

Capacity Building: The Road to an Effective Shelter Delivery System

A Training Proposal for Stakeholders in Mindanao



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Introduction

With the responsibility of the Local Government Units (LGU) in undertaking its housing development efforts came the need to empower them with knowledge and skills so that housing delivery can be effectively undertaken.

This paper proposes a training format that would identify the different stakeholders to be trained in different areas in the housing delivery system and the role that the NHA need to actively undertake to ensure full empowerment for the LGUs.

Specifically for Mindanao, as it experiences growth and urban development progress, so does the need to seriously look at the housing concerns. As more funds are infused in its housing development efforts and with the major role that LGUs perform in this undertaking, there is a need therefore to prepare them with the tasks at hand.

I Shelter Situation Analysis

1.1 Basic General Data

The Republic of the Philippines is home to 7,107 islands and is located in the south-eastern part of Asia. To its north across the Luzon Strait lies Taiwan. West across the South China Sea sits Vietnam. The Sulu Sea to the southwest lies between the country and the island of Borneo, and to the south the Celebes Sea separates it from other islands of Indonesia. It is bounded on the east by the Philippine Sea. ¹. Its many islands are grouped into three major islands, the Luzon, Visayas and Mindanao.

With a birth-rate of 25.68 births/1000 population, the Philippines is the world's 12th most populated country with approximately 99,900,177 million people (July 2010 estimate). ²The country's urban population is 65% in 2008.³ . Life expectancy for female is 71.64 years and male for 66.11 years.

The Philippines economy is the world's 47th largest economy (as of 2008). It has undergone a transformation from being an agriculture based country to that of a newly industrialized country.⁴

Filipino is the spoken language with the following ethnic origins: Tagalog 28.1%, Cebuano 13.1%, Ilocano 9%, Bisaya/Binisaya 7.6%, Hiligaynon Ilonggo 7.5%, Bikol 6%, Waray 3.4%, and Kapampangan 3%, other 25.3%. ⁵

Administratively, the Philippines has 17 Regions. Under these Regions are 80 provinces, comprising of 137 cities and 1,497 municipalities.⁶

Education is based on Western and Eastern ideology influenced by both Spain and the United States. Filipino children enter public school at about age four, starting from Nursery up to Kindergarten which proceeds to elementary at about seven years of age. At 12 or 13 years old, they progress to high school for four years then take the College Entrance Examinations (CEE), after which they enter University (3 to 5 years) for specific interests and courses.

¹ Wikipedia

² CIA World fact

³ CIA World fact

⁴ www.economywatch.com

⁵ 2000 Census on Population and Housing

⁶ www.statoids.com/yph.html

1.2 Shelter Related Facts and Figures

With households increasing 350,000 units per year and an increase in housing units of only 200,000 per year, an annual backlog of 150,000 has resulted. ⁷The magnitude of the housing need (defined as backlog plus new households) is staggering and has been estimated to reach more than 3.7 million in 2010 with Region IV having the highest at 828,348 and Caraga (Region XIII) in Mindanao having the lowest at 78,456.⁸

The Philippines existing housing stock will show the following: (in millions)

By Type of Building			By Tenure Status		
<i>Total</i>	14,891	(%)100	<i>Total</i>	15,279	(%)100
<i>Single</i>	13,065	88	<i>Owned/Amortized</i>	10,866	71
<i>Duplex</i>	528	4	<i>Rented</i>	1,543	10
<i>Multi-Unit</i>	1,030	7	<i>Free w/ Consent</i>	2,048	13
<i>Coml/Ind/Agri</i>	41		<i>Free w/o Consent</i>	191	1
<i>Inst. Qtrs</i>	5		<i>Not Reported</i>	632	4
<i>Others</i>	10				
<i>Not Reported</i>	212	1			

By Construction Material			By Area of Occupancy		
<i>Total</i>	14,891	(%)100	<i>Total</i>	14,882	(%)100
<i>Concrete/Brick</i>	4,588	31	<i>>10 sq.m.</i>	2,609	18
<i>Wood</i>	3,381	23	<i>10-19 sq.m.</i>	3,129	21
<i>Half Conc/Half Wood</i>	2,816	19	<i>20-29 sq.m.</i>	6,210	42
<i>Nipa/Cogon/Bamboo</i>	3,399	23	<i>30-49 sq.m.</i>	2,456	17
<i>Asbestos</i>	88	1	<i>50 and above</i>	478	3
<i>Glass</i>	48				
<i>Makeshift</i>	549	4			

Source: NSO, Census on Population and Housing 2000

⁷ HUDCC Housing Situation 2000

⁸ HUDCC housing need per region 2000

The Total informal settlers in the country is 550,771 households, 36% in the National Capital Region (NCR), and the City/Province with the most number of informal settlers are in Quezon City (91,090), Rizal Province (20,237) and Davao City (20,072).⁹

While traditionally housing provision comes from the national government, it has now been devolved to Local Government Units (LGU) so that emphasis is given on the provision of programs that responds to the demands in the locality, actual situation on ground, the resources available including its limitations and surpluses if any and its development according to the comprehensive development plan of the locality.

1.3 Housing Policy

Housing policies of the government has been focused on coping with the demand of a rapidly growing population with very little resources. It has begun to tap and institutionalized private sector participation and has empowered LGU's to undertake its housing programs as well.

In support, four major laws govern the Philippines housing policies:

A) Executive Order No. 90 created the Housing and Urban Development Coordinating Council (HUDCC) as the umbrella organization of all government housing agencies. ¹⁰ It is charged with the formulation of housing policies. It is responsible for establishing directions, plans and programs and the different housing agencies have been mandated to do specific and specialized roles. This law also established the National Shelter Program and identified the different housing programs to implement and to respond to specific needs and requirements.

B) The Local Government Code (LGC) of 1992 or Republic Act (RA) 7160 transfers to Local Government Units the responsibility of undertaking its own development initiatives including housing. The law is the vehicle that made possible devolution of functions from the national to the local level.

C) The Urban Development and Housing Act (UDHA) or RA 7279 is the law that governs housing for the poor and identifies important tasks of the local

⁹ Selda, HUDCC Report 2010

¹⁰ Executive Order No. 90

government units and the different actors in the housing delivery system. The different shelter delivery mechanism is also identified here.

D) The Comprehensive Integrated Shelter Financing Act (CISFA) or RA 7835 identifies funds for socialized housing projects under the National Shelter Program by the different shelter agencies.

1.4 Actors in Shelter Delivery and their Roles

Where the national government housing agencies, represented by HUDCC, formulate housing policies to serve as the backbone of shelter provision, other key shelter agencies under it introduce, produce, regulate, implement, monitor and finance programs and projects. These programs have been designed such that effective partnership can be developed between and among these national agencies and the LGU's. LGU's on the other hand, conduct inventory of all lands in their jurisdiction, and takes the responsibility of identifying lands suitable for housing, undertake inventory of their socialized housing beneficiaries and identify programs to fit the requirements and affordability. The private sector and Non-Government Organizations (NGO) come in to share their land, construction services, technical expertise and other resources. On the receiving end of the shelter delivery process is the people's organization, the urban poor.

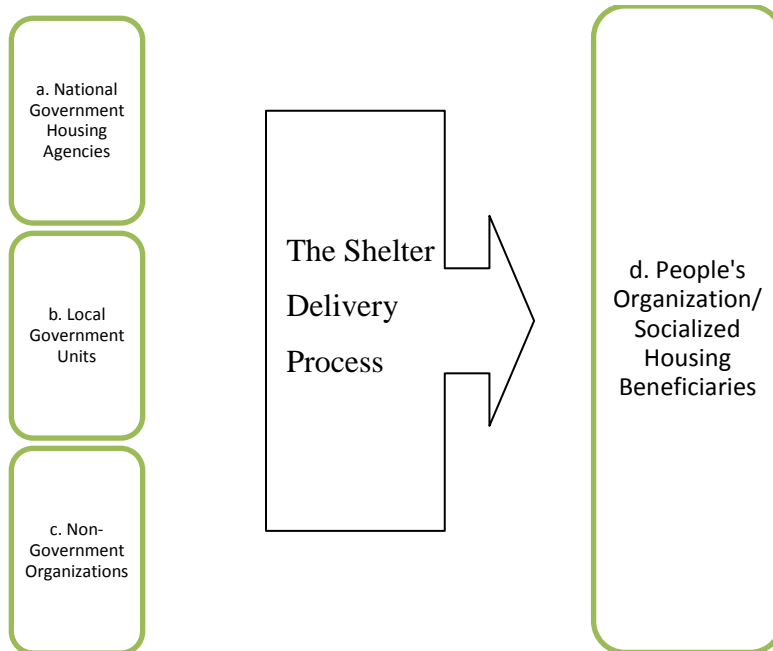


Figure 1: The Shelter Delivery Process and the Actors Involved

1.5 Shelter Design

Planning and design standards for socialized and urban poor housing is guided by Batas Pambansa (BP 220) , wherein minimum development standards for residential house and lot sizes and roads, drainage, open space are set and an allocation for parks and open spaces provided.

To develop a housing project, attendant permits and licenses are secured from the different agencies, both at the national and the local level. A partnership between the national and the local levels are further forged between them when the Preliminary Approval and Locational Clearance (PALC) and Development Permit (DP) is secured from the LGU to ensure that the subdivision development is within its comprehensive land use plan and has adopted the standards set forth in BP 220. The Certificate of Registration (CR) and License to Sell (LS) issued from the national level establishes the control as to compliance to the other requirements for housing development.

Global concerns pertaining to the environment have resulted to the inclusion of specific provisions in land use planning guidelines and included the involvement of more government agencies like the Department of Environment and Natural Resources. To take into consideration specific needs of specialized segments of society, gender and development concerns have now been institutionalized via the amendments in the planning standards.

2 The National Housing Authority

On July 31, 1975, the National Housing Authority (NHA) was created and organized as a government owned and controlled corporation under Presidential Decree 757 where its mandate is to develop comprehensive housing programs. In the years that followed, the attempt of the government to solve its growing housing need saw the organization and re-organization of different housing agencies. For the NHA, it experienced an evolution of its functions and mandates to what it is today.

Under Executive Order No. 90 dated 17 December 1986, NHA became the sole production arm of the government focusing on the housing needs of the lowest 30 percent of the urban population. The UDHA tasked NHA to provide

technical and other forms of assistance to local government units (LGUs) in the implementation of their housing programs. Under CISFA, NHA was tasked to implement the following components of the National Shelter Program – Resettlement, Medium Rise Public and Private Housing, Cost Recoverable Programs and Local Housing Program.

The NHA is structured with a governing Board of Directors composed of the heads of the different infrastructure agencies of the Philippine government and the Department of Finance. The positions of the General Manager and the Assistant General Manager are appointed by the President of the Philippines.

The bottom level is the different Area Management Offices. This ensures that plans and programs reached far and wide across the country. To make NHA accessible to local government units, operating units under these are created.

These operating units serve as the mini NHA of their jurisdiction in charge of the project operations. As such, the project cycle starts with coordination with LGUs, local government officials, government legislators and even the urban poor themselves. Thereafter, the type of program suitable to the needs is determined and project proposals are packaged accordingly, submitted to the next level and consequently approved by the Board of Directors.

The National Housing Authority, as the production arm of the government and responsible for the delivery of shelter, undertakes its own housing project, following a definite cycle: responding to identified problems, securing lands for acquisition, design of subdivision development and housing, supervision in the construction and the documentation of the individual awards to collection of the monthly amortization and the issuance of the individual titles. These are the major important activities that the NHA has adopted through the years in the implementation of its housing programs.

3 Shelter Problem

The housing problem in the Philippines is very serious and is largely an urban phenomenon. To the government, housing provision to the poor has always been its responsibility. Efforts of the government to respond to the housing need have not kept pace with the fast growing demand. The creation of different housing agencies has been done and a long list of programs and projects implemented.

With the government's own recognition that housing provision can not be done by government alone, it has resorted to utilize the financial and technical resources of the private sector.¹¹

Aside from the shortage and difficulty in meeting these demands, a significant part of the problem is the lack of affordability. The government formulates programs and design projects that are more and more becoming too expensive for the homeless. This affordability problem has resulted to illegal occupancy of public land, privately-owned lands and danger zones (esteros, river banks, and road-right-of-ways of national highways).

The passage of the Philippine Act in 1935 appropriating P250, 000.00 (\$ 5,550.00) for the purchase of a housing project for workers signalled the early intervention of the government in housing.¹² In 1938, the first government agency, the People's Homesite Corporation was created to plan, construct and administer the first low-cost housing project. Other government agencies concentrating on housing were created to focus on financing (Home Financing Commission), planning standards (Presidential Assistance on Housing and Resettlement Agency (PAHRA), research (Central Institute for Training and Relocation of Urban Squatters (CITRUS), production (National Housing Corporation). It was only in 1960 that the government started gathering data on housing need, demand, backlog, costs and other data to effectively plan a comprehensive housing program. The approach to housing was viewed as piecemeal, uncoordinated and lacking in coordination. At this time, everything is still Government-led, from actual construction to financing. No private sector participation was involved yet.

In 1975, the National Housing Authority (NHA) was created dissolving the different agencies earlier created. It absorbed their functions: formulation and implementation of a nationwide housing program, coordination and integration of housing development programs and projects, land acquisition, construction and management of low-cost housing projects, slum improvement, relocation and resettlement and the formulation of housing standards. As NHA went through its own evolution, it continued to perform its function on production and some of its

¹¹ UDHA

¹² Fabella, *The Housing Sector, A Review*, 1987

other functions are being performed by other agencies: research and program formulation (HUDCC), financing (HDMF, NHMFC-SHFC), planning standards (HLURB), guarantee (HIGC).

In the years prior to the implementation of the Local Government Code, it was the National Housing Authority, being the production arm of the government that undertakes housing projects nationwide. It acquires land, design land development and housing, constructs, coordinates with funding institutions on financing, undertakes estate management and undertake collection for in-house projects and turn-over completed projects to the LGU's.

The functions on housing provisions, earlier undertaken by the different agencies of the national government come with funds (though limited to a certain degree), technical and manpower resources (with know-how and expertise in conducting its functions), and a mechanism that allowed it to coordinate with the other government housing agencies.

The advent of the Local Government Code has trusted upon LGU's the different tasks that come with housing provision: research and data base collection, planning standards, production and financing. Looking at the level of these LGU's, the gigantic task of dealing and coping with the housing problem in their individual localities have come to them replete with funds, technical and manpower resources and knowledge on a mechanism that would allow them to function effectively.

As LGUs undertake housing programs on their own, flaws and faults in their established housing delivery system are seen. Eighteen (18) years after the implementation of the LGC and the UDHA, most LGU's are still struggling on its housing programs implementation. The devolution of the task in doing its housing programs and shelter delivery did not come with a mechanism that would have armed and guided these LGU's.

On the part of the NHA, it has yet to do a thorough and proactive transfer of technology to ensure that LGU's are fully armed. The system that the NHA has adopted in its housing delivery process has not been fully transferred and taught to the LGU's.

4 Proposal for Change and Improvement

The National Housing Authority, with its mandate under the UDHA and upon request of local government units, shall provide technical and other forms of assistance in the implementation of the LGU's respective housing programs with the objective of augmenting and enhancing local government capabilities in the provision of housing benefits to their constituents.¹³

Consistent with the provisions of the UDHA, where NHA is provider of technical assistance, it has to pro-actively perform its role in this aspect. LGU information advocacy needs to be undertaken and given bigger weight. In the eyes of NHA management this task should be considered as a major production output. The concept of devolution, decentralization and transfer of technology should be a primary focus here. NHA Technical Assistance should not be limited to assistance in the documentary, plan and design preparation and compliance but should as well include the capability building for the LGU personnel in charge of the housing delivery system.

The NHA will conduct training, designed for two important stakeholders: a) Members of the Local Housing Board and the b) staff and officials of the City or Municipal Housing Office. For LGUs not having a Housing Office yet, staff from the City or Municipal Planning Office in charge with housing concerns shall participate. The Local Housing Boards are important participants to the training being the policy making body on housing and charged with the formulation of the Comprehensive Shelter Plan. Staff and officials of the City or Municipal Housing Office as participants of the training are equally important as they are the ones charged with the operationalization of the housing plans and programs.

On the part of the Author, she shall initiate firstly with the four (4) Provinces under her area of jurisdiction, the conduct of a housing forum for each of these provinces. This will gather together in one setting, all stakeholders and planners in housing in all the municipalities under these provinces. This housing forum will also gather together all the government housing agencies and discuss their plans and programs. As NHA introduces its own programs, a peek into the training module for the capacity building will be included. The detailed capacity building

¹³ Urban Development and Housing Act

seminar, with the more detailed and intensive activities will be done per City or Municipality. It must be noted, that these trainings, both at the Province and the Municipal levels should include as many legislators as possible, in order to gain the needed legislative support.

To ensure coverage of the critical issues on housing, the following topics would be covered:

- a) Housing Laws and its implementing mechanism with focus on UDHA
- b) Strategic Planning for Shelter
- c) Fund Sourcing and Networking
- d) Project Management
- e) Estate Management and Recovery of Investments
- f) Monitoring and Evaluation

The above areas of coverage can be effectively reflected in following this cycle:

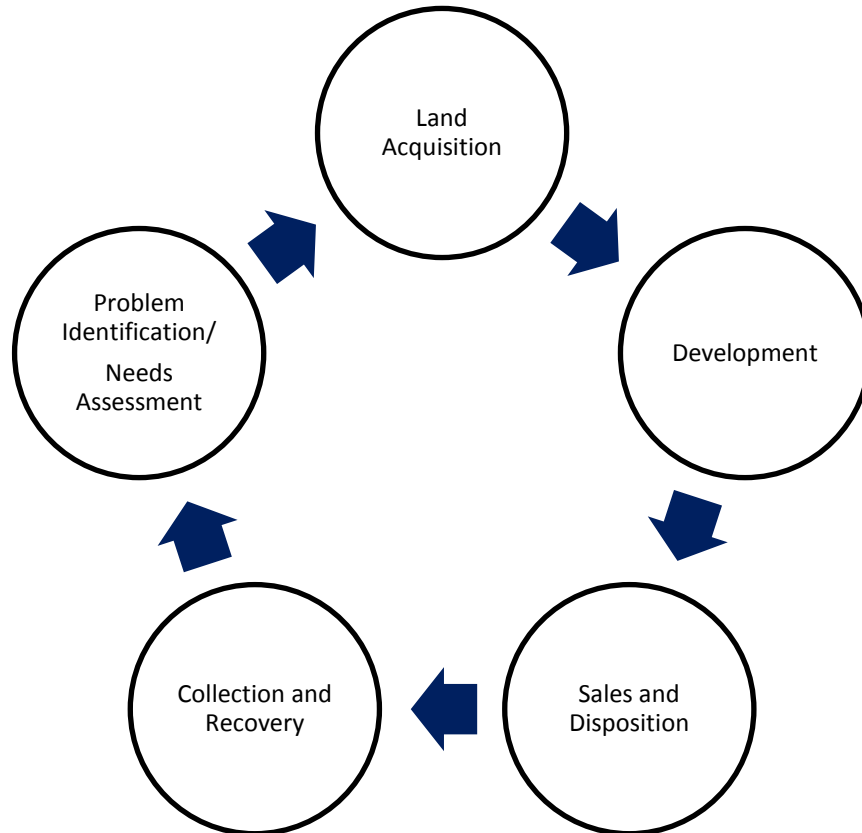


Figure 2: The cycle of housing delivery as adopted by the National Housing Authority.

This diagram shows Problem Identification/Needs Assessment as a beginning step and the Collection and Recovery as the Last Step. It is shown in a cyclical pattern

to reflect that when the investment of the government is fully recovered in these housing programs, the funds raised out of this previous project can now be used to develop a new housing project.

To add flexibility to the training design LGUs can be given the free hand on certain subjects/areas where they need training the most. Other possible topics could include:

- a) New Building technologies and standards
- b) Project Supervision
- c) Exposure to NHA Projects (Medium Rise, Resettlement Projects)
 - For NHA to showcase best projects (Medium Rise in Karangalan, Resettlement in NBP in Muntinlupa) and share lessons learned of the Smokey Mountain Resettlement
- d) Project Feasibility Study

With four provinces, 5 cities and 43 municipalities under Region XI alone, plus the other LGUs within Mindanao, prioritization will be given to urban and urbanizing LGU's as reflected in the HUDCC. Second in consideration is the LGU readiness on its housing development efforts (presence of an existing and functioning Local Housing Board, with on-going housing projects, interest of LGU officials to partner with NHA).

Budgetary considerations should also be discussed, with LGU's sharing costs especially for its participating staff and officials. NHA shall shell out its share in terms of paying for cost of travel and honoraria for lecturers and other logistical support and DILG and partner NGO's/academe for other contingencies.

To effectively monitor the training results a monitoring and comparative tabulation for LGU performance on the changes and improvements brought about by the trainings (creation of a Local Housing Board, fund sourcing for housing programs, number and type of projects undertaken – with success and failure sharing, formulation of the LGU Shelter plan, etc.)