the LGUs who cannot fully perform some of the devolved functions and to establish the Local Housing Boards in every LGU.

The NSP is being implemented through an integrated shelter delivery system, with the Housing and Urban Development Coordinating Council (HUDCC) as in charge with the main function of coordinating the activities of the government housing agencies to ensure the accomplishment of the NSP.

The key housing agencies in the Philippines under the HUDCC are: the National Housing Authority (NHA) as the production arm, which is mandated as the sole national government agency to engage in shelter production focusing on the housing needs of the lowest 30% of the urban population; the National Home Mortgages and Finance Corporation (NHMFC) as major government home mortgage institution; the Housing and Land Use Regulatory Board (HLURB) as sole regulatory body for housing and land development; the Home Guaranty Corporation (HGC) as provider of long-term mortgage guarantees, loan insurance and other incentives for private developers; and the Social Housing Finance Corporation (SHFC) as lead government agency to undertake social housing programs that will cater to the formal and informal sectors in the low income bracket especially the Community Mortgage Program (CMP) and the Abot-Kaya Pabahay Fund (AKPF).¹³

As the production arm of the NSP, the NHA undertakes the following:

1. Resettlement Program. This includes NHA-administered for families within the 30th percentile: Resettlement Program; Community-Based Housing Program (Community Mortgage Programme, Slum Upgrading, Cooperative Housing); and Sites and Services Development and Core Housing.

¹³ NHA Corporate Profile of 2008

2. Programs for Low-Income earners up to 50th percentile: Completed Housing; Medium-Rise Housing and Public Rental Housing
3. Programs for families affected by calamities: Emergency Housing Assistance, temporary Shelter and Evacuation Center Production.

The housing sector shall adopt a strategic framework anchored on a multi-stakeholder, market-based, and LGU-led reforms and approaches to meet the goals of:

1. Job generation;
2. Shelter security of the different housing market segments; and
3. The Millennium Development Goal of improving the lives of slum dwellers.

The housing sector will work towards the decongestion of Metro Manila by developing housing centers/communities outside the metropolis. The housing industry could spur economic activities and therefore will enhance productivity and competitiveness in construction, real estate sector and mortgage markets. Housing construction has a multiplier effect of 16.6 times which ripples its effect in terms of increases in raw materials, labor, taxes and other values. Housing is also expected to generate employment opportunities for about 1,063,037 construction workers every year.

In order to meet the government goals in housing, the following strategies will be pursued:

1. Expand private sector participation in socialized housing finance and construction;
2. Continue to address the housing requirements of the formal and informal sectors particularly the socialized and low cost housing categories;
3. Strengthen the institutional capacity of the housing agencies; and
4. Enhance the capacity of the LGUs.

For the period 2005-2010, the housing sector will pursue the provision of about 1,145,668 housing packages broken down as follows: socialized housing (below Php225,000) 780,191 units (68.1%); low cost housing (Php225,000- Php2.0 million) 365,282 units (31.8%); and medium-cost housing of 195 units (0.1%).¹⁴

¹⁴ (HUDCC) Medium-Term Philippine Development Plan on Shelter, 2004-2010

1.4 Actors in Shelter Delivery and their Roles

The national government key housing agencies under the direction of HUDCC, in cooperation with the LGUs are the main actors in the delivery of shelters especially to the underprivileged families and are supported by the Social Security System (SSS), the Government Service Insurance System (GSIS), and the PAG-IBIG Funds, which provide funds for housing loans of government and private individuals insurance, the nongovernmental organizations (NGOs), and the beneficiaries.¹⁵

Resource pooling of National Government Agencies (NGAs) and the LGUs has been found to be effective: the LGUs provide land development, facilitate provision of energy, water and sanitary systems, while the NGAs were responsible for land assembly, coordination for infrastructure provision, like schools, health centres and livelihood or industrial establishments.

The government and the private sectors through their various programs provided shelter security units to 382,285 households during the period 2001 to 2004. The medium term comprehensive Housing Program of the housing agencies under the chairmanship of HUDCC aims to provide about 1,145,668 housing for the period 2005-2010. Within this period, the national shelter agencies shall pursue organizational restructuring and streamlining for cost-effective and efficient management including decentralization and devolution by infusing more responsibility and accountability to LGUs in urban development, planning, finance, implementation and management in the delivery of housing and urban services to their constituents. Local Housing Boards or Local Inter-Agency Committees (LIACs) shall be established in every city and municipality, with the participation of all stakeholders. The government shall further streamline the processes of securing permits and licenses for housing and land developments, as well as securing housing loans.¹⁶

1.5 Shelter Design

Batas Pambansa (BP) 220 is a Philippine law that provides minimum design standards and requirements for the development of economic and socialized housing projects in urban and rural areas. They shall apply to the development of either a house and lot or a house or lot

¹⁵ 2008 NHA Corporate Profile

¹⁶ (HUDCC) Medium-Term Philippine Development Plan on Shelter, 2004-2010

only. For subdivision projects, the economic housing packages shall cost from Php225,000-500,000 and for socialized housing, the maximum housing package shall cost Php225,000. It is mandatory for subdivisions to be provided with the basic needs of human settlement to include movement and circulation, water, storm drainage, power, garbage disposal and solid and liquid waste disposal systems, areas for community facilities and parks and playgrounds computed based on density (number of lots or dwelling units per hectare).

For a population density of 100 and below, the percentage gross area for community facilities shall be 1.0%; 101-150 density shall be 1.5%; and above 150 shall be 2.0%. These areas are non-saleable. However, the developer may provide areas for community facilities such as schools and commercial centers which may be saleable.

Economic Housing is a type of housing project provided to average income families. Socialized Housing refers to housing programs and projects covering houses and lots and homelots only undertaken by the government or the private sector for the underprivileged and homeless citizens in accordance with the provisions of R.A. 7279 or the urban development and housing act of 1992. BP 220 prescribes the minimum lot areas for economic and socialized housing in Table 4. Minimum floor area requirement for economic housing is 22 m² and 18 m² for socialized housing. Mandatory provision of firewall is required for duplex and single attached units and at every unit for row houses.¹⁷

Table 4: Allowable Minimum Lot Areas

Types of Housing	Economic (sq.m.)	Socialized (sq.m.)
Single detached	72	64
Duplex/single attached	54	48
Row houses	36	28

2 Organisation

The NHA was created by virtue of Presidential Decree (PD) 757 dated 31 July 1975 and has for its corporate objectives: to provide and maintain adequate housing for the greatest possible number of people; to undertake housing development, resettlement or other activities that would enhance the provision of housing to every Filipino; and to harness and promote private participation in housing ventures in terms of capital expenditures, land expertise, financing and other facilities for the sustained growth of the housing industry.

¹⁷ 2008 Amended Implementing Rules and Regulations of Batas Pambansa (BP) 220

The role of NHA in the provision of shelter to the urban poor and technical and other forms of assistance to the LGUs in the implementation of their housing programs was further confirmed by the issuance of PD 757, Executive Order (EO) 90, Republic Act (RA) 7279, RA 7835 (CISFA), and EO 195.¹⁸

NHA is tasked to implement the following components of the Shelter Program: the Resettlement Program; Medium Rise Public and Private Housing Cost Recoverable Programs; and the Local Housing Programs. For the period 2004-2009, the NHA has accomplished 82% or 215,620 of its total target of 264,507 units of its National, Regular and other Housing Assistance Programs.¹⁹

The Office of the Bids and Awards Committee (BAC) Secretariat and Technical Staff of which I head assists in managing all the procurement processes and the bidding activities of the BAC and acts as the central channel of communications for the BAC with the end users, the Project Management Offices and other units of the NHA, other government agencies, providers of goods, infrastructure projects, and consulting services, observers, and the general public.

3 Identification and Analysis of the ‘Shelter Problem’

The Rail-Related Resettlement and Relocation Programs (RRRP)

One of the flagship programs of the past administration which is now being carried out also by the present administration is the RRRP, wherein the government aims to rehabilitate and reactivate the existing Philippine National Railways (PNR) tracks. The program is expected to relocate about 104,000 informal settler families (ISFs) living along the railway tracks of the PNR right-of-way (ROW) to identified sites.²⁰

To implement the RRRP that will clear the PNR ROW, Administrative Order (AO) No. 111 charged the HUDCC as the over-all chairman with the NHA as the implementing arm of the Rail-Related Resettlement and Relocation Programs which covers the Northrail Relocation Program (NRP), that aims to rehabilitate and reactivate the existing PNR Tracks from Caloocan City, Metro Manila to Mabalacat, Pampanga as an alternative and efficient

¹⁸ 2008 NHA Corporate Profile

¹⁹ NHA 2004-2009 Performance Report

²⁰ NHA Community Initiative Approach Primer

mode of transportation to and from Metro Manila and its immediate periphery covering 78 km.; the North-Southern Linkage Project (NSLP) which aims to improve the existing operations of the PNR tracks from Caloocan City to Calamba, Laguna (Southern Luzon) to serve as the main artery linking all existing and proposed rail projects such as the Northrail Project covering 66 km. of PNR railway tracks; and the proposed Southrail Relocation Program (SRP) which also aims to rehabilitate the PNR tracks from Calamba, Laguna to the Bicol Region.

In response to AO 111, the National Inter-Agency Committees (NIACs) and the LIACs of concerned cities and municipalities were organized to ensure the delivery of all the basic services and programs for the ISFs. The LIAC is composed of the City/Municipal Mayor as chairman with members from NGAs, HUDCC, NHA, the Department of Interior and Local Government, Presidential Commission for the Urban Poor, Commission on Human Rights, PNR, NGOs, People's Organizations (POs) and other Private Sector Groups. The LIAC meets every first Friday of the month to plan and monitor developments of the relocation program.

The CIA as Instrument in the Delivery of Basic Services

The Community Initiative Approach has become popular instrument in the delivery of basic services especially shelter provision throughout the world. In the Philippine setting, the CIA was conceptualized in 2005 in order to efficiently deliver the basic services to the ISFs who are directly affected by the RRRP of the government. It is a concept for viable, sustainable and an alternative mode in the implementation of the government's resettlement program. It is a housing strategy whereby the ISFs enter into a formal agreement with the landowner/developer (Developer) and the NHA and which NHA provides the needed financing through the provision of loan entitlements to qualified beneficiaries.

The basic principles of the Program are: empowerment of the affected ISFs; to ensure just and humane and peaceful conduct of relocation of affected families; to minimize negative impact of relocation and resettlement due to social and economic dislocation; and to ensure transparency in the identification and selection of resettlement sites

The ISFs are empowered to ensure the program's viability and consistency and protection of their welfare, thereby ensuring the smooth and orderly implementation of the relocation program. The direct participation of the ISFs in site selection also guarantees that the sites given to them are the sites that they like and proximate to the educational, commercial, health,

and job opportunities so that family members can easily adapt and assimilate in their selected host communities.

The ISFs endorse the chosen Developer who will construct the resettlement site; monitor the implementation of resettlement sites; and accept completed housing units. The ISFs automatically become member of the LIAC in its deliberations and resolutions and because of its direct involvement, the CIA Program has become more acceptable by the ISFs.

To avail of the housing units, the affected Homeowner's Associations (HOAs) of the ISFs must form themselves into a Community Association (CA) and be registered as a non-stock, non-profit organization with the HLURB. The CA then selects the prospective site and endorses their chosen Developer to implement the project and enter into a Memorandum of Agreement (MOA) for the construction of the housing units with the selected Developer and the NHA. The CA monitors the construction and ensures its implementation in accordance with approved plans and standards and eventually accepts the completed housing units.

It is deemed that the program is a practical and efficient Financial Scheme because the Government does not front-end the financing at the start of the program since payment to the Developer is done after the housing units are completed and accepted by the CA. Accountability is also well-defined through forging of agreements among the stakeholders through LIAC Resolutions, CA Endorsement, Contract Agreement between the Developer and the CA, MOA among CA, Developer and NHA, and Deed of Absolute Sale. Whenever feasible, in-city or near-city relocations are adopted to minimize dislocation of families especially from their places of work.

The NHA provides the HOAs with the money to finance the completed housing units which is provided under the Housing Materials Loan (HML) Entitlement through the CIA Program in the amount not to exceed Php60,000 per lot unit per affected ISF for acquiring completed housing unit that will eventually serve as their permanent dwelling unit. The loan shall be assigned by the ISFs for payment of the completed housing unit made on easy repayment scheme, payable in 25 years. No payment is collected from the ISFs for the first year.

The CIA is a good financing scheme. The rail-related programs have targeted relocation of 94,429 families, of which 94% of the target families or 88,905 have already benefited from the implementation of the CIA Program in 2010.

The advantages of the program:

- Site selection preference and acceptability by the ISFs through LIAC
- No dislocation in terms of residency within 5-km distance
- Volunteerism initiated by the members/families
- Active participation of POs in voluntary relocation activities
- Preference for local labor force provided livelihood in the locality
- Purchases of housing materials within the locality provided economic growth to the business community in the host City/Municipality
- Revival of Bayanihan Spirit or Self-Help approach
- The LGUs provide full support in approval of permits, providing food assistance, security and legal support
- Access to education and livelihood facilities is within the City/Municipality
- NHA's cash utilization was properly scheduled and disbursed.
- Donation of school buildings, Barangay day care centers and other facilities were initiated by the private sectors and other NGOs

The Government Procurement Reform Act

The Revised Implementing Rules and Regulations (IRR) was promulgated pursuant to Section 75 of Republic Act No. 9184 (R.A. 9184), otherwise known as the “Government Procurement Reform Act”, which prescribes the necessary rules and regulations for the modernization, standardization, and regulation of the procurement activities of the Government of the Philippines (GOP).

The provisions of the IRR are in line with the commitment of the GOP to promote good governance and its effort to adhere to the principle of transparency, accountability, equity, efficiency, and economy in its procurement process. It is the policy of the GOP that procurement of all infrastructure projects, goods and consulting services shall be competitive and transparent, and therefore shall go through public bidding.

The procurement of the GOP is governed by the following principles:

- Transparency in the procurement process for widest participation.
- Competitiveness by extending equal opportunity to all concerned.
- Streamlined procurement process that will uniformly apply to all government procurement.
- System of accountability for both the public officials and private parties directly or indirectly involved in the procurement process and in the implementation of procurement contracts.
- Public monitoring of the procurement process and the implementation of awarded contracts.²¹

²¹ 2009 Revised Implementing Rules and Regulations (IRR) of Republic Act No. 9184

Although the IRR of R.A. 9184 provides for exceptions to procurement through public bidding, procurement of completed housing units and lots is not one of them. All procurements must pass through the prescribed bidding process. Previous to the implementation of the CIA Program, procurement of completed housing units and lots were undertaken through public bidding whereby identified projects were tendered for procurement and done primarily through public bidding from qualified and eligible developers/constructors. In the railway relocation projects the process of procurement has not been pursued by the government housing agencies since it entails huge funding prior to the start of construction of resettlement projects.

Terms of Reference (TOR) of CIA Program

The TOR sets the guidelines for the availment of financing of completed housing units under the Housing Materials Loan (HML) through the CIA Program and the participating developers are evaluated and accredited based on:

- **Criteria on Accreditation.** All interested companies, corporations and entities with good track record in low-cost mass housing production may apply for accreditation of developers on a continuing basis.
- **Documentary Requirements.** The documentary requirements that establish the legal, technical and financial capabilities of developers are specified in Annex A.
- **NHA Evaluation.** The NHA evaluates the proposal of the Developer and the notarized Contract Agreement between the CA and Developer upon receipt of the CA's endorsement on the offer of the Developer and undertake the financing for the construction of housing units and lots.
- **Grounds for Non-Accreditation/Cancellation of Accreditation.** Grounds for approval for accreditation or cancellation of its accreditation include misrepresentation, falsification of submitted documents, inability to set-up temporary construction materials depot, incomplete submission of documents and failure to deliver the completed housing unit within 15 days.
- **Documentation Procedure.** Procedures followed in the processing of documents are detailed in Annex B.
- **Minimum Design Standards and Technical Specifications.** All aspects of construction shall comply with the provisions of BP 220 and other existing laws, rules and regulations.
- **Cost.** Maximum of Php60,000.00 for housing unit.
- **Other Technical Requirements.** As built plans for land development and housing units.
- **Number of Housing Units Required.** Based on actual number of families qualified for relocation.
- **Production and Delivery Schedule.** To be delivered by the Developer based on approved relocation schedule of NHA 30 days from the date of signing of the MOA.

- **Penalty Clause.** In case of failure of the developer to deliver the required housing units, the accredited developers shall assume full responsibility in providing staging area and in the payment of the cost of monthly rental assistance to the families not yet relocated due to delays in the delivery of housing units.
- **Monitoring and Reporting.** Concerned Area Management Office (AMO) monitors and submits the progress report to Management relative to the status of completion and deliveries of housing units by the Developer.

The above-mentioned requirements/processes are also followed in the acquisition of developed lots. The difference is in the submission of Offer to Sell by the Landowner to the CA and the cost which is maximum at Php100,000 per lot.

Evaluation of the CIA Program

Every aspect of the project was evaluated based on set criteria and parameters that allow means of verification as to compliance. It was scrutinized for its strength, weaknesses, opportunities, and threats to determine the project's advantages and disadvantages. In general, the CIA has a lot of advantages: housing units were constructed faster and greatly helped met the target in the provision of shelter to relocated families; the housing units were easily accepted by the ISF because of their participation in choosing the sites; long term payment scheme that is very affordable to the beneficiaries; and the LGUs active participation in the process and provision of necessary support to the program, among others.

However, the Program has a lot of room for improvement. Since the ISFs are inexperienced to undertake site selection and pre-feasibility study, and acceptance of completed units and developed lots may result to lack of quality assurance or substandard housing units; lack of competition and transparency in the selection of Developers and because of these reasons prices and completed housing units may not be the best value for money; does not strictly follow the procurement process of R.A. 9184; experience and expertise of NHA technical staff are not fully utilized; and lacks proper accountability

The complete result of evaluation is presented in Annex C which allowed me to come up with my personal Strategic Proposals for "Change and Improvement".

4 Strategic Proposals for ‘Change and Improvement’

Personal recommendations based on the result of evaluation:

1. Comprehensive review/evaluation/revision of the existing: a) Guidelines for the Selection and Development of Resettlement sites and Financing the Acquisition of Housing Units under the CIA; b) Terms of Reference (TOR) for the Provision of Resettlement Sites and Acquisition of Housing Units under the CIA; and c) Memorandum Circular; and recommend to Management for approval
2. Identification of probable relocation/resettlement sites within the allowable 5-kilometer radius and conduct preliminary feasibility study on possible sites that will be selected by the ISFs to ensure safety and stability of relocation sites
3. Advertisement in newspapers of nationwide circulation and posting in PhilGEPS and in conspicuous places in the NHA the proposed accreditation of prospective developers to attract widest participation in the process as per requirement of public bidding
4. Inclusion of Contractor’s License issued by the Philippine Constructors Accreditation Board (PCAB) or Certification/Accreditation from HLURB or similar instrument that will show the developers technical capability as documentary requirement in the evaluation and accreditation of developers
5. Stricter evaluation of the legal, technical and financial capabilities of developers to ensure completion of delivery of housing units and lots on agreed schedule
6. Up to date appraisal of properties to ensure that costs are within prevailing market prices
7. Installation of stricter control mechanisms and check and balance in the implementation of the CIA Program especially in the following areas of concern:
 - Site selection to ensure compliance with approved criteria and parameters and acceptability of sites by ISFs.
 - Evaluation and approval of development plans, designs, and specifications and costs to ensure compliance to the provisions of BP 220 and other existing rules and regulations
 - Monitoring of construction to ensure quality of work
 - Delivery of completed works to guarantee that the completed lots and housing units are delivered within agreed schedule

- Acceptance of projects by the concerned stakeholders
- Process of payment to developers to ensure that payments are made commensurate to completed HU and developed lots.

5 Personal Action Plan

In coordination with the operating units and other concerned staff offices, it would be necessary to prepare a standard operating manual that will clearly define the scope of coverage, goals, objectives, organization, processes, roles and responsibilities of stakeholders, project components, among others, of the Community Initiative Approach Program.

Group Activities:

Short Term Tasks:

Activity	Concerned Department/s	Expected Output/s
Comprehensive review/evaluation/revision of the existing: a) Guidelines for the Selection and Development of Resettlement sites and Financing the Acquisition of Housing Units under the CIA; b) the Terms of Reference (TOR) for the Provision of Resettlement Sites and Acquisition of Housing Units under the CIA; and c) Memorandum Circular and recommend to Management for approval	All Area Management Offices (AMOs or the Operating Units); Corporate Planning Office (CPO); Housing Technology and Development Office (HTDO); Accounting and Treasury Departments; Community Relations and Information Department (CRIOD), Resettlement Development and Services Department (RDSD); Human Resource Management Department (HRMD); and the BAC/Secretariat/TWG	Comprehensive Guidelines, TOR and Memorandum Circular

Mid-Term Tasks:

Activity	Concerned Department/s	Expected Output/s
Advertisement in newspapers of nationwide circulation and posting	Bids and Awards Committee (BAC); Concerned AMO	Published Invitation for Accreditation
Inclusion as documentary requirement in the evaluation and accreditation of developers the submission of Contractor's License or Certification/Accreditation from HLURB or similar instrument that will show the developers' technical capability	BAC; Concerned AMOs;	Submitted Contractor's License
Strict evaluation of the legal, technical and financial capabilities of developers	BAC; Concerned AMO, Technical Working Group (TWG)	Evaluation sheet and criteria

Long Term Tasks:

Activity	Concerned Department/s	Expected Output/s
Identification of probable relocation/resettlement sites	Concerned AMOs	Identified sites within 5 km radius from point of origin
Up to date appraisal of properties to ensure that costs are within prevailing prices	Concerned AMOs, Commercial and Industrial & estate Department (CIED)	Up to date appraisals
Installation of stricter control mechanisms and check and balance in the implementation of the CIA Program	Concerned AMO; ESG; HTDO/BAC	Comprehensive TOR
Preparation of Operating Manual	Concerned AMOs; ESG; HTDO/BAC	Standard Operating Manual

What has been done so far?

The Concerned Operating Units in collaboration of Staff Departments of the NHA and the BAC/Secretariat/TWG:

- Reviewed, evaluated, amended and recommended the approval of the revised “Guidelines for the Selection and Development of Resettlement Sites and For Financing the Acquisition of Housing Units Under the Community Initiative Approach”, the Terms of Reference and Memorandum Circular:
- Incorporated advertisement of projects in parallel activity with request for all interested Developers to apply for Accreditation on a continuing basis to give equal opportunity to all qualified developers to participate in the exercise. The Developers who pass the accreditation shall be invited to participate in all CIA projects.
- In the accreditation of Developers, safeguards were introduced to ensure that only qualified and experienced developers are chosen by the ISFs
- Inclusion of additional documentary requirements for stricter evaluation of the legal, technical and financial capabilities of developers.
- inclusion of two levels of evaluation of the proposals of the Developers
- Submission of as-built plans for all completed projects
- Clearly defined roles and responsibilities of stakeholders

The result of the extensive and comprehensive review was recommended and already forwarded to Management for review and approval last week of January 2011. Should it be approved by Management the mid-term tasks will immediately follow since all activities of the CIA Program were suspended pending approval of the Guidelines, the TOR and Memorandum Circular.

References:

Housing and Urban Development Coordinating Council (HUDCC)

2010 Housing and Urban Development Coordinating Council Medium- Term Philippine Development Plan on Shelter, 2004-2010

Housing and Land-Use Regulatory Board (HLURB)

2008 Amended Batas Pambansa (BP) 220

National Housing Authority (NHA)

2008 National Housing Authority (NHA) Corporate Profile

National Housing Authority (NHA)

2009 NHA 2004-2009 Performance Report

National Housing Authority (NHA)

NHA Community Initiative Approach Primer

National Statistics Office

2009 Census Report as of 4th quarter 2009. Philippines

National Statistics Office

2010 Summary Inflation Report Consumer Index (December 2010 and January 2011)

National Statistics Office

2010 Quickstart as of December 2010

Philippine Urban Forum

2005 Development of Poor Urban Communities Sector Project (DPUCSP) Report of April
2005 – Philippine Urban Forum

Philippine Congress

2009 Revised Implementing Rules and Regulations (IRR) of Republic Act No. 9184 (R.A.
9184)

Annex A

Documentary Requirements for Accreditation of Developers. The documentary requirements include:

- a) Developer's letter addressed to and duly endorsed by the CA
- b) Company's Profile with one set of building plans and specifications duly approved by the CA and the NHA which shall form part of the Contract Agreement between the CA and developer;
- c) Department of Trade and Industry (DTI) business name registration;
- d) Securities and Exchange Commission (SEC) Registration Certification;
- e) Mayor's Permit, Municipality/City License;
- f) Income and Business Tax returns;
- g) Tax Clearance per EO 398;
- h) Taxpayer's Identification Number (TIN);
- i) Certificate of Value-Added Tax (VAT);
- j) Price list of basic housing construction materials (for reference);
- k) List of equipment and manpower organizational structure; and
- l) Omnibus sworn statement on not blacklisted, ability to deliver completed housing units and make available the completed housing units; and ability to provide field office and sufficient housing materials including the necessary manpower requirement.

Annex B

Documentation Procedure Developer submits Letter to build housing units (HU) to Community Association (CA)

- b) If acceptable, CA endorses Developer to LIAC and thereafter the Contract Agreement between Developer and CA is notarized
- c) NHA evaluates and approves housing design, plans, cost and specifications of HU prepared by the Developer
- d) NHA secures appraisals from two private appraisers and one in-house appraisal to determine fair market value of HU
- e) NHA issues letter to Developer to guarantee financing of HU
- f) NHA, CA and Developer sign Memorandum of Agreement (MOA)
- g) ISF signs Loan Agreement with Assignment of Loan Proceeds for the Php60,000 HML in favor of Developer

EVALUATION OF THE NHA CIA PROGRAM

No.	Criteria of Evaluation	Means of Verification/ Compliance to Requirements	Analysis				
			Strengths	Weaknesses	Opportunities	Threats	
BASED ON THE IRR OF REPUBLIC ACT 9184 (PROCUREMENT REFORM ACT)							
1	Transparency in the procurement process - should attract the widest participation through dissemination of bid opportunities and participation of pertinent non-government organizations.						
	a.	Published Invitation to participate in newspaper of nationwide circulation and posting of invitations	*Newspaper publication * Sent out and posted Invitation	N*one/Not published *Program implemented; *Participation of developers	*Invitation not published; *Results to limited participation of qualified & experienced developers.	*Job opportunities for developers/sub-con; * Other economic opportunities *Completed HU/lots	*Defeats the purpose of transparency; *Uncompetitive result; *Unequal treatment of other developers; *Disenfranchised qualified developers
2	Competitiveness – extending equal opportunities/invitation to all concerned and invite only qualified and eligible developers						
	a.	Licensed/Qualified developers	Newspaper publication	None	* Invitation not published; *Contractor’s license not required; *Unlicensed developers also participate; *Participation of chosen few; *Lacks competition – best value for money	*Assurance of good work from qualified and experienced developers; *Legitimate track record; *Job opportunities of developers; *Completed HU/lots; *Benefits the ISFs	*Participation of unlicensed developers; *Unfair treatment to qualified developers; *Disenfranchised other qualified developers
	b.	Sub-Contractors	Newspaper publication/Not published	*May result to NHA developers inviting unqualified sub-con	*Lacks competition by uninvited developers	*Job opportunities of sub-developers; *Completed HU/lots; *Benefits the ISFs	*Participation of unlicensed sub-cons; *Unfair treatment to qualified developers
	c.	NGOs	Newspaper publication/Not published	No NGO presence	Non participation	None	*Missed opportunity of NGOs to provide assistance

3 Streamlined Procurement that will uniformly apply to all government procurement.							
	a.	Compliance to Eligibility, Technical & Financial Documents/Req'ts	Submitted eligibility, technical and financial documents/req'ts.	*Compliance to requirements; *Assurance of participation of qualified developers; *Private Sector participation	*Contractor's license not a requirement for submission; *Some sub-cons are unlicensed and first time contractors; *Attracts also unqualified developers	*Ensures participation of qualified developers; *Job opportunities for bonafide & tax-paying developers; *other economic opportunities	*Incomplete compliance to Public Bidding; *Unlicensed developers participates in construction
4 System of Accountability - Public officials and private parties that deal with GOP are held liable for their actions							
	a.	Developer /private party (including sub-cons)	Proper Accountability	*Developer's/sub-con's initiative/offer; *Private sector participation	Accountability ends with acceptance by ISF and NHA.	*Completed HU and lots; *Job opportunities; *ISFs' security of tenure facilitated; *Creation of Economic opportunities for laborers/businessmen	*Accountability circumvented; *Lost economic opportunities
	b.	CAs/POs	No acceptance of HU, only completed lots	No acceptance of HU, only completed lots	*Inexperience ISFs/CAs; *No accountability	*Ownership of HU and lots; *Facilitate ISFs' security of tenure	*Acceptance of sub-standard HU and lots; *Unrealized dream house & lot
	c.	NHA	No acceptance of HU, only on completed lots & disbursement of funds.	*Agreements forged among stakeholders through LIAC Resolutions, CA Endorsement, Contract Agreement bet. Developer & CA, MOA among CA, Developer & NHA, & Deed of Absolute Sale	*Experience/expertise of NHA staff not fully utilized; *Lost advantage to ISFs; *Sub-standard HU/lots	*Completed HU and lots; *Job opportunities; *Economic opportunities for labor and businessmen	*Unscrupulous Developer/sub-con; *May result to substandard project; *No quality assurance

5	Public Monitoring (by Commission on Audit [COA], others)	Audit Report/Other Reports	*Ensures quality control; *Compliance to standards; *Ensures delivery of completed units on schedule; *Timely monitoring	None	*Completed HU and lots; *Job opportunities; *ISFs' security of tenure; *Economic opportunities for labor and businessmen	None
COMPLIANCE TO TERMS OF REFERENCE (TOR)						
1	Compliance/Adherence to standards/parameters of BP 220/Minimum Design Standards & Technical Specifications					
	a. Prior to, during and after construction	*Prepared designs, drawings, and technical specs of land dev't. works & HU; *Comply with requirements *On-going construction according to standards and parameter * Land dev't works and HU completed according to standards and parameters	Prepared designs, drawings, and technical specs of land dev't. works & HU evaluated & approved by NHA; *Quality assurance * Compliance to requirements and standards; *Durable construction	*Experience/expertise of NHA technical staff not fully utilized; *Result to sub-standard construction	*Assurance of compliance to standards if evaluated by NHA; *Improved/adaptable designs	*Non-compliance to standards if not evaluated by NHA; *Disadvantage to ISFs; *Substandard designs *No quality assurance
2	Site Selection/Pre-Feasibility Study of the Project					
	a. By NHA	None	None	*Experience/expertise of NHA staff not fully utilized; *Criteria not well defined	Allows endorsement of Developer and construction of the units to proceed	Due to non-participation of NHA, selected site may not be the best site for housing

	b.	By Beneficiaries	Selected site	<ul style="list-style-type: none"> *Site preferred by CA *No dislocation of residency within 5 km distance; *Improved capability building of ISFs 	<ul style="list-style-type: none"> *Inexperience to undertake site selection and pre-feasibility study; *No quality assurance 	<ul style="list-style-type: none"> *Allows endorsement of Developer and const. of HU to proceed *Protection of interest & welfare of ISFs; *Ensure smooth and orderly construction 	<ul style="list-style-type: none"> *Selected site may not be the best site for housing; *Non-compliance to standards; *Disadvantage to ISFs; *CAs influenced by Developers
3		Endorsement of Developers	Endorsement by CA and approval by LIAC	<ul style="list-style-type: none"> *Site selected and endorsed by CA; *Approved by LIAC; *Capacity building Of ISFs 	<ul style="list-style-type: none"> *No endorsement from NHA; *Inexperience of CAs; *No quality assurance 	<ul style="list-style-type: none"> *Allows endorsement of Developer and construction of HU to proceed *Protection of interest & welfare of ISFs; -*Ensure smooth and orderly construction 	<ul style="list-style-type: none"> *Selected site may not be the best site for housing; *Non-compliance to standards; *Disadvantage to ISFs
4		Project Monitoring by concerned AMO and CAs	<ul style="list-style-type: none"> *Monitoring Report of concerned AMO; *Monitoring by CAs 	<ul style="list-style-type: none"> *Ensures compliance to standards and requirements; *Empowerment of CAs 	<ul style="list-style-type: none"> *Monitoring process not well defined; *Monitoring process needs improvement 	<ul style="list-style-type: none"> *Timely monitoring; *Compliance to standards; *Establish accountability 	<ul style="list-style-type: none"> *Possibility of Reports not being heard and used; *No improvement in construction process
5		Delivery of Completed HU & Lots by Developers	Completed HU and Lots housing unit	<ul style="list-style-type: none"> *Delivery of HU on agreed schedule; *Warrant complete, satisfactory & faithful performance of work; *Defects corrected; *Titles to HU issued; *Private sector participation 	<ul style="list-style-type: none"> *No total assurance of quality; 	<ul style="list-style-type: none"> *Benefits ISFs; *Provides homes to ISFs; *Contributes to the Housing Program of NHA particularly the Railway Program; *Improved basic services 	<ul style="list-style-type: none"> *No total assurance of quality; *Delivery may be delayed due to bulk, rains.
6	Acceptance of Completed housing Units						
	a.	By NHA	No provision for acceptance by NHA, only inspection of developed lots and completed HU.	Inspection of developed lots and completed HU.	<ul style="list-style-type: none"> *Experience/expertise of NHA staff not fully utilized; *Criteria of acceptance not well defined 	<ul style="list-style-type: none"> *Inspection of developed lots and completed HU; 	<ul style="list-style-type: none"> *Experience/expertise of NHA staff not fully utilized

	b.	By Beneficiaries	ISF's certificate of acceptance.	*Accepted units are the ISFs preference; *Improved capability building of CAs	*Inexperience to accept the units; *No proper accountability	*Assures acceptance by ISFs	*Inferior quality of accepted units
7		Price Ceiling/Cost of Units	Fixed price	*Derived cost approved by NHA, HUDCC; *Based on current market prices	*Not competitive, not a result of public bidding; *ISFs not involved in setting price	*Provides job and other economic opportunities; *Benefits the ISFs; *Results to completed units	*Maybe questioned by other gov't agencies such as COA; *Not a result of public bidding; *Price may not be best value for money.
8		Payment of Completed Housing Units	Funded/paid	*No funding prior to acceptance of projects; *Payment only after ISF's acceptance; *Assurance of completed units prior to payment; *Timely disbursement.	*Process of payment not well-defined;	*Completed HU and lots; *Job opportunities; *ISFs' security of tenure facilitated; *Creation of Economic opportunities for laborers & businessmen;	*Maybe questioned by other gov't agencies such as COA; *Not a result of public bidding; *Price may not be best value for money.
9		THE TOR ITSELF	Approved TOR	Guidelines for CIA implementation	*Unclear provisions subject to different interpretations esp. on acceptance of units; *Should be subject to intensive review and revision; *Need to add other provisions, such as acceptance of HU; *Needs sound reporting and monitoring systems	*CIA program made possible; *Benefits ISFs; *Provides homes to ISFs; *Contributes to the Housing Program of NHA particularly the Railway Program; *Creates job & economic opportunities	*Unscrupulous Developer/sub-con; *Sub-standard construction; *No total assurance of quality