

Impact Assessment of the National Shelter Program

FINAL REPORT

Volume 3 Integrative Report

OCTOBER 2018

UP PLANADES



**IMPACT ASSESSMENT of the
NATIONAL SHELTER PROGRAM**

VOLUME 3

INTEGRATIVE REPORT

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LIST OF ACRONYMS

AKPF	<i>Abot-Kaya Pabahay</i> Fund
APIS	Annual Poverty Indicator Survey
BCDA	Bases Conversion and Development Authority
BIR	Bureau of Internal Revenue
BLISS	Bagong Lipunan Improvement of Sites and Services
BP	Batas Pambansa
CHR	Commission on Human Rights
CIAP	<i>Community Initiative Approach Program</i>
CISFA	Comprehensive and Integrated Shelter Finance Act
CLUP	Comprehensive Land Use Plan
CMP	Community Mortgage Program
COA	Commission on Audit
CDA	Cooperative Development Authority
CSSD	Community Support Services Division
DBP	Development Bank of the Philippines
DepEd	Department of Education
DENR	Department of Environment and Natural Resources
DOH	Department of Health
DOLE	Department of Labor and Employment
DOTr	Department of Transportation
DPWH	Department of Public Works and Highways
DSWD	Department of Social Welfare and Development
DTI	Department of Trade and Industry
EFP	End-User Financing Program
EO	Executive Order
FGD	Focus Group Discussion
GAA	General Appropriations Act
GK	<i>Gawad Kalinga</i>
GFI	Government Financial Institution
GMA	Greater Metro Manila Area
GSIS	Government Social Insurance System
HDHP	High-Density Housing Program
HDMF	Home Development Mutual Fund
HGC	Home Guarantee Corporation
HLURB	Housing and Land Use Regulatory Board
HOA	Homeowners Association
HUDCC	Housing and Urban Development Coordinating Council
IEF	Impact Evaluation Framework
ISSP	International Social Survey Program
IRA	Internal Revenue Allotment
ISF	Informal Settler Family
KII	Key Informant Interview
KSA	Key Shelter Agency
LASEDECO	Land Settlement Development Corporation
LCMP	Localized Community Mortgage Program
LDD	Livelihood Development Department
LGU	Local Government Unit

LIAC	Local Inter-Agency Committee
LIKAS	<i>Lumikas para Iwas Kalamidad at Sakit</i>
M/CPDO	Municipal/City Planning and Development Office
M/CSWDO	Municipal/City Social Welfare and Development Office
MDGs	Millennium Development Goals
MFO	Major Final Output
MPC	Mount Pinatubo Commission
MMDA	Metropolitan Manila Development Authority
MTPDP	Medium-Term Philippine Development Plan
NAIA	Ninoy Aquino International Airport
NAPC	National Anti-Poverty Commission
NARRA	National Resettlement and Rehabilitation Administration
NEDA	National Economic and Development Authority
NFPP	National Framework for Physical Planning
NGAs	National Government Agencies
NGO	Non-Government Organization
NHA	National Housing Authority
NHMFC	National Housing Mortgage Finance Corporation
NISUS	National Informal Settlements Upgrading Strategy
NLRC	North Luzon Railways Corporation
NLSA	National Land Settlement Administration
NLUC	National Land Use Committee
NSP	National Shelter Program
NTWG	<i>National Technical Working Group</i>
NUDHF	National Urban Development and Housing Framework
Pag-IBIG	<i>Pagtutulungan sa Kinabukasan: Ikaw, Bangko, Industriya, Gobyerno</i>
PAPs	Project Affected Persons
PRECHUR	Presidential Committee for Housing and Urban Resettlement
PCUP	Presidential Commission on Urban Poor
PDP	Philippine Development Plan
PIDS	Philippine Institute of Development Studies
PNR	Philippine National Railways
PSA	Philippine Statistics Authority
RA	Republic Act
RAP	Resettlement Assistance Program
ROW	Right of Way
RP	Resettlement Program
RPT	Real Property Tax
SEC	Securities and Exchange Commission
SHFC	Social Housing Finance Corporation
SIR	Slum Improvement and Rehabilitation
SPDC	Sapang-Palay Development Committee
SSS	Social Security System
TESDA	Technical Education and Skills Development Authority
TLRC	Technology and Livelihood Resource Center
ToC	Theories of Change
UDHA	Urban Development and Housing Act of 1992
UHLP	Unified Home Lending Program
UN-HABITAT	United Nations Human Settlements Programme
UP PLANADES	UP Planning and Development Research Foundation, Inc.
ZIP	Zonal Improvement Program

EXECUTIVE SUMMARY

Introduction

Given the performance indicated by the outputs of the housing sector, NEDA affirms that it merits to conduct a broader and more recent assessment of the NSP as the government's overall housing program/strategy, particularly in its implementation in the past fifteen years (2001-2015). A performance assessment of the sector through the conduct of an impact assessment focusing on the three key direct housing assistance programs, such as the Resettlement Program (RP), Community Mortgage Program (CMP) and End-User Financing Program (EFP), has been envisioned to assist NEDA in providing sound and evidence-based policy advice related to housing, urban development and social sector development. The findings and expert recommendations from the study will also help facilitate and strengthen the linkage between the planning cum investment and budgeting processes for the shelter sector. Thus, an impact assessment study was conducted with the aim of:

1. Determining if the National Shelter Program has significantly expanded access to secure shelter, and, thus have reduced vulnerabilities among the targeted bottom 30% of the population;
2. Examining the service delivery of key direct housing programs under NSP;
3. Designing a standard impact evaluation methodology for NSP sub-programs and implement this using the Resettlement Program as a case study; and,
4. Recommending policy and program reforms to improve the NSP implementation.

The study, labelled as Impact Assessment of the National Shelter Program, covered the implementation of the three key direct housing programs such as the RP, CMP and EFP for the period 2001 to 2015. It covers the following:

1. Assessment of the NSP using an over-all program evaluation framework and methodology following the parameters defined in the country's National Evaluation Policy Framework, such as relevance, effectiveness/impact, efficiency and sustainability;
2. Conduct of an *Impact Evaluation* of the Resettlement Program using an Impact Evaluation Framework and methodology that employs mixed methods of evaluation; and,
3. Conduct of a *Rapid Appraisal* of the Community Mortgage Program of the Social Housing Finance Corporation (SHFC), and End-user Financing (for Socialized and Low-cost housing) of the Home Development Mutual Fund (Pag-IBIG).

The study results comes in three separate volumes: Volume 1 - Impact Assessment of the Resettlement Program: A Case Study; Volume 2 – Rapid Appraisal of the Community Mortgage Program and End-User Financing Program; and, Volume 3 – Integrative Report

This volume of the report is basically an integrative summary of the findings of the Impact Study of the Resettlement Program (Volume 1) and the Rapid Appraisal of the Community Mortgage Program and the End-User Financing Program (Volume 2), including recommendations for policy and program implementation reforms.

Approaches and Methodology

The overall evaluation of the shelter programs (RP, CMP, and EFP) examines the processes and mechanisms critical for their successful implementation. The evaluation determined the outcomes and impacts of the implementation of the shelter programs during the period 2000-2015, and examined how well these programs have been conceived, planned and designed to achieve the intended outcomes, and whether these outcomes can be sustained. Thus, with careful consideration of the political, policy and planning, economic, environmental/physical, socio-cultural-ideological, and technological contexts that the housing programs are operating, evaluative questions have been addressed (e.g., what have been achieved; how and when were they achieved, by whom and for whom were they achieved, at what cost and under what circumstances were they achieved, etc.)

RP, CMP and EFP are evaluated in this study in terms of relevance, efficiency, effectiveness/impact and sustainability. The Over-all Evaluation Framework defines the major elements and contexts, evaluation questions to be addressed, data and information required, data sources, and methods of collection to be used by the Study Team. See Annex 1.

The impact assessment of the RP focuses on the resettlement of informal settlers in danger/hazard zones and in areas where infrastructure projects are planned to be built. The rapid appraisal of the CMP and EFP, on the other hand, centers on the implementation of the programs with particular emphasis on the processes involved and beneficiary-level outcomes among selected community housing projects and individual Pag-IBIG housing loan borrowers.

Detailed discussions on the approaches, methodologies and tools used for data collection and analysis for the RP impact assessment and rapid appraisal of CMP and EFP are presented in volumes 1 and 2 of the report.

Based on a set of criteria, the study sites, eight (8) Resettlement Projects and ten (10) CMPs, were randomly selected from the listings provided by the National Housing Authority (NHA) and Social Housing Finance Corporation (SHFC), respectively. The specific Pag-IBIG service branches and EFP beneficiaries or loan borrowers for the rapid appraisal

of EFP were likewise identified in consultation with the Home Development Mutual Fund (HDMF).

Quantitative approach of assessing impacts of the Resettlement Program entailed follow-up surveys of relocated ISFs from the waterways and railways of Metro Manila, while rapid assessment of the CMP involved qualitative methods such as Key Informant Interviews of homeowners association officers, government officials of host cities/municipalities/barangays, local planning/zoning officers, heads of Urban Poor Affairs Office and local housing/resettlement offices, and Focus Group Discussions among program beneficiaries.

For the follow-up survey of resettled households from the waterways of Metro Manila, only those resettled from August 2013 until 2014 (with available baseline information or covered by the July-December 2013 census) were included to serve as the sampling frame or population for the study. In the case of the ISFs relocated from the North and South railways (Metro Manila segments), the listing of relocated families during the 2008-2009 period served as the sampling frame. The survey sample sizes were estimated with the required reliability of *95% confidence level* and *5% margin of error*.

The review of instruments ascertained that the baseline data for the ISFs resettled from the 8 major waterways include several impact indicators needed in the study, while that of the ISFs from the North-South railways scarcely include impact indicators. Because of the absence of impact variables in the profile data prepared by NHA before the relocation of the ISFs from the railways, the Study Team decided to prepare a survey questionnaire with several recall questions pertaining to their conditions before they were relocated during the period 2008-2009.

Limitations of the study centered on the choice of the evaluation design given the nature of the resettlement program and the sampling design constrained by the unavailability of required baseline data, for which the evaluators had no control.

Findings and Evaluation Results

The format of the presentation of study results for this integrative report follows the sequence of the study objectives, the discussions responding to each of the four objectives.

Objective #1: *Determine if the National Shelter Program (NSP) has significantly expanded access to secure shelter, and thus have reduced vulnerabilities among the targeted bottom 30% of the population.*

The following discussion addresses the above stated objective only as far as presenting the coverage and accomplishments of the program in securing shelter for the targeted beneficiaries. Impacts and benefits to the targeted bottom 30% of the population in terms

of reduced vulnerabilities are tackled thoroughly in succeeding sections that address objective #3.

Using data for the period 2011-2015, the total accomplishment of both direct and indirect housing provision was about 784 thousand households assisted. And of this total, direct housing provision by RP, CMP and HDMF-EFP accounted for 646.9 thousand or about 82.5% of total accomplishments over the five-year period 2011-2015. A very minute portion of direct housing, 2,423 or about 0.3% of households assisted was jointly accounted for by government financing institutions such as SSS, GSIS, DBP and LBP (UN-HABITAT 2016). Indirect housing provision by HGC and NHMFC in the same period totaled 134.7 thousand households assisted or about 17.2 % (UN-HABITAT 2016). See Figure 1.

Reach or intended beneficiaries of the direct housing program

The households intended to be covered by the RP and CMP are those belonging to the lowest 3 deciles or lowest 30% of households. However, households that had eventually become beneficiaries of the two programs were mostly those who formerly resided in informal settlements. Exceptions, in the case of the NHA, are the housing projects for specific sectors such as the military and police.

Based on the 2014 Annual Poverty Indicator Survey (APIS) data, the size of informal settler families (ISFs) as potential target of the two program (those that “own house, on rent-free lot without consent of owner” and those living in “rent-free house and lot without consent of owner”) consisted of 2.3% of households in the lowest 3 deciles. Overall, such households constitute about 2.7% of all households across all income groups or an estimated 700 thousand households using 2015 data. NHA data, on the other hand, placed the number of informal settlers at about 1.5 million as of July 2011 (UN HABITAT 2016).

In 2014, about 10% of the lowest 3 deciles or the poorest 30% of households had membership in Pag-IBIG. This translates to about 600 thousand low-income households that were covered by Pag-IBIG in 2015. In contrast, about 41% of households in the top 7 deciles have membership in Pag-IBIG, or an equivalent of about 5.24 million households in 2015.

Outputs of the direct housing programs

The three programs contributed to the generally increasing trend in the total accomplishment. In particular, there was a sharp increase from 2007 to 2009 in households assisted by the HDMF. Similarly, in 2013 and 2014, there was a sudden increase in the number of households assisted by the NHA through the resettlement of ISFs from danger areas in Metro-Manila and the housing assistance for calamity victims (UN-HABITAT 2016 and NHA).

Pag-IBIG/HDMF accounted for the largest shares of households served in direct housing provision (39.6% in 1990-2000 and 49.4% in 2001-2010) and a continuing large share of 39.3% in 2011-2015. NHA, on the other hand, had a steady share in direct housing provision of over one-third in the first two periods (35.2% and 37.1%, respectively) but its share sharply increased reaching 46.6% in the latest period. As explained previously, the increase in NHA share in the recent period is because of the sudden increase in the numbers of households relocated from danger areas in Metro-Manila and households assisted following severe calamities that hit the country in the period 2011-2015.

The contribution of the RP, CMP and HDMF/EPF to housing provision in the country in general is assessed by examining the ratios of the number of households assisted by these three programs, on the one hand, to actual housing additions and to actual housing stock in the country, on the other hand. Expectedly, the population size, number of households and number of occupied housing units had consistently increased over the 25-year period (1990-2015), but the rates of change in each of these three components have not been the same. Average household size has steadily decreased, from 5.32 in 1990, to 4.58 in 2010 and to 4.40 in 2015 – reflective of lower average number of children per family. Similarly, the ratio of households to housing units have generally been falling, from 1.0353 in 1990 to 1.0231 in 2010, but rising slightly to 1.0245 in 2015 – indicating that the “doubling-up rate” or the percentage of households sharing housing units have generally been decreasing. Doubling-up of households has decreased from 3.53% in 1990 to 2.31% in 2010 and increased slightly to 2.45% in 2015. But while the doubling rate is declining, the absolute number of doubled-up housing continues to increase as follows: 387 thousand in 2000, 455 thousand in 2010 and 549 thousand in 2015.

Additional housing units increased from 3.8 million in the period 1990-2000 to 4.8 million in the period 2001-2010. The new addition in the recent five-year period (2010-2015), about 2.7 million, is already more than half at 56% of the housing addition in the previous decade. Comparing the number of households assisted by direct housing programs of the government to national housing additions for each period, the contribution of direct housing had ranged from about 18% in 2001-2010 to 26% in 1990-2000 – while the ratio in 2011-2015 comes close to the ratio in 1990-2000. That is, for every 100 additional housing units constructed in the period 2011-2015, around 24 units of these were contributed by the direct housing programs of government. The expansion of direct housing programs of government seem to have generally caught up with the overall pace of housing additions in the country considering near recovery in the percentages from the earliest to the most recent period.

The contributions of government direct housing is also assessed relative to existing housing stock. The pattern in the ratio over time is observed to be generally declining. In the 1990-2000 period, 93 per 10,000 stock housing units were government assisted. In the 2011-2015 period, this ratio was lower at 66 per 10,000 stock housing units.

The APIS data is also used to show the contribution of government housing programs by income group. The percentage of households that had acquired a house and/or lot through a government housing program is generally increasing as income increases or when moving from the 1st (bottom) to the 10th (top) decile. Thus, the percentage is lowest for the lowest income group or the 1st decile, at 1.13% in 1999, 1.21% in 2007 and 0.85% in 2013, and highest for the highest income group or the 10th decile, at 10.67% in 1999, and 7.20% in both 2007 and 2013. It can be recalled that Pag-IBIG is among the housing programs that households have accessed over the years, accounting for about 40% of households assisted in the period 1990-2010. And because the higher income groups have higher Pag-IBIG coverage, the percentages among the top 7 income deciles who reported to have acquired a house and/or lot through government housing or financing program would be expectedly high.

Among the lowest 3 deciles, the percentages that had benefited from the government housing programs in 1999, 2002 and 2007 were generally higher (close to 2%) compared to later years. Percentages had gradually declined from 1.56% in 2007 to 0.96% in 2010, and further to 0.92% in 2013. Meanwhile, the percentages for the top 7 deciles were generally higher in 1999 and 2002 (exceeding 4%) compared to later years at 3.16% in 2010 and 3.34% in 2013. While the top 7 deciles had obviously benefited from the increase in the output of direct housing from 2010 to 2013, as indicated by the increasing percentage from 3.13% to 3.34%, the nearly constant percentages (0.96% and 0.92%, respectively, for the same two years) nonetheless means that households in the lowest 3 deciles had likewise continued to benefit from government housing assistance.

The poor and underprivileged as beneficiaries of the program

It is estimated that around 33% of the targeted ISFs for relocation belonged to the first 3 deciles (lowest 30% income group), earning less than P9,000 per month. That means that majority, or two-thirds, of those being targeted for the provision of socialized and low-cost housing by the RP were actually earning more and belonging to the upper income group, at least within the 5th and 6th deciles.

Although CMP is considered as an important component of the strategy to address the housing needs of the underprivileged, there appears to be inherent program limitations and weaknesses that limit its accessibility among the intended beneficiaries. The beneficiaries on site in the 10 subject CMP projects of this study were originally landless and/or homeless (based on SHFC's Background investigation Report), but not all of them can be considered *underprivileged* if underprivileged refers to those families below the poverty line. All beneficiary families have means of livelihood and/or some family members are gainfully employed (e.g., government workers, teachers, etc.). Although the Study Team had no way of knowing their housing quality before they became CMP beneficiaries, it is only logical to assume that their previous residence were of poorer quality than the houses they have built on their assigned CMP lots.

Pag-IBIG housing finance privilege, however, is presently accessible only to Pag-IBIG members. The non-members, especially those belonging to homeless and underprivileged who are the real targets for the government shelter program cannot be given access to the Pag-IBIG housing loan privilege. And although membership to the Pag-IBIG Fund is now universal, membership is still reserved to those with regular income and capacity to pay. In keeping with its mandate to provide affordable loans to finance *affordable housing*, HDMF introduced the *Affordable Housing Program* in 2012 (covering houses not costing more than Php750,000, and is available for members with monthly incomes that do not exceed Php17,500 for those working in Metro Manila, and Php14,000 for those working in other regions). The lowest 30% income earners constituted less than 2% of the total # of loan borrowers in 2012-2015, accounting for less than 1% of the total loan value. This is only to be expected considering that the likelihood that Pag-IBIG member will belong to the 30% income decile is low because a member by definition is gainfully employed and has the capacity to pay the loaned amount for a housing unit. Nevertheless, there was a rapidly increasing number of poor families availing of the Affordable Housing Program from 2012 to 2015.

Direct housing provision of agencies: outputs and costs

This section summarizes the performance of NHA, SHFC and HDMF from 2001 to 2015 in terms of the number of households/families served, total amount spent on resettlement, and volumes of loans released through the Community Mortgage Program and Pag-IBIG housing loan program. Despite the increased volume of housing assistance contributed by NHA in 2014-2015, the obligated amount was considerably low. This is due to the fact that the biggest bulk of funds spent on the resettlement of ISFs from Metro Manila's danger areas came from the Oplan Likas' Php50 Billion Fund and not from the agency's allotment from the National Government (to which the reported obligations and disbursements have been paralleled).

From 2001 to 2015, the CMP has extended Php8.9 Billion in loans to 1,771 community associations (CAs) with 172,083 beneficiary families. The Pag-IBIG Housing Program, on the other hand, has been the biggest provider of end-user housing finance for employees, both from the government and the private sector, over the last several years. In 2015 alone, the program was able to provide Php43.9 Billion housing loans equivalent to 59,409 housing units.

Objective #2: Examine the service delivery of key direct housing programs under NSP.

Examination and assessment of the implementation and service delivery of the RP, CMP and EFP are done by addressing the specific key evaluation questions under each of the three (3) evaluation parameters such as relevance, efficiency and sustainability. The following are the assessment findings:

A. Resettlement Program

Relevance

1. *To what extent were the intended outcomes of the RP strategically aligned with the country's development priorities as articulated in the Philippine Constitution, framework plans and other policy documents?*

National policy from the 1960s up to 1986 placed the responsibility for the provision of social goods and services, including housing, squarely in the hands of the government. This policy saw a radical shift with the change of government following the EDSA people power revolt in 1986. The post-EDSA policy regarding the provision of housing is characterized by a diminishing role of the national government and a broadening of participation in housing provision to include the private sector, civil society, local governments and local communities. The policy shift is articulated in the Constitution, the UDHA, the NUDHF, the NFPP, MTPDP, PDP, and related documents.

The rationale for the policy shift stems from the generally acknowledged inadequacy of government resources to meet the rising demand for housing with its limited resources. The salient features of the policy that apply to housing provision pursued during the period preceding the one under review (C. Aquino and F. Ramos administrations) include: a) limiting the role of government to facilitating people's quest for shelter by providing and ensuring that adequate quantities of land available for housing purposes, making sure that residential support infrastructure is provided to recognized housing development areas, and supporting housing finance systems and providing mortgage guarantees; b) directing government efforts in the housing field to households belonging to the lower half of the income distribution; c) devolving socialized housing to local governments in partnership with the private sector, civil society, and local communities; and d) expanding the role of the private sector in socialized housing finance and construction.

Under the short-lived Estrada administration, the President issued Presidential Order 159 creating the Task Force on Mass Housing in line with the "*Erap Para sa Mahirap*" vision of the administration, with poverty eradication as the central focus of all its development program and interventions. The Estrada administration recognized that (1) shelter is a basic need for which the poor, particularly in urban areas, requires assistance; and (2) that in addition to direct housing provision for the poor, mass housing projects generate multiple economic benefits (i.e. provision of employment and promotion of entrepreneurial activities). A major resettlement undertaking of the Estrada administration is the relocation of informal settlers along the Pasig River affected by the rehabilitation of the river.

To comply with the policy to make available land for housing, the Gloria Arroyo administration has resorted to the use of a non-traditional mode - Presidential Proclamation - releasing underutilized government property for housing development. By

mainstreaming government funding into the market-based housing finance system, the Arroyo administration has come closest to the policy of expanding private sector participation in housing provision. Arroyo's major resettlement effort has to do with relocating the informal settlers who encroached on the north and south railway ROWs, part of which is covered by this study.

Under President Benigno Aquino III, the DILG was further directed to coordinate with LGUs, PCUP, NHA and other relevant agencies to implement the administration's thrust to: (1) provide refuge to "our citizenry" living in the aforesaid danger or high-risk areas by providing them better housing, with access to public transport, (2) prioritize their safety in properly reassigning their residential locations after clearing the clogged waterways of our cities, and (3) guarantee their protection and wellbeing in this exercise by ensuring proper coordination among the government agencies concerned. Furthermore, DILG was to make sure to comply with the Constitutional mandate that "no resettlement of urban or rural dwellers shall be undertaken without adequate consultation with them and the communities where they are to be relocated". The focus of the Aquino III administration was on residents of danger zones and high risk areas.

Thus, the policies on the role of government in housing provision have been selectively implemented with each administration choosing its own area of focus.

2. Did the RP take into consideration the articulated social needs of the targeted segments of the population? Supply- or demand-driven?

As part of the social preparation, NHA gives the target beneficiaries of resettlement the opportunity to express their preference for the relocation site of their choice. Through the community initiative approach (CIA), the NHA or volunteer groups conduct the potential relocatees on ocular inspections (or trippings) to a number of pre-identified sites.

The most common articulated need of resettled families is jobs or livelihood opportunities in or close the resettlement sites. The in-city relocation is supposed to address this concern to a greater degree than off-city. In both cases livelihood trainings are provided. NHA data that a total of 170,310 individuals were beneficiaries of various types of livelihood assistance in all their resettlement projects all over the country in 2013-2017. Of those given livelihood assistance of various types, only 38,407 or less than one-fourth (23%) were successful in getting employment or starting their own businesses. What is unknown to the public is that livelihood assistance is not included among the functions of NHA. Hence, the agency has no budget for this all-important function. Instead, the NHA has been relying on other agencies such as DSWD, TLRC, DPWH, DTI, LGUs, and development NGOs, to provide funds, equipment, and other logistical needs and service providers to conduct skills training programs.

Regarding provision of urban utilities, a number of resettlement sites are found to be underserved with reliable water supply. Moreover, the type and quality of social services provided on the site depends on the relative affluence and generosity of the receiving local governments to augment those provided by NHA.

3. Were analyses of RP implementation being carried out, and lessons learned being applied? Were program performance and success indicators and targets at various levels laid down well and liable to measurement?

Given its mandate, HUDCC formulates national goals and strategies for housing and urban development, recommends necessary legislation and amendments to existing laws and coordinates the activities of government shelter agencies towards achieving the National Shelter Program goals, objectives and targets. It operates within a logical framework that spells out the targeted outputs and outcomes that are expected to contribute to the sectoral goal of shelter security among Filipino households and improved lives of slum dwellers, and ultimately to the societal goal of improved quality of life. In so far as examining the shelter program implementation following the framework, it seems that monitoring of program performance stops at the level of major final outputs (MFOs) of the organization which are: (i) plans, policies and programs formulation, coordination and monitoring services, (ii) provision of security of tenure and other support services, and (iii) provision of overall supervision of performance of the Key Shelter Agencies. Understandably, tracing and probing on whether success in producing these MFOs has eventually resulted in improving the lives of the program beneficiaries and if such improvement has been sustained, has not been done so far on a large scale or on a regular basis. The results of such kind of assessment could have guided the crafting of policy and program reforms.

At the project level of the RP, regular monitoring of the intermediate outcomes of various projects requires identification of measurable success indicators. Program effectiveness can be assessed by determining how well its goals and objectives have been achieved. Given the absence of project-specific logical framework highlighting project objectives and targets, success indicators, and baseline data, it is quite difficult to assess especially in quantitative terms the effects of the project. While there is no monitoring of resettlement project outcomes done, there are some sporadic attempts by NHA to document best practices in selected projects. There was, in fact, a compilation of best practices in different resettlement projects that was published and disseminated by the agency. Moreover, NHA has installed a Quality Management System, whereby the agency's effectiveness in the provision of socialized housing to the homeless and underprivileged is monitored and evaluated through various feedback mechanisms, including Suggestion Boxes in strategic areas, house-to-house surveys among the client/project beneficiaries, etc.

Current approaches and formula of estimating “housing needs”

Crucial to the evaluation of program effectiveness is the setting of realistic housing program target -- the “housing needs”. The formula for estimating housing need being used by the HUDCC is based on the Component Method of the United Nations (UN). The UN defines housing need as “the number of conventional dwellings or other suitable living quarters that need to be constructed or repaired in order to bring housing conditions, as of a particular point in time, up to nationally adopted standards, plus the number that need to be constructed, repaired and/or maintained to ensure that housing conditions remain at the standard level over a stated period of time.” (Marquez, et al, 2010).

The UN has classified the principal components of housing need into three: 1) Accumulated needs, 2) Recurrent or future needs, and 3) Allowance in the estimates for vacant dwellings. A number of deviations from the UN definition are noticeable in the HUDCC definition such as:

1. The third component, *allowance in the estimates for vacant dwellings*, was omitted from the HUDCC definition.
2. What the UN calls housing units of acceptable type but in need of repair or replacement or slum as a sub-component of unacceptable housing is missing from the HUDCC definition.
3. The UN considers only involuntary doubled-up households whereas the HUDCC definition does not indicate such distinction.

Properly considered, some of the omitted items could help augment the supply or stock of housing. Vacant dwellings, for example, represent an under-utilized urban asset. If owners of vacant dwellings, especially when these are still of acceptable quality, could be sanctioned in the same manner that owners of idle lands could be slapped the idle land tax, then, the housing stock could be increased by minimizing vacancy. Similarly, slum upgrading should be able to add to the housing stock by upgrading dwelling units of still acceptable condition but needing repair. Moreover, giving priority to slum upgrading over building in green field sites could contribute to achieving a more compact urban form that is known to contribute to mitigating the anthropogenic cause of climate change.

In addition, the Study Team observes that some cultural practices of Filipinos might distort the universal assumption that each household must be an occupant of at least one dwelling unit. The UN limits consideration to involuntary doubled-up households. In the Philippines, there is reason to believe that most doubled-up households are either renters who are not relatives of the landlord, or close relatives who are allowed to double-up free of charge -- a throwback to the strong family ties and extended family syndrome the Filipino is known for. These are by no means involuntary. But it is felt that the determination of doubled-up household should be limited to involuntary cases just like in the UN definition.

3. *Were the financing schemes of the RP consistent with social equity objectives?*

The National Urban Development and Housing Framework (2008-2010) has made the following analysis which may well represent the status of the housing problem of the country across the period covered by this evaluation study. First, the total annual housing need (2005-2010 backlog plus new requirement) is approximately 625,000 units, the NUDHF observes. About two-thirds of the housing need comes from new requirements (natural increase plus net immigration). This means that the high population growth rate is a key contributing factor. Second, there is a severe shortage in government funding to adequately address the housing requirement. At Php200,000 per unit (as per the MTPDP), a total of Php125 billion per year, for six years, is needed. This is a conservative amount given that about 50% of the housing requirement is in urban Metro Manila, CALABARZON and Central Luzon where the cost of land and labor is much higher than in the rest of the country. This annual amount already represents about ten percent of the total national government appropriations for 2008. In contrast, NHA, the government agency tasked with housing production, was only allocated Php3.5 billion or only 2.8% of the Php125 billion requirement. In fact, the combined 2008 GAA of all the housing agencies—HUDCC, HLURB, NHA, HGC, NHMFC—amounted to only Php4.9 billion.

The severe funding limitation of government for housing along with the rapid population growth, explains, in part, why the housing need gets compounded every year. Third, the lack of government resources for housing also explains why the private sector dominates housing production in the country. Government housing accomplishment targets are only about 30% of the housing need; actual accomplishment, however, is only about 69% of target or 23% of total need.

Given continued limitations in government housing funds, increasing private sector participation in the housing sector is necessary if any headway is going to be made in reducing the country's housing backlog. And in this case, effective demand, not supply, is critical because without substantial government subsidies, the private sector will be responding primarily to housing market affordability (NUDHF 2008-2010).

Affordability of the Housing Units. To make the cost of the house and lot package affordable the government subsidizes a part of the price of the land and the price of the unit. Then, there is a grace period of four years on the interest, and a low interest is charged on the amortization spread over 30 years. Despite such concessional terms, NHA experiences a collection rate of less than 50% in most projects. The reason for such delinquency is not so much of affordability as an attitudinal problem. As pointed out by NHA informants, the relocatees are used to occupying land rent free and availing of urban utilities free of charge through illegal connections. So, it is not easy for them to adjust to their new status as owners-occupiers for which they have to pay.

Another attempt to make housing affordable is the adoption of *usufruct* arrangement on the land. Under usufruct, the final cost of the housing unit is reduced because the cost of land is not imputed.

Efficiency

1. How were the resources of the Resettlement Program used?

The use of the program's resources is basically categorized as operational or administrative cost for program implementation, and housing loans provided by the programs that are eventually repaid by the beneficiaries to the government. The operational costs of the RP cover the cost of implementing the following key program activities: pre-relocation activities, relocation activities, post-relocation activities and general administration. The pre-relocation activities (with social preparation) include identification of resettlement site, evaluation of project proposals and identifying project contractor, coordinating with other government agencies (DPWH, utility companies), pre-census of families intended to be relocated, actual census and census validation, information drive on resettlement sites and on the relocation process in general, conduct of beneficiary consultative meetings, issuance of notices to individual families, completion of pre-relocation documents/requirements, and voluntary dismantling of houses at origin.

Relocation activities include organizing of human resource assistance teams before mass relocation, issuance of entry pass (to the destination) and resettlement papers, loading of materials/personal belongings and transporting of beneficiaries to the resettlement site, and processing of documents and lot/unit assignment at destination.

For the post-relocation phase, NHA established project offices at the various RP sites. Their activities include the following: estate management, finance, technical, community relations and livelihood program. Estate management involves delivery or awarding of housing packages to beneficiaries, maintaining project housing economic value, aesthetic value and sanitation, and cultivating harmony with project beneficiaries. Finance activities include collection of loan repayments and evaluation of project revenues. Technical activities involve preparing engineering design of housing project facilities, appraising project performance and quality of on-going engineering activities, and coordinating with project contractors. Community relations and livelihood activities include conduct of community information drives about housing; identifying housing services needed and coordinating delivery; identifying, planning, developing, packaging and implementing livelihood projects. Administrative activities include maintenance of personnel information system, performance evaluation, and other record systems of NHA.

Total operational costs (per household) by resettlement project for the RP are estimated as follows:

	Total Operational Cost per Household (Php)
Waterways	
In-city (5-storey LRB)	178,150
Off-city (Row-houses)	115,500
Railways	
Metro Manila- Laguna Segment	121,500
Bulacan and Pampanga Segment	121,650
Southrail New Bilibid Prison	127,750
Northrail and Southrail	127,600

2. How well was the RP resources used to achieve the intended outcomes?

At the project level, measures or indicators of benefits (generally quantified not in monetary terms) resulting from Php100,000 per household investment by government (operational cost of government) were computed in terms of “change” in the situation of households (and their housing units) before and after resettlement. Some of the findings, using the survey data, include the following:

- a. On the average, households relocated to all 8 sites showed increased housing services consumption as indicated by positive rental value changes. Thus, the government’s investment or operational cost of Php100,000 per household had paid for a higher level of housing services consumption of each household. For instance, there was an increase of Php341 per month (or 27% of previous monthly rent) for Golden Horizon Homes’ residents and an increase of Php385 per month (or 22% of previous monthly rent) for Southville 5 residents.
- b. The operational cost of government of Php100,000 per household had specifically, paid for a number of different benefits in terms of improvements in housing characteristics – in housing amenities, in location of housing relative to location of services and in housing location in terms of safety from natural hazards. In terms of the number of concrete housing units, there were increases ranging from 30 to 75 houses that were made of concrete for every 100 at the resettlement sites.
- c. The Php100,000 operational investment of the government per household for those resettled from the waterways had paid for 6-22 sq. m. additional floor space, 33-75 per 100 more houses made of concrete, 43-63 per 100 more houses with water-sealed toilets, 4-14 per 100 more households with own water connection, 12-17 per 100 less households without electricity and 17-25 per 100 more households covered by proper garbage collection.
- d. The Php100,000 operational cost to the government per household for those resettled from the railways had paid for -6 to 6 sq. m. additional floor space, 57 to 72 per 100 more houses made of concrete, 13-33 per 100 more houses with water-sealed toilets, 17-60 per 100 more households with own water connection, 5-19

per 100 less households without electricity, and 16-29 per 100 more households covered by garbage pick-up.

- e. The government's investment for the housing of the resettled population resulted to generally shorter travel time to services including public market, health center and elementary school.
- f. The government investment had also paid for housing in locations where more of the households felt safe from hazards that can be brought by flooding and earthquakes. In terms of actual experience, there was reduction in the number of households that experienced flooding inside their house.

3. *What were the timing and other process issues encountered in the RP implementation?*

Ideally, according to NHA informants, a resettlement project of 1,000 units can be completed in 1.5 to 2 years. However, there can be various causes for delays in the different steps of the relocation process. A number of possible causes for delays for some of the steps of the relocation process include the following:

1. Finding resettlement sites. The reasons of delay cited include, among others the following: (i) LGUs are not doing land-banking for socialized housing as required by UDHA; (ii) HUDCC has incomplete inventory of available land; and, (iii) there is no follow up by LGU to set aside land for socialized housing through local legislation, even with an existing land inventory.
2. Resettlement project contractor issues. Some of these issues mentioned include (i) failed bidding, (ii) construction materials supplies problem (e.g., the case of projects after Typhoon Yolanda in Leyte), (iii) variation in order of contractor, (iv) contractor's lack of funds, and (v) unforeseen land topography.
3. Coordination issues with other national government agencies. The efforts of the agencies for the housing projects are not synchronized.
4. Social preparation can take the longest among the RP implementation steps and there can be delays because of factors such as resistance from some sectors of the community to the relocation, among others.
5. A moratorium order can be issued by a receiving LGU to hold all relocation activities until a MOA is signed with the NHA.
6. It has not been clearly established nor has it been studied as to what the government should do after a resettlement project is completed. There are on-going discussions of various post-relocation scenarios. At this time, there is no clear basis for determining when NHA can disengage from projects.

Sustainability

1. *What are the facilitating factors to be maintained and sustained, and the risk factors to be avoided or mitigated (e.g., political, economic, institutional, technical, social, environmental, etc.) in order (i) to prolong the life of the RP and, (ii) to ensure continuous access of RP beneficiaries to program benefits?*

The NUDHF 2008-2010 noted that the coordinative mechanisms for the housing and urban development services are generally weak. Activities of numerous shelter agencies tasked to address different aspects of the housing sector are often uncoordinated and lacking in clear strategic focus. Strong sectoral biases of various agencies similarly aggravate the problem of coordination. Furthermore, simplistic concept of “housing” as a shelter phenomenon and often unrelated to urban development, is not appropriate in responding to the need for other services attached to housing (e.g., infrastructure, transportation, etc.).

The national government has taken the responsibility for housing the low income groups for far too long. NHA has developed the institutional capacity to sustain implementation of the government’s resettlement program, as far as production of housing units is concerned. NHA has been expected to implement livelihood projects in the resettlement sites. However, its mandate is only to link the resettled communities with government and non-government institutions providing skills training, job placements, and livelihood projects including loan assistance. The agency is seeking the services of agencies like TESDA and TLRC, but these agencies only provide skills training and are not directly involved in actual job creation. The trainees are still faced with the difficult task of looking for jobs elsewhere after their training. NHA, therefore, should choose a site within a city or town where there are already existing job opportunities such as industrial estates and require the skills training agencies to tailor fit their programs to the requirements of specific firms or enterprises.

As far as sustaining the socio-economic benefits of the housing projects, the addition of a large number of population may be a sufficient basis for the change in status of the host LGU due in part to the increase in its IRA share. In some cases, the resettled community becomes mature enough to become a viable political unit in its own right. In other cases, the resettled community, though seemingly an enclave initially and contributing to urban sprawl, eventually becomes an integral part of the urban fabric and body politic of the host locality (e.g., Sapang Palay in San Jose del Monte City). The large number of relocatees boosted the population of the host locality which translated to increased share in the IRA.

To further sustain the socio-economic benefits of the resettlement, it has to become a full member of the local governance structure of the LGU. Thus, resettlements should be regarded as full members of the city’s body politic and given the opportunity to take part

in the planning and policy making functions of the city government. Concomitant to treating the resettlement as an integral part of the local body politic is the effective sharing of services and facilities between the resettlement and other communities within the host city.

Compared to their places of origin, the resettlement sites having undergone vetting against criteria prepared by NHA, are deemed secure from natural hazards. The structural quality of the housing units, however, does not inspire much confidence that they can withstand earthquakes and typhoons. This is due to the attempt to bring down the final cost of the dwelling unit to affordable levels to the extent of sacrificing the safety of people. Because the ability of the dwelling unit to provide secure protection of its occupants from natural hazard events is doubtful, there is a need to provide evacuation centers. However, to put up facilities of that kind is a luxury in a resettlement site where land is often unavailable.

The relocation of ISFs to resettlement projects causes an instantaneous population increase in the host LGUs, but does not result in a corresponding immediate increase in IRA that will augment the local budget for required social and other services. Despite the time lag in the expected windfall, host LGUs are always willing to give support to the resettlements apparently in anticipation of such windfall.

Because of the high cost of in-city relocation due in part to the growing scarcity of land, off-city resettlement has been NHA's preferred option. The cost of land within Metro Manila is very high, making it impossible to lower the cost of the housing/lot unit for in-city resettlement without subsidy from either the government (national or local) or private donors. NHA produces housing units outside Metro Manila which are intended for immediate relocation of ISFs, especially those in the danger areas. But some completed units are found unoccupied and are already needing repairs because of the reluctance of the awardees to move in apparently due to the inconvenience of physical relocation and the not-so-bright prospect of finding immediate sources of livelihood.

Cases of selling rights are prevalent but difficult to monitor and sanction because there is evidently a connivance between awardees and buyers/renters. Moreover, rights selling does not usually require execution of a "Deed of Sale" which could be a strong evidence that a transaction took place, instead, only the certificate of lot allocation or in some extreme cases, an *entry pass* is used as evidence of possession. This makes it impossible for the NHA to gather evidences on the illegal transaction. Aside from the scarcity of livelihood opportunities in the resettlement areas, which is the common excuse for the problem of selling rights, this illegal practice is also bolstered up by the local demand for housing unit. The demand comes from the unreached sector who are seriously interested in owning a housing unit but fall short of a bank or Pag-IBIG housing loan requirements nor qualified to be a beneficiary of any NHA resettlement project. This gap shows that

while the government aims at addressing the housing backlog, it fails to deliver housing service to the sectors who genuinely need it.

2. Are innovations and transformative effects being given attention?

The change in the policy of NHA from selling serviced lots only to completed house-and-lot package is one innovation worth noting. This has made life a lot easier for the beneficiary families to move to the new place without having to worry about carrying the salvaged materials and putting them together to make a makeshift shelter in the new site.

Another innovation is the inclusion of *usufruct* as a form of tenure on the land. This has actually brought down the price of the dwelling unit because the cost of the lot is not included, thus making the house affordable to the poor. An innovation adopted by NHA is the *Community Initiative Approach* (a variant of the “People’s Plan” concept), whereby the prospective relocatees need not go through the process of locating sites. NHA just takes them to pre-identified sites through “trippings” and they choose which site they want to be brought to be relocated.

Yet another innovative approach adopted by NHA to improve the rate of amortization payments is the “Livelihood and Affordability Enhancement Program”. Under this program, NHA project sites utilize their various employment and livelihood assistance as a vehicle to leverage amortization payments. Those who have undergone skills training and have successfully landed a job or opened a viable business are required to give back 20% to 50% of their income to NHA as amortization.

B. Community Mortgage Program

Relevance

1. To what extent were the intended outcomes of the CMP strategically aligned with the country’s development priorities as articulated in the Philippine Constitution, framework plans and other policy documents?

The main objective of the CMP is “to assist residents of blighted or depressed areas to own the lots they occupy, or where they choose to relocate to, and eventually improve their neighborhood and homes to the extent of their affordability (RA 7279 Section 31 Article VIII). As a financing program to help informal settlers acquire ownership of the land they occupy, the CMP is, by definition, very much in accord with the Constitutional mandate to help the homeless and underprivileged.

Informal settlers are presumed to be homeless and underprivileged, and this presumption may be considered generally true with rare exceptions given the generally poor quality of their living conditions. With them as intended program beneficiaries, CMP is deemed an important component of the government’s pursuit to implement its Constitutional mandate and UDHA. The program is demand-driven, i.e., the initiative to secure CMP loan

must come from the communities themselves. But the low availment rate for CMP loans over the past several years in relation to the perception of great demand tends to cast doubts as to the relevance of the program to the intended beneficiaries.

Although CMP is considered as an important component of the strategy to address the housing needs of the underprivileged, there appears to be inherent program limitations and weaknesses that limit its impact and its accessibility to the intended beneficiaries. To cite a few factors, the program requires a duly organized community organization as the borrower, and the program requires full cost recovery although at seemingly very liberal terms of 6% interest rate and 25 years repayment period.

2. Did the CMP take into consideration the articulated social needs of the targeted segments of the population? Supply- or demand-driven?

The Constitutional mandate is to provide *decent housing* to the homeless and underprivileged, however, the Constitution and UDHA did not provide definitions and standards for decent housing. The Constitution specifies that housing should have access to physical and social services but falls short of specifying the standards for the housing unit. Although existing subdivision laws and building codes provide these standards, CMP as a lending program does not require strict compliance to these standards.

CMP mainly provides the means to secure tenure and land ownership. There is insignificant focus on site development and building of housing units within acceptable standards. Although CMP currently offers additional loan amounts to cover site development and house improvement, availment of these loans has been very minimal to almost negligible. Apparently, this is directly related to the affordability and financial capacity of the beneficiaries. Many beneficiaries would rather bear with the very poor quality of their houses and just hope to improve over some time rather than add to their burden of paying for the lot. Because of the lack of housing component and the substandard subdivision development, many CMP projects do not really add to the housing stock nor do they contribute to the reduction of the housing backlog. Instead, they produce rental spaces/rooms as in most informal settlements, thus amplifying unmet demand for decent rental housing units.

3. Were analyses of program implementation being carried out, and lessons learned being applied? Were program performance and success indicators and targets at various levels laid down well and lent themselves to measurement?

While numerical targets and outputs in terms of number of CMPs and loan values are being set and documented, monitoring of the outcomes and impacts (e.g., quality of community projects, satisfaction of beneficiaries, reasons for non-payment of amortization, etc.) of each CMP project has not been a standard practice by SHFC.

Moreover, CMP account management as currently practiced, is mostly confined to the financial aspect of amortization collection and monitoring, the main indicator of efficiency of which is the monthly collection efficiency ratio (CER). Currently, the CER formula as simply the ratio of actual cash collections received over the current amortization due for the month is misleading. The numerator is the actual cash collection received that includes not just the current amortizations received but also the past due amortization, penalties, and advance amortization payments including advanced full payment. With such bloated numerator, it is not uncommon to see some CMP HOAs with over 100% CER for some months. The CER should be appreciated always in relation to the ageing of accounts, and most importantly, the reasons for the non-payment and payment delays in amortization.

4. *Were the financing schemes consistent with the CMP's social equity objectives?*

Lending policy and cost recovery. The *6% annual interest-25 years to pay term* of the Community Loan is considered very liberal in view of the fact that mortgage lending rates by private banks are typically above Pag-IBIG's 9% and require at least 30% equity. However, with the downward trend in interest rates worldwide in the aftermath of the 2008 financial crisis, 6% is no longer that low when compared with those of other lending institutions. But for the truly underprivileged families or those belonging to the lowest 3 income deciles, the repayment terms may still pose a serious burden. The problem is compounded if the loan amount is not sufficient to cover the selling price of the land and the beneficiaries are required to shell out substantial cash equity upfront.

An internal policy study on affordability by SHFC concluded that the CMP may not be affordable to families belonging to the lowest 3 income deciles of the population and may be only marginally affordable to those belonging to the 4th decile. Based on this study, CMP can be considered irrelevant or unresponsive to the lowest 4 deciles of the population. Those above the 4th decile may be homeless but no longer underprivileged if the government's notion of being *underprivileged* refers to those families/individuals living below the poverty line.

Equity requirement among member beneficiaries. The maximum loan amount should not exceed the appraised value or selling price of the land to be purchased, otherwise, the borrower shall be required to put up an equity before the loan application is processed. SHFC does not involve itself in the negotiation between the CA and the landowner, but only sees to it that that equity will be eventually paid to the latter. In many cases, the poorer/poorest member beneficiaries in the community are unable to afford the equity amount and have no means of obtaining the money through personal loans from equally poor relatives and neighbors. Hence, either they are deliberately excluded from the list of beneficiaries, or they give up their chances of owning a property to those who can afford to put up the equity.

Prevalence of substitution and use of dummies. Substitution implies transfer of membership and rights of an original member-beneficiary to a new member. Substitution happens in situations where there is voluntary waiver of rights to the property by the original beneficiary, default in his/her payment, and assumption of obligation by a potential substitute. Data presented in the PIDS study (2017) indicates a large number of SHFC-approved substitutions -- 15,082 as of 30 April 2015 since the take-out year of 1994. More than 50% of such substitutions materialized in Metro Manila.

Substitution complicates the problem of misdirected housing assistance and benefits. Because of the inability of the poorer members of the community to pay their portion of the required equity, they are being eased out from the program and those with money taking over. In some cases, they allow their dummies to temporarily occupy the lots/housing units. The supposedly qualified beneficiaries of the program become tenants and not owners, thereby forfeiting the purpose of the program.

Furthermore, allowing 15% and 70% of CA members, respectively for on-site and off-site CMPs, to be non-original community residents of the site being applied for as a CMP tolerates the practice of bring in families that are not the intended beneficiaries of the program.

Efficiency

1. *How were the resources of the CMP used (i.e., program implementation, implementing entities' operations, etc.)?*
2. *How well has the CMP used the resources to achieve the intended outcomes (program's social benefits versus financial costs pertinent to government)?*

Following the description of the CMP, its purpose and the process flow of the program, the financial resources of SHFC are used basically in two ways: (i) for the operational cost of SHFC or the cost for implementing the tasks entailed in the CMP process, and (ii) for the loans provided to the community associations or CAs (loans which the CAs eventually amortize or repay to SHFC).

The operational costs are used for the various functions, tasks or activities entailed in the implementation of the CMP process such as: community mobilizing cost and costs of related activities; loan application and approval processing costs; account management costs and general administrative costs of SHFC. Account management cost include cost of collecting amortization payments from beneficiaries, while administrative cost refers to costs of maintaining the personnel and accounting departments of SHFC, among others.

In 2015, the SHFC paid out 5.2 pesos in loans for every 1 peso of operational cost, similar to the ratio seen in the year 2007. In the years in between (2006-2014), the average amount of loan paid out was about 2.7 pesos for every 1 peso of operational cost. While the operational cost of the CMP had steadily risen from 2006 to 2015, the number of

households assisted and the corresponding loan amount in the same period had fluctuated with clear drops in the years 2010 and 2012. The resulting ratios are, thus, primarily driven by the pattern observed in the loan amounts over the years – ratios are lowest (even less than 2) in the years 2010 and 2012 at 1.8 and 1.5, respectively.

3. What were the timing and other process issues encountered in the CMP implementation?

The implementation of the CMP as mentioned previously may be described in terms of the various functions, tasks or activities it entails. The timing and possible causes of delays of the various activities in the CMP process were identified as follows:

Community organizing. The typical application and approval process for CMP loan can take two to five years. There are many factors that contribute to this long process but among the major source of delay is the difficulty of organizing the community. Although an applicant community association is presumed to be already duly organized at the time of application, often times during the due diligence process, member beneficiaries can turn recalcitrant and substitutions occur.

NGO as mobilizer. The role of NGO as a mobilizer/initiator is limited to assisting community associations (CAs) in accessing SHFC loans for the acquisition of property – e.g., negotiator/agent between the landowner and the CAs, guiding CAs in required document preparation and loan processes. Once the CMP loan has been released, the NGO withdraws from the scene. Many problems may arise after the CMP loan release, problems which neither the NGO nor the CA can address and mostly requiring legal assistance (e.g., land ownership disputes, right-of-way disputes, etc.).

Program promotion and product development. After more than 25 years of program implementation, public awareness remains low. Even worse is the prevalence of misinformation on the ground that makes it possible for unscrupulous persons to take advantage of the less-informed. The absence of promotions and product development may be one of the reasons for the low availment rate for CMP and the poor quality of applications that result in difficulties in meeting the requirements of due diligence.

Technical land issues. Locations of many informal settlements actually suffer from technical defects that make it difficult, if not impossible, to pass the due diligence tests for site suitability, the on-site CMPs in particular. Most common problems are: (i) lack of right-of-way or access to a public road; (ii) defects in the technical description; (iii) exposure to natural hazards such as erosion and flooding; and, (iv) difficulty in subdividing and enforcement of re-blocking. It may take the community several years, if at all, to resolve these problems.

Difficulties with landownership documentation. Negotiating with landowners can be a very tedious and difficult process if the land is actually an inheritance of several heirs who may have to undergo legal processes that may entail considerable expenses. In some cases, the titles contain errors that the landowners must undertake with much effort and costs to correct before it can be considered for CMP financing.

CMP loan application process. The first and most crucial step for a community of informal settlers in applying for a CMP loan is community organizing. Community-driven or not, the CMP application preparation is not easy and can be an extended process. The most common complaint raised by the HOA members interviewed was in the accessing of the BIR exemption on the Capital Gain Tax which could take up to one year.

Loan processing. The burden of delivering the volume targets for CMP has been wrongly given to the Loan Processing Units, creating a clear conflict of interest because the main responsibility of these units is due diligence or quality control. Due diligence is a quality control process and the end product should be the approval only of the qualified applications with suitable sites and valid documents. The proper measure of efficiency would be the length of time that a unit spends to conduct its due diligence and submit its report or recommendations. But since the processing units were wrongly given volume targets, the processing units never recommend any application for disapproval. Instead, applications with deficiencies or those that cannot pass the due diligence processes are merely held in abeyance until such time that deficiencies or flaws can be corrected. While 2-5 years processing time appear to be normal, there are many applications that have been pending for more than five years.

Individualization of lot titles. A beneficiary member who has fully paid his/her amortizations is qualified to have the lot title transferred to his/her name despite the non-completion of amortizations for all the lots within the CMP. In a sense, this also allows them to transact directly with SHFC to access individualized additional loans which they can use for home improvement purposes. One requirement of title individualization, however, is the existence of an approved CMP subdivision plan whereby individual lot location and sizes are clearly designated, roads, easements and open spaces are clearly defined, and basic facilities needed are proposed. Accordingly, some CAs do not even attempt to apply for individualization because they cannot put up the funds needed to pay for a surveyor. Internal problems within the association and community (e.g., factions, inactivity among HOA officers, several recalcitrant households) hamper the individualization process (Ballesteros, PIDS Discussion Paper Series No. 2015-41).

Sustainability

1. *What are the facilitating factors to be maintained and sustained, and the risk factors to be avoided or mitigated (e.g., political, economic, institutional, technical, social, environmental, etc.) in order (i) to prolong the life of the CMP and, (ii) to ensure continuous access of CMP beneficiaries to program benefits?*

Financial sustainability of the program. In the short term, SHFC can easily support the present CMP program volume demand of Php500 Million to as much as Php800 Million from its collections and excess cash/liquid assets. However, given its present plans and strategies, it is very unlikely the SHFC can really increase the volume of CMP applications and approvals in the near future. On the other hand, rapid urbanization and the resultant rise in property values will make it increasingly difficult for the CMP to help the informal settlers whose livelihood and incomes have lagged behind the seeming rapid progress.

Administrative accountability in implementing CMP projects. All urbanizing and highly urbanized LGUs need to cope with the problem of informal settlements. Quezon City which has the greatest number of informal settlers has also the most organized and most developed response to the problem. Nevertheless, the main threat to the city's housing program's sustainability is the scarcity of affordable lands that can be acquired for the Bistekville Program. As regards CMP, the increasing cost of land also poses a sustainability problem. With Quezon City as benchmark, many of the urbanizing cities have to deal with institutionalization and professionalization of their housing program, including their Urban Poor Affairs Office (UPAO) that is tasked to assist informal settlers in accessing the CMP.

Sustainability of benefits. As observed in the ten CMP projects studied, it is difficult to sustain the benefits of the program among the CAs, beneficiary members and host communities without post-loan approval interventions and other support. The high incidence of substitution and cases of property abandonment deserve a more in-depth study as these relates to the housing welfare of poorer members of the communities. The falling out of original member beneficiaries can be an indication of poor sustainability of the project. The sluggish pace of community development and improvement is an indication of mediocre and unsustainable program benefits.

C. End-user Financing Program (Pag-IBIG Housing Loan)

Relevance

1. *To what extent were the intended outcomes of the EFP strategically aligned with the country's development priorities as articulated in the Philippine Constitution, framework plans and other policy documents? Did the EFP take into consideration the articulated social needs of the targeted segments of the population? Supply- or demand-driven? Were the financing schemes consistent with social equity objectives of the shelter program?*

The Pag-IBIG Housing Loan Program is necessarily of limited relevance to the Government's shelter program because it is exclusive to Pag-IBIG members who are either employed or self-employed many of whom are no longer considered underprivileged. The part of the Pag-IBIG Housing Loan Program that is directly relevant to the Government's shelter program are the small loans below Php450,000 that are being availed of by the low-income members. It is estimated that borrowers with small loans belonging to the lowest 30% of the population by income accounted for only 1.7% of the borrowers.

It is in this context of reaching out to the lowest income members who are poor and underprivileged and the total lack of access of the under-employed non-members that the Pag-IBIG Housing Loan Program is of very limited direct relevance to the government shelter program. But in an indirect but very significant way, the Pag-IBIG housing loan programs, both the regular end-user financing program and the Affordable Housing Loan Program, are supportive of the government shelter program because the vast majority of the Pag-IBIG members, although not underprivileged relative to the poverty threshold, as they may in fact belong to the 5th to the 9th income deciles of the population, are nevertheless non-homeowners and housing poor. To the extent that they are given access to the Pag-IBIG Housing Loan Program, the program is able to ease significantly the burden of the government to provide for the housing and resettlement needs of the population.

2. Were analyses of program implementation being carried out, and lessons learned being applied? Were program performance and success indicators and targets at various levels laid down well and lent themselves to measurement?

Reporting of program performance applies to the housing loan program as a whole, and there is no separate performance report for the Affordable Housing Loan Program. It is just presumed that these general performance indicators also reflect the performance of the Affordable Housing Loan Program. Performance indicators, however, are limited to the number of Pag-IBIG members, number and value of housing loans taken out, and assets. Customer satisfaction is regularly and objectively monitored and assessed by an external party. However, Pag-IBIG Fund has been deficient as far as monitoring further what happened after the loan has been taken out and the borrowers have moved to the housing units. Given the feedback gathered by the Study Team, the Fund has not been very responsible as far as ensuring the quality of the housing units and subdivision facilities, and more so, the adequacy of the loan amounts.

Efficiency

1. How were the resources of the EFP used (i.e., program implementation, implementing entities' operations, etc.)? How well has the EFP used the resources to achieve the intended outcomes (program's social benefits versus financial costs pertinent to government)?

The financial resources of HDMF/Pag-IBIG are used in two basic ways: (1) for the operational cost of Pag-IBIG, and (2) for the loans provided to its members (loans which are eventually amortized or repaid to Pag-IBIG). The operational costs of HDMF are uses of resources that can be viewed as “cost to government”, which cover costs of implementing the tasks entailed in its EFP lending function and other tasks related to servicing Pag-IBIG members. In 2015, the HDMF paid out 3.25 pesos in loans for every 1 peso of total operational cost, and this ratio had stayed close to 3 in the previous four years. The loans paid per peso of total operational costs have been improving in general over the years since 2002 when the ratio was only close to 1.0 indicating improving efficiency in the lending process of Pag-IBIG. Unusually high ratios were observed in the years 2008, 2009 and 2010 indicating that a higher capacity for lending activity is possible for Pag-IBIG housing fund. As the total operational cost of HDMF had steadily risen from 2002 to 2015, the number of households assisted and the loan amount in the same period had correspondingly increased but at a higher growth rate in general. The increasing pattern seen in the resulting ratios are primarily driven by the faster growth in the loan amounts over the years. Home lending operational cost, as a share of total operational cost, had ranged from about 50 to 70 percent of the total operational cost. Thus, the parallel loan-to-home lending cost ratio was 5.37 in 2015.

2. What were the timing and other process issues encountered in the EFP implementation?

Promotion of the lending programs. It is noteworthy that the Pag-IBIG maintains a website where members can get the latest information on the housing loan programs of Pag-IBIG, as well as teams that regularly go out to the offices and places of work of the Pag-IBIG members to conduct information campaign to encourage members to avail of the Pag-IBIG housing loans.

Loan application process. A loan application in Pag-IBIG goes through many steps regardless whether it is developer-assisted or retail type of loan. It has many documentary requisites to be finally approved. There can be several causes of delays in completing the different steps that can lengthen the application process. The Pag-IBIG housing loan program in general has achieved substantial improvements in efficiency as evidenced by shortened processing time standards for loan application processing and approval, and for release of approved loan proceeds. At present, the standard days for processing of application range from 9 to 17 days (depending on the “window”) and the maximum time to prepare and release the check for the approved loan is 3 days (a significant improvement from previous years when processing could take a few months). Causes of delay may be one or combination of the following: (i) submitting of incomplete documents; (ii) length of time for the developer (for developer-assisted loan) and the borrower (for retail loan) to get the necessary documents from the BIR and the Registry of Deeds; (iii) extra legal steps in settling issues on land disputes; (iv) , and this required

more time in getting the necessary legal documents; (v) validation of self-employed or individual payer's sources of income; and (vi) securing different permits from the LGU where the housing project is located.

Pag-IBIG loan approval and repayment. All interviewed borrowers are generally satisfied with the loan application and approval process although some, particularly those who borrowed before 2010, experienced months of processing time and back-tracking due to incomplete requirements. As regards loan repayment, there were some who experienced difficulty in repayment and have received collection notices from Pag-IBIG. All borrowers interviewed, however, are well aware that penalties are imposed for delays in repayment and there is a possibility of foreclosure if they become delinquent. There were some who were unable to keep up with repayments when they were hit by a severe typhoon. Apparently, Pag-IBIG Fund did not grant a moratorium on loan repayments for these typhoon victims.

Sustainability

1. *What are the facilitating factors to be maintained and sustained, and the risk factors to be avoided or mitigated (e.g., political, economic, institutional, technical, social, environmental, etc.) in order (i) to prolong the life of the EFP and, (ii) to ensure continuous access of housing loan beneficiaries to program benefits?*

There is absolutely no doubt that the Pag-IBIG Fund could sustain its financial capacity to provide for the Affordable Housing Program. The Fund's record of growth in the last several years in membership, collections, loans and investments matched with the organizational and systems improvement, provides confidence and assurance that growth can be sustained. But the housing supply situation should really be a cause for concern. Affordable Housing Loan Program will only have meaning if there are enough housing inventories that would match the requirements of the intended beneficiaries. With the increasing cost of land, not only in Metro Manila, but in almost all urbanizing centers in the Philippines where workers' housing are in demand, it will be more difficult, if not impossible, for the program to help the low income.

Objective #3: Design a standard impact evaluation methodology for NSP sub-programs and implement this using the Resettlement Program as a case study.

The methodology for assessing the impacts of the NSP sub-programs varied depending on the available resources and readily accessible data. As required by the project and given the partially available quantitative baseline data, the RP Case Study employs a mixed method of data collection (quantitative and qualitative) and analysis of both primary and secondary data. The rapid appraisal of CMP and EFP, on the other hand, utilizes both quantitative and qualitative information from secondary sources, and qualitative data from primary sources. As such, the RP case study is a more comprehensive assessment compared to the rapid appraisal. But just the same, outcome and impact indicators for

the CMP and EFP have been determined, and the data collected and analyzed to the extent possible given their nature and limitations.

For the RP case study, a more detailed impact evaluation framework has been formulated. The most critical step in crafting the impact evaluation framework and eventually conducting the impact assessment of the Resettlement Program was the preparation of the results matrix or the *Theories of Change (ToC) Diagram*, which was done by the Study Team following the review and approval of the Over-all Evaluation Framework by the concerned end-users of the study (NEDA-SDS) and representatives of KSAs. The ToC is a logic model that visually illustrates the relationships and flow of program elements (inputs, outputs, processes, outcomes and impacts) and shows how complex programs lead to changes in outcomes and create impacts. The evaluation of impacts of the RP employs a thorough investigation as it involves a quantification of its impacts among beneficiary households, and qualitative assessment of impacts to the communities of origin and destination of relocated households as well as to the concerned institutions. The assumptions of causal relationships among program elements of the RP are based on existing evaluation studies and primary data collected thru key informant interviews and ocular observations in one of the largest resettlement sites (Southville 7 in Calauan, Laguna). The Impact Evaluation Framework (IEF) was then developed by the Study Team based on the ToC Diagram. The IEF is a matrix illustrating the indicators of outputs, immediate outcomes and impacts of the Resettlement Program, with the corresponding data sources and methods of data collection. See **Annexes 2 and 3**.

Effectiveness and Impact Evaluation of the Resettlement Program: Quantitative and Qualitative Results

1. Have the goals and objectives of RP been achieved?

Resettlement, by its very nature and by whatever cause, is disruptive of the lives and livelihood of affected people. Yet, whatever the cause of displacement, the objective of resettlement is the same -- that is, *to maintain social cohesion in an improved environment with increased livelihood opportunities* (Reddy et al, 2015). To what extent have the cases reviewed in this study adhered to this three-fold objectives?

On social cohesion. Interviews with key informants indicate that social cohesion among the resettled families is much easier to attain in in-city relocation than in off-city relocation. The rate of integration of the resettled families into the host community, however, varies on a case to case basis. A major factor seems to be the socio-economic status of the host community. If the host community is of similar status as the newcomers, the host population is generally hospitable. Moreover, when the receiving community is less urbanized, they will have a hard time adjusting to the starkly different lifestyle of the resettlers who are mostly informal settlers in urban areas. The more urbanized the host

community, the more accepting they are of newcomers because the relocatees also come from urban areas.

On increased livelihood opportunities. Lack of livelihood opportunities in the resettlement site is a common complaint of resettled families in all the sites visited by the Study Team, whether in-city or off-city. This is due to the difficulty of finding a new job which is generally in short supply all over the country to start with, and also due to the considerable time lag that it takes private firms to respond with on-site investments and provide the needed jobs in the resettlement sites. Thus, on the short term, some relocatees hold down their jobs in their place of origin. Others find odd jobs in the informal economy. To meet the objective of providing better livelihood opportunities, NHA usually includes “Livelihood Centers” among the basic facilities in the resettlement sites. Such centers take the form of training facilities where agencies such as TESDA, DSWD, TLRC, etc., conduct skills training usually in partnership with development NGOs, LGUs, and foreign donors. However, statistics covering the last five years (2013-2017) show that less than one-fourth (23%) of those given livelihood assistance of various types, were successful in getting employment or starting their own businesses.

On improved environment. This is a definite advantage of the resettlement site over the former places of residence of the relocatees. Whatever displeasure the new movers feel about the new site, it is still a much better place compared to their former residence in terms of health, sanitation and safety standards. The very reason why they are being moved is that their former place of residence poses some form of environmental risk to their lives and property.

2. *What were the positive and negative, intended and unintended, direct and indirect, primary and secondary effects/impacts produced by the RP? What were the immediate benefits and long-term outcomes or impacts to households, communities and institutions?*

Intermediate Outcomes at the Household Level

Security of land/housing tenure. Clearly, the immediate effect of the resettlement on the awardees is basically security of tenure or freedom from being evicted. Having been relocated to the resettlement sites, beneficiary families now hold rights (in the form of *entry pass* document, and receipts if already paying) to occupy the 24-28 square meter housing units.

Asset formation. Asset formation, within the context of improved living standard, refers to the acquisition and growth of both tangible and non-tangible assets across time. This study assumes that acquisition of assets is one intermediate outcome of having ownership over the occupied dwellings. Generally, there is a weakening propensity to save among the resettled ISFs. The accumulated savings of families relocated to far off communities (Cavite and Bulacan) have been admittedly used either in improving their awarded

housing units, as capital for small business, or in acquiring home conveniences. Follow-up survey results clearly show well-defined and sharp increases in ownership of conveniences among ISFs from the waterways, which include, in particular, television set, radio, refrigerator, washing machine and stove.

Changes in housing condition and amenities. Generally, the benefit of the resettlement was substantial in terms of providing relatively more durable shelter because the program has significantly improved the housing quality of the resettled ISFs. Majority of the resettled ISFs from the waterways already had access to piped water connection in their previous place of residence, so that only 11-17% of the previously unserved reaped the benefit as a result of resettlement. The effect of relocation is more pronounced among the ISFs from the railways, as many of them used to get their water for domestic use from costly and inconvenient sources such as water vendors, public faucet and deep/shallow wells. Having direct access to legal electric connection that is likely to prevent accident and loss of lives and/or properties is another clear manifestation of the immediate effect of resettlement among the majority of the relocated households.

Access to basic urban services and facilities. Urban services and facilities generally include those that promote and maintain better health, education, mobility, safety and recreation, among others. Although they are existent and available, distance and financial resources are key constraints to accessing such services and facilities. Except for elementary schools, all other facilities in both off-city and in-city resettlement sites generally proved to be farther away from the residences of the housing beneficiaries from the waterways of Metro Manila. On the contrary, more relocatees from the railways are now occupying dwellings which are within walking distance from facilities such as “talipapa”, health center, elementary school and day care centers. Barangay hall, police station, public jeepney and playground, however, have become physically distant to more relocatees.

Data indicates a decline in the proportion of resettled families who have availed of government assistance and services. These services are generally provided by LGUs, thus, the decline may also be associated with the disparities in the welfare programs between the sending and receiving LGUs.

Access to employment and livelihood opportunities. Access to employment and livelihood opportunities is one of the most critical and lingering concerns in all resettlement projects. It has been widely known and accepted fact that the main reason of most “returnees”, or those who went back to being an ISF, is the lack of livelihood opportunity in the relocation site. Data shows that there is a decline in the proportion of workers who can reach their workplace on foot, and this is true for both in-city and off-city resettlement sites. While the data on travel time to work is not sufficient proof of the scarcity of livelihood opportunities in relocation sites per se, it could also indicate the lack of jobs that match

the available skills, capabilities and interests of the relocatees which are within easy reach from the relocation sites.

Impacts on Resettled Households

Freedom and security from being evicted from current residence. Beneficiaries of housing units in the resettlement sites now hold rights in the form of *entry pass* documents, and those who have started paying their monthly amortizations hold on to their receipts. Although the property titles shall be awarded to the beneficiaries as soon as they have fully paid the total amortization, the entry pass and amortization payment receipts entitle the housing beneficiaries to security from being evicted.

Increase/Decrease in space for domestic activities. Regardless of resettlement type, sizes of households resettled from the waterways have generally increased after having been transferred into their current residence. For instance, the proportion of more than 5 member-households has considerably increased after having been transferred to their awarded housing units. On the other hand, data shows a declining household size among relocatees in both off-city and in-city resettlements from the railways. Having stayed in the resettlement for 9-10 years it is highly probable that some household members of the relocatees may have acquired adequate financial resources to access another place of abode.

Half of the families used to live in dwellings of less than 10 square meters of floor area. Currently, they occupy housing units with floor area ranging from 24 to 28 square meters, which is an improved living situation which may also mean reduced vulnerability to specific illnesses, and environmental (flooding, earthquake) and man-made risks (fire, house robbery, etc.). However, given the number of occupants of the awarded housing units with such floor area, a household with 5 or more members may not have enough room to move around.

Access to credit and loans. Real property ownership is hypothesized to enable the owner to access loans or credits that can be utilized for various productive, income-generating and profitable activities. The property title can be used as collateral to avail of loans from formal sources, including banks and micro-finance institutions. At this stage, however, when the titles have not been awarded to the housing beneficiaries, the “entry pass” serves as collateral for informal loan deals with persons who provide loans with interest. There are reported cases, however, of some unscrupulous buyers of “entry pass or right” who are taking over the use of the awarded housing units for renting out to other families. The mortgaged housing units are actually being used for income generation at a rental rate of Php2,000 or more. To some extent, owning a property provides some form of assurance of the borrower’s paying capacity to both the borrower and the informal loan source. However, this only pertains to small amounts of loans, which are usually spent for purchasing food, capital for small businesses (from *five-six* lenders and micro-finance

institutions), school tuition fees and medical expenses (from relatives/friends/neighbors, five-six, employer).

Investment in housing improvement and assets/conveniences. With the DSWD's Php18,000 and other cash incentives or *pabaon* provided by their sending LGUs (e.g., Php15,000 from Pasay City Government), a good number of relocated families from the waterways were able to invest either in the improvement of their houses, put up small businesses within the community, thus, upgrading their economic status and living conditions.

Capital for operating and/or expanding business. Overall, data shows that the proportion of households who operate a small business, regardless of resettlement type, has not changed. Business is mostly carried out inside the housing unit. In Golden Horizon Homes in Trece Martires, many of those engaged in scavenging of recyclable garbage and food vending in their original place of residence have brought with them the same kind of business, although they complain of reduced profits because of smaller market/customers consisting of low-income families. Among the waterways relocatees, the likelihood of continuing their small business operations after having been transferred is higher in off-city resettlement sites. Initial capital used for business did not exceed Php10,000 for most of the households engaged in business in the resettlement sites. Accumulated savings, salaries and remittances from relatives working abroad, and loans were the major sources of the capital invested in their businesses. Some of those who came from the waterways, however, made use of the Php18,000 assistance provided by DSWD.

Human capital investment. The number of families relocated from the waterways with at least one member who is schooling has significantly increased among off-city and in-city relocatees. Main reasons may not only be the availability/accessibility of educational facilities within the resettlement sites and the vicinities but may also be due to the changing age structure of the household members, such that young children have reached the schooling ages during the 3-4 years after the transfer to the resettlement sites.

Vulnerability to both natural and man-made hazards. Experience of flooding have dramatically decreased from for those who came from the waterways and railways. The usual level of flooding being experienced by the relocated ISFs during monsoon rains has also decreased. For those who came from the waterways, the percentage of families who experienced low level or no flooding at all has markedly increased especially among those who moved to off-city resettlement sites. Additionally, the percentage of families whose structure were affected by the worst flooding/typhoon experienced has decreased tremendously for both in-city and off-city relocation sites. Data shows that more families experienced flood level that was less than 1 foot in the resettlement sites compared to their previous location

ISFs from waterways feel that their current housing unit and its location are safer during flood and earthquake compared to their dwelling in previous residence. More ISFs from railways, on the other hand, believe that their previous housing units along the railways are more secure in times of flooding and earthquake than their current housing units, although they generally agree that their current residential location is more secure during flooding and earthquake than their previous location.

Changes in social connections and support systems. More respondents in in-city relocation sites believe that relationships within the family have significantly improved. Moreover, many respondents in in-city resettlement sites compared to their off-city counterparts perceive that their relationships with neighbors have worsened. Giving and receiving of both financial support and non-material assistance among neighbors and friends in their communities of residence have not changed significantly, although the proportion of households who ever provided support to other relatives and friends in times of financial need declined modestly for off-city relocation sites especially.

Safety and security from crimes. There is a general pattern of improved security among the relocated households from the waterways regardless of resettlement type as shown by the marked reductions in crime and accident experiences after having been transferred to the relocation sites. For instance, the proportion of households with any member who ever experienced bullying, home robbery, holdup, physical injury and accidents in off-city and in-city relocation sites has decreased significantly. Although there is a seeming improvement of security among relocatees from the railways, significant proportions of them have been more exposed to bullying and robbery in the off-city relocation sites. Safety of the community of residence for different vulnerable population groups has been generally perceived to be greater in relocation sites than in their previous location. This is more pronounced among ISFs from the waterways who tend to view off-city resettlement site as a safer place for all vulnerable groups especially for the children and infants, pregnant women, and the elderly and disabled persons.

Exposure to specific illnesses. In-city relocation sites generally have lesser incidences of illnesses associated with sanitation and exposure to pathogens compared to off-city relocation sites, regardless of the season. Diarrhea, skin itchiness, dengue, and respiratory illnesses were more common in off-city relocation sites than in-city relocation sites. On the other hand, there were more cases of leptospirosis in in-city relocation sites than off-city relocation sites. The proportion of households who were spared from any type of illness was greater in in-city than in off-city resettlement sites, regardless of season.

Changes in health care utilization. There is a general decline in health facility visit and service utilization among ISFs from the waterways after having been transferred from their original places of residences into the resettlement sites. On the other hand, visits and utilization of health services among those relocated from the railways to in-city

resettlement sites have increased. One obvious reason for this is the ease of accessing medical/dental facilities in the metropolis.

Changes in toilet and environmental sanitation practices. The proportion of households using own water-sealed or non-water sealed toilet increased tremendously for both in-city and off-city relocation sites. The proportion of households whose solid wastes are being collected regularly by LGU waste collectors also increased for both in-city and off-city relocation sites. Consistently, the improper waste disposal practice (e.g., dumping solid wastes into street garbage and/or waterways) of ISFs has been greatly reduced in the proportion of households

School participation and incidence of school dropping out. School participation across all groups of relocatees, regardless of the type of resettlement, has increased. The positive change, however, may not necessarily be attributed solely to increased access to educational facilities but to the changing age composition of the relocated households as well. Post-relocation school dropping out is more prevalent among households from waterways in in-city resettlements and households from the railways in off-city resettlements. While financial difficulty is the most common reason for school dropping out, a significant proportion of transferee households from the waterways in off-city resettlements indicated the inaccessibility of schools nearby as their main reason.

Changes in the amount of household income and savings. Interestingly, income from regular employment increased among all relocated families except for those ISFs from the waterways transferred to off-city sites. Given the location of the off-city resettlement sites, the wives and other female spouses have to stop working and attend to the household chores and needs of the children and elderly members. One reason given, in addition to increased travel time to workplace, is the increased transport expenses in going to work which reduces the take home pay or income of these secondary earners of the households. In effect, the number of members contributing to the household income has decreased.

For households that opted for an arrangement whereby their female members quit from city-based work and stay at home, operating a small business within the confines of their homes or the vicinities is an alternative solution for maintaining the household income level. For those who brought their pre-relocation business to the resettlement sites, there are considerable reductions in the business income as indicated by the marked reduction in the proportions of households that generate at least a monthly income of Php10,000.

The proportion of relocated households with at least a monthly savings of Php1,000 significantly decreased except for those transferred from the waterways to in-city resettlement sites. The current savings situation of households from the railways shows very limited proportions of those who were able to reserve some amount of money for emergency and future needs. Given the rising cost of basic commodities, however, the

transfer of residence may not be the primary cause of the receding propensity to save among households.

Shift in household source(s) of income. Many of the relocated households' main breadwinners have been compelled to stay behind close to their workplace in Metro Manila because of the increased travel cost. The other working members who have to manage the household's day-to-day activities were likely to stop working or find work in their current residential location. Findings corroborate with the popular views that household dependence on income from regular employment has been decreasing regardless of the type of resettlement as more households generate income from small business operation, and remittances from working members either working abroad or locally.

Level of participation of female household(s) in income generation, enterprise development and household decision making. The number of working female members of households has generally increased, more particularly among households relocated from the railways.

Female headship of households creates better position for women within the household and more bargaining power in household decision matters. Data generally indicates dominance of the males on household headship. However, female headship is more common among relocated households from the railways. By type of resettlement, there are slightly more female-headed households in off-city resettlement than in in-city resettlement.

In most households, various household concerns are being decided jointly by male and female members of the family. This decision pattern has slightly increased in matters concerning purchase of household equipment, renovation of the house, and allowing other relatives/friends to live or move in with the family. However, joint decision on matters pertaining to changing of residence of the family, economic activity, and giving assistance to relatives/friends in need proved to be slightly waning. Concurrently, female members are gaining grounds in deciding on many concerns of the entire household.

Arrangements in doing household chores have not changed significantly among the relocated households from the waterways, whereby the female members of the household are mostly responsible for all the major household tasks. There is an increase in task delegation related to child rearing, however, to the female household members, which stems from the fact that the working male members, particularly the main breadwinners, spend most of their time at work in distant locations.

Changes in household spending pattern. The weekly household expenses on food of relocated households have not changed significantly as most of them still spend between Php1,000 and Php2,499 on food per week. Estimated weekly household expense on water

changed dramatically among ISFs from the waterways. Families spending between Php100 and Php299 on water increased tremendously among those relocated to off-city sites, while the number of families spending at least Php300 on water decreased significantly. Conversely, households relocated to in-city relocation sites spending Php300 or more increased considerably. Among the ISFs from railways, weekly expenses on water also increased in both off-city and in-city relocation sites. Monthly expenses of households on electricity increased regardless of the type of resettlement. The increases in electric bills can be associated with the increase of conveniences that the families have acquired while in their current location. Average weekly expenses on transportation generally increased for households relocated from waterways and railways, both in-city and off-city resettlement sites. Increased distance from workplace has generally caused the upsurge of transport expenses of relocated households.

Impacts on Host Communities and Institutions

The existence and expansion of resettlement sites in the host communities have resulted into:

Positive impacts

- a. Increase in IRA share being the most conspicuous benefit of host barangays and host cities or municipalities;
- b. Potential to increase real estate tax collection because of change in land use (generally from agricultural to residential) and increase in land values in and around the resettlement sites;
- c. Other budgetary assistance to RP host LGUs such as that from “Oplan LIKAS” Fund of the national government;
- d. Social services and facilities provided in the resettlement site that may be availed of by the host communities;
- e. Access roads to the resettlement site developed as part of the resettlement project producing benefits to the local communities through extension of the reach of the local road network;
- f. A percentage of the housing units being allotted to the host LGUs for the resettlement of their own ISFs; and,
- g. The sudden increase in population representing a bigger market or more customers for local business, thus perking up the local economy of the host community.

Negative impacts

- a. The increase in population implies increased demand for public services and facilities. There is increase in the annual expenditure budget of the LGU especially for programs such as that for senior citizens.
- b. Increased volume of travel because of the bigger population with no accompanying expansion of local road network capacity resulting in heavier and slower-moving traffic.
- c. Sudden spike in the demand for domestic water supply has caused a lowering of water pressure within the service area of the local water district.
- d. Septic vaults used in the resettlement are reportedly of sub-standard quality resulting in incidents of inadequately treated sewage finding its way into rivers and creeks.
- e. The new comers have disturbed the laid back lifestyle of the rural villagers with rampant cases of petty theft/robbery and petty quarrels, with poor health and sanitation habits, and even picking fruits and vegetables from private yards without permission.

CMP and EFP Effectiveness and Impact Evaluation: Qualitative Results

a. Community Mortgage Program

Program impacts on the beneficiaries

The results of this current study further confirms the conclusion of earlier studies on the viability of CMP in helping low income families to acquire land for their homes and secure their tenure on the property. The UPPAF study done in 2013 revealed that investing in the improvement of the housing units, as assumed to be encouraged by secured tenure to land, was the most mentioned benefit of the program. Likewise gathered from the beneficiaries' perspectives, the important benefits of the program were ranked as follows: having a peaceful life in their community, good relationships among neighbors, reduced incidence of diseases, and increased access to health services and other basic facilities/utilities. The CMP accordingly spurred the provision of basic utilities, such as water and electricity, in the communities studied since the residents having permanent and recognized addresses could already access metered connections. Last in the rank is the opportunity to earn income, which was regarded by a relatively few beneficiaries as a benefit from having a secured land tenure. These results accordingly corroborated with the program benefits cited by UN Habitat (2009) and Rebullida (1998) as follows: (i) boosting beneficiaries' confidence in investing in house improvements; (ii) enabling the use of land as a capital or collateral; (iii) enhanced community members' self-esteem motivating them to hope and work for better lives; and (iv) improved sense of responsibility on both finances and obligations among communities.

Most of the CMP projects visited are currently accessible to health and educational facilities as deemed by the beneficiaries. On the average, it took 5-7 years before access to these services were improved. In some projects, there were children who complain due to the distance that they had to walk daily in going to school. The increased accessibility that the beneficiaries currently enjoy is brought about by the rapid progress in the host barangays resulting to increased transport services within the areas.

It was observed that the CMP project organized by a religious group showed a strong sense of community and spiritual connection. While there is a strong sense of connection among the members of HOA organized by a religious group, other CMP projects lack a *sense of community*. This is specifically true among *forced on-site* or *off-site* CPMs where some beneficiaries opted to establish residence close to their workplace during weekdays, and visit their houses in the CMP only during weekends or holidays. There are also significant cases whereby beneficiaries have settled in their CMP properties only recently after their permanent retirement from work. Their relatives and married children were the occupants of their houses in the CMP.

While there is a general upward trend of income among on-site CMPs and a downward trend in forced-on site (off-site) CMPs, it is more accurate to say that change in income is still highly correlated to the location of the CMP and the previous location of residence of the beneficiaries, rather than its type.

In general, housing condition has slightly improved although bigger and luxurious houses can sometimes be seen in off-site projects and most of them are owned by the substitute members or those who bought out the right from the original awardee. Generally, houses in both off-site and on-site projects are concrete with unpolished brick walls. Nevertheless, houses in on-site projects are commonly fire-hazard due to (i) lack of firewall and spaces between structures, (ii) presence of blighted structures in between, (iii) entangled electric wires, and (iv) very narrow alleys.

Program impacts on the host community

The results of the study of Ballesteros et al (PIDS, 2015, 2016, 2017) revealed that only half of the 8 subject CMPs were considered transformed communities with major improvements in the physical environment, mobility and community governance. While some CAs may have an approved subdivision plan and titled subdivided lots, they have not been fully transformed. In some cases, the approved subdivision plans have not been implemented even after take out. Hence, the host LGU may not be expected to provide assistance in the form of infrastructure development and social services, which are key to the overall improvement of the community. The study done by UPPAF, on the other hand, highlighted the role of the CMP as a catalyst in the provision of basic services such as piped water and electricity connections within the sites.

This current study observed the increased economic activities in the host barangay because of increased population and consequent increase in the demand for consumer goods and services, and social services and infrastructure (e.g., medical/health and educational facilities, market, etc.), in the case of 2 CMPs (Ranchero HOA and Dreamland HOA). These positive changes, in turn, benefitted the CMP beneficiaries in terms of better access to services, improved transportation service and increased opportunities for livelihood. In exceptionally few cases, local and international donor agencies provided schools which also cater to the schooling population of the rest of barangay and adjoining ones.

End-user Finance Program (Pag-IBIG Housing Loan)

The Socialized Housing Loan (Php 450,000 and below) and the more recently introduced Pag-IBIG Affordable Housing Loan Program (Php750,000 and below) for low income members are the programs that relate directly to the government shelter program to provide decent housing for the homeless and underprivileged. Practically all of the interviewed borrowers expressed general satisfaction with the Pag-IBIG Housing Loan Program. From the perspective of the socialized/affordable housing loan borrowers, the program provided them the only means to own a house. The small housing loan borrowers from five regional hubs of Pag-IBIG were all non-homeowners (either renters or living with relatives) before they availed of their housing loan privilege. There is generally good satisfaction with the program although many claim to be having difficulties coping with the repayment. Dissatisfaction is mostly with the developers' performance as they failed to deliver completely their development commitments and the poor quality of construction.

Objective #4: Recommend policy and program reforms to improve the NSP implementation.

The recommendations of the study as far as improving the programs through policy reforms and enhancement of program processes and strategies are summarized and categorized by NSP component (housing production, regulation, and finance) as follows:

RECOMMENDED NSP POLICY AND PROGRAM REFORMS

Regulation	Production	Finance	Others
A. Resettlement Program			
<p>1. Minimizing off-city resettlement</p> <ul style="list-style-type: none"> Off-city resettlement minimized and resorted to only when there are pre-existing employment opportunities in the receiving community Link all resettlement plans of NHA with national plans for identified economic growth areas 		<p>5. Assisting LGUs in inventory and acquisition of land for socialized housing</p> <ul style="list-style-type: none"> Downloading some portion of the national government budget for socialized housing purpose to LGUs in need 	<ul style="list-style-type: none"> Further refinement in the formula used in estimating “housing need” which starts with an in-depth review of assumptions currently being used; Social preparation that effectively considers the preferences and affordability of housing beneficiaries;
<p>2. Giving priority to in-city relocation</p> <ul style="list-style-type: none"> Incorporate elements of slum upgrading, sites and services, re-blocking and other tried and tested forms of urban renewal NHA to upgrade and widen its expertise in re-blocking to include the more sophisticated techniques like land re-adjustment Slum upgrading through land re-adjustment pilot tested in intermediate cities outside Metro Manila 		<p>8. Expanding, not reducing, government exposure in socialized housing programs</p> <ul style="list-style-type: none"> Socialized housing component of housing provision expanded to fully cover the lower half of the income distribution Increased budget allocation to socialized housing be put into programs of direct housing production 	<ul style="list-style-type: none"> Regular monitoring and evaluation of Resettlement Program and project-level implementation (See draft proposed M&E Framework for the NSP direct housing provision); Integrating and harmonizing resettlement projects with local development plans; Budgeting of NHA (timing and amount) synchronized with the budgeting of other NGAs providing service in the resettlement sites;
<p>3. Trying out alternatives to resettlement</p> <ul style="list-style-type: none"> Trying out on a pilot basis the “Expanded Town” approach (British complementary approach to new towns whereby the resettlement will be accommodated within the urban centers of existing small towns) 		<p>9. Finding alternative sources of financing for housing</p> <ol style="list-style-type: none"> <i>Socialized Housing Tax</i> <i>Idle Land Tax</i> expanded to include unsold condominium units Collections from direct sale of housing units 	<ul style="list-style-type: none"> Ensuring sustained support from both sending and receiving LGUs; and, Disengagement of NHA in estate management

Regulation	Production	Finance	Others
		d. LGUs to borrow from banks or float local bonds for self-liquidating projects	
<p>4. Promoting and adopting Public Rental Housing</p> <ul style="list-style-type: none"> • May serve as temporary accommodation, or half-way house, for some households in the process of saving up to be able to eventually join the commercial housing market • Conduct of studies of the experiences of Valenzuela City and Quezon City, replication of successful scheme in other areas 			
<ul style="list-style-type: none"> • Improving LGU capacity in shelter provision <ul style="list-style-type: none"> • Responsibility for shelter provision for lower income groups shared with LGUs • HUDCC and NHA to further capacitate the LGUs, especially those outside of Metro Manila, in formulating their shelter plans, and eventually implementing them following the prescribed processes and strategies 			
<p>6. Clarifying the authority of the LGUs (City and Barangay) in informal settlements</p> <ul style="list-style-type: none"> • Examining LGUs' practices in dealing and/or coping with the problem of informal settlers, assess their effectiveness and efficiency and draw lessons towards the development and institutionalization of approaches in dealing with the problem • Barangays (local authorities and communities) be made more aware of their role in controlling the growth of informal settlements; their participation and accountability in resettlement clarified (e.g. maintenance of waterways and easements) 			
B. Community Mortgage Program			
<p>1. Development of alternative social housing programs for those who do not qualify for CMP</p>			
<p>2. Conduct of study on the LGU housing programs and develop partnerships and support mechanisms for LGUs (e.g., LCMP)</p>			
<p>3. Development of alternative social housing programs for</p>			

Regulation	Production	Finance	Others
those who do not qualify for CMP			
4. Use of mobilizers, especially private NGOs, optional; communities already organized should be allowed to apply directly to SHFC, and landowners who are willing to sell to the informal occupants should be assisted directly			
5. Phasing out of CMP especially in Metro Manila in view of the rapid rise in land price and rapid urbanization			
C. End-user Financing Program			
		1. Increasing savings contribution of the Pag-IBIG Fund members to further increase the capacity of the Fund to support the shelter program and improve further the provident benefits of retirees	
		2. Establishment of a credit insurance system to protect temporarily distressed low income borrowers who are the more vulnerable among borrowers <ul style="list-style-type: none"> • <i>Abot-Kaya Pabahay</i> Fund be revisited to see how temporary amortization support could help low income borrowers 	
		3. Allocation of the Pag-IBIG Fund's Affordable Housing Loan budget to purchase special issue long-term bonds from the government as an	

Regulation	Production	Finance	Others
		alternative to direct lending to low income members <ul style="list-style-type: none"> • Bonds can be arranged to have yields that match the regular housing portfolio but totally risk-free. • Improvement of the absorptive capacity of government housing agencies and reform in the socialized housing program 	

Additionally, future studies that may serve to validate and substantiate the findings of this current study are recommended as follows:

1. Countrywide inventory of unserved Informal Settler Families by location (e.g., danger areas, slum areas, government properties earmarked for future infrastructure development, private lands);
2. Further study on the preferences of households in matters of living arrangement (as influenced by financial capacity, as well as cultural and moral standards, among broader segments of the population especially among higher income households in the formal housing sector) as inputs in the refinement in the estimation of *housing needs* that considers the time lag in doubling up of households;
3. Review and assessment of the *public rental housing* taking the experience of Quezon City and Valenzuela City in the implementation of rental housing scheme on experimental basis;
4. Study which will test the hypothesis that the provision of ready-to-occupy industrial buildings within the resettlement sites is a sufficient incentive for establishments to locate and provide jobs for the relocatees;
5. Study on the current living arrangement and marital status within informal settlements and resettlement communities in relation to property rights and conjugal ownership;
6. Review and harmonization of all shelter and urban development policies, guidelines and standards at the national and local levels (particularly in highly urbanized LGUs);

7. Study on the feasibility of extending the assistance provided to other equally poor families who are in need of decent housing but not covered by specific resettlement projects of NHA and proposal for guidelines;
8. Study that will probe on the values attached to real property (land and housing) and validate the hypothesis that people, including the poor, are not so much interested in the house as a place to live in as they are in the titled property as a tradable asset;
9. Study on the effectiveness of the Community Initiative Approach as a way of not only ensuring that people's housing preferences are considered, but likewise their participation in community planning and development in their respective communities within the resettlement, and integration with the host community;
10. Review of the different practices of the LGUs in dealing and/or coping with the problem of informal settlements, assessment of their effectiveness and efficiency to draw lessons towards the development and institutionalization of approaches in dealing with the problem;
11. Study that will probe on the link between the developer's compliance on the Balanced Housing provision of UDHA and the housing stock, or the housing units produced under the NHA's resettlement projects (e.g., volume of housing units directly produced by the developers, built using the cash equivalent collected in lieu of housing units, etc.);
12. Review of existing authorities, policies and practices of NHA as regards coordination with host LGUs in case of NHA-initiated relocation and resettlement;
13. Review of current practices and policies on the assistance given to the receiving LGUs hosting a resettlement community towards developing a standard equitable approach that is fair to both the host and the sending LGUs;
14. Review of the current and best practices on post-relocation estate management including those of NHA and socialized housing developers (e.g., PHINMA for Bistekville 2 of Quezon City, and LRB housing for resettled ISF communities from the Manggahan Floodway in Pasig City);
15. Inventory of all CMPs in terms of occupancy rates, substitution rates and overall conditions of existing CMP communities in terms of infrastructure, as well economic and social services;
16. Study on the existing resettlement and housing assistance programs solely being implemented by LGUs for possible harmonization and complementation with CMP, and towards developing alternative assistance programs of SHFC in partnership with LGUs for the unqualified informal settler families and communities;

17. In-depth study on CMP cost recovery policies particularly those that impinge on the rights of the poorer members of the community association;
18. Probing or re-assessment of the implications of a 6% interest rate on CMP loans to the government's cost of borrowings reflected in the long term Treasury Bill notes;
19. Review of the various policies, processes and systems of SHFC such as the: (i) due diligence process, (ii) policy on appraisal and property value limits, and (iii) causes of delinquency and possible interventions to help keep up with amortization payments; and,
20. Assessment of the current credit policies of the Affordable Housing Loan Program, its coverage, the borrowers' profile and their coping mechanisms for loan repayment towards developing additional safety nets for temporarily distressed member borrowers and prevention of delinquencies and foreclosures.

INTRODUCTION

The performance indicated by the output trends of the housing sector, as affirmed by the National Economic and Development Authority (NEDA), calls for a broader and more in-depth evaluation of the National Shelter Program (NSP) as the government's overall housing program/strategy. Addressing this need is a performance assessment of the NSP conducted by the UP PLANADES through a study focusing on its direct housing assistance programs: Resettlement Program (RP), Community Mortgage Program (CMP), and End-User Financing Program (EFP). The findings and expert recommendations from the study are expected to provide sound evidences that will serve as basis for NEDA's crafting of policy reforms related to housing, urban development, and social sector development as a whole.

The study results comes in three separate volumes: Volume 1 - Impact Assessment of the Resettlement Program: A Case Study; Volume 2 – Rapid Appraisal of the Community Mortgage Program and End-User Financing Program; and, Volume 3 – Integrative Report.

This volume of the report is basically an integrative summary of the findings of the Impact Study of the Resettlement Program (Volume 1) and the Rapid Appraisal of the Community Mortgage Program and the End-User Financing Program (Volume 2), including recommendations for policy and program implementation reforms.

1.1 Objectives of the Study

Covering the implementation of key direct housing programs for the period 2001 to 2015, the Study aims to:

1. Determine if the National Shelter Program has significantly expanded access to secure shelter, and, thus have reduced vulnerabilities among the targeted bottom 30% of the population;
2. Examine the service delivery of key direct housing programs under NSP;
3. Design a standard impact evaluation methodology for NSP sub-programs and implement this using the Resettlement Program as a case study; and,
4. Recommend policy and program reforms to improve the NSP implementation.

1.2 Coverage of the Study

Focusing on the implementation of key direct housing programs such as the RP, CMP, and EFP, the study covers the following:

1. Assessment of the NSP using an over-all program evaluation framework and methodology following the parameters defined in the country's National Evaluation

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- Policy Framework, such as relevance, effectiveness/impact, efficiency and sustainability;
2. Conduct of an *Impact Evaluation* of the Resettlement Program using an Impact Evaluation Framework and methodology that employs mixed methods of evaluation; and,
 3. Conduct of a *Rapid Appraisal* of the Community Mortgage Program of the Social Housing Finance Corporation (SHFC), and End-user Financing (for Socialized and Low-cost housing) of the Home Development Mutual Fund (Pag-IBIG).

1.3 Approaches and Methodology

The overall evaluation of the shelter programs (RP, CMP, and EFP) examines the processes and mechanisms critical for their successful implementation. The evaluation determined the outcomes and impacts of the implementation of the shelter programs during the period 2000-2015, and examined how well these programs have been conceived, planned and designed to achieve the intended outcomes, and whether these outcomes can be sustained. Thus, with careful consideration of the political, policy and planning, economic, environmental/physical, socio-cultural-ideological, and technological contexts that the housing programs are operating, evaluative questions have been addressed (e.g., what have been achieved; how and when were they achieved, by whom and for whom were they achieved, at what cost and under what circumstances were they achieved, etc.)

RP, CMP and EFP are evaluated in this study in terms of relevance, efficiency, effectiveness/impact and sustainability. The Over-all Evaluation Framework defines the major elements and contexts, evaluation questions to be addressed, data and information required, data sources, and methods of collection to be used. See **Annex 1**.

The impact assessment of the RP focuses on the resettlement of informal settlers in danger/hazard zones and in areas where infrastructure projects are planned to be built. The rapid appraisal of the CMP and EFP, on the other hand, centers on the implementation of the programs with particular emphasis on the processes involved and beneficiary-level outcomes among selected community housing projects and individual Pag-IBIG housing loan borrowers.

The study design employs a *mix of quantitative and qualitative tools* of data collection and analysis, the purpose of which is to deepen understanding of the processes and mechanisms through which the outcomes of the shelter program have been achieved and how these outcomes were affected by the political, policy/planning, economic, socio-cultural and environmental context within which the programs were being implemented. The use of mixed methods is seen as a way of strengthening the validity and reliability of the findings of the study because data generated using different methods can be triangulated or compared for consistency checks. The study utilizes quantitative method

such as surveys of households, and qualitative methods including focus group discussions (FGDs), key informant interviews (KIIs), ocular inspection, and content analysis of reports, articles and presentations. Qualitative methods are used to provide context and explanations for the quantitative results, to explore cases of success and failure, and to develop systematic explanations of the program's performance evinced by the quantitative results. Use of qualitative methods of eliciting data promotes a more participatory approach in the evaluation -- that is, engaging greater participation of stakeholders in assessing various processes of the programs and providing suggestions on how these can be improved.

The following are the specific key evaluation questions addressing each of the four evaluation parameters, which were further validated as to significance, relevance and usefulness and enriched in consultation with concerned NEDA officials and the key shelter agencies.

Relevance

- 1) To what extent were the intended outcomes of the shelter programs (RP, CMP and EFP) strategically aligned with the country's development priorities as articulated in the Philippine Constitution, framework plans and other policy documents?
- 2) Did the shelter programs (RP, CMP and EFP) take into consideration the articulated social needs of the targeted segments of the population? Supply- or demand-driven?
- 3) Were analyses of program implementation being carried out, and lessons learned being applied? Were program performance and success indicators and targets at various levels laid down well and lent themselves to measurement?
- 4) Were the financing schemes consistent with social equity objectives of each specific program (RP, CMP and EFP)?

Efficiency

- 1) How were the resources of the shelter programs (RP, CMP and EFP) used (i.e., program implementation, implementing entities' operations, etc.)?
- 2) How well have the shelter programs used the resources to achieve the intended outcomes (program's social benefits versus financial costs pertinent to government)?
- 3) What were the timing and other process issues encountered in the shelter program implementation?

Effectiveness and Impacts

- 1) Have the program goals and objectives (RP, CMP and EFP) been achieved?

- 2) What were the positive and negative, intended and unintended, direct and indirect, primary and secondary effects/impacts produced by the shelter programs (RP, CMP and EFP)? What were the immediate benefits and long-term outcomes or impacts to households, communities and institutions?
- 3) Have the programs (RP and CMP) made important contributions to the observed results or changes in the host communities (e.g., facilities, infrastructure and utilities, social services, peace and order, etc.) and vice versa? In what way?

Sustainability

- 1) What are the facilitating factors to be maintained and sustained, and the risk factors to be avoided or mitigated (e.g., political, economic, institutional, technical, social, environmental, etc.) in order to:
 - (a) prolong the life of the programs (e.g., flow of resource inputs, qualified human resources, finance, equipment and other inputs, suitability of organizational arrangements and processes, governance structures, institutional incentives, and capacity to assume roles and mandates)?
 - (b) ensure continuous access of program beneficiaries to program benefits (i.e., livelihood sources, facilities and services, and meaningful participation in public affairs, etc.)?
- 2) Are innovations and transformative effects being given attention (e.g., People's Planning versus Government-initiated resettlement)?

Quantitative assessment of outcomes and impacts of the RP involves comparison of the *current situation* of beneficiaries in the resettlement sites with their *baseline conditions* before they were resettled or while they were in their previous habitation. For purposes of examining and measuring such changes and impacts brought about by the resettlement program to the beneficiary households, a *simple one group pre-test post-test design* has been adopted in the study.

The impact assessment focused on two major resettlement programs of the National Housing Authority (NHA): (i) the resettlement of Informal Settler Families (ISFs) from Metro Manila's eight (8) major waterways (*Oplan LIKAS*), and (ii) Resettlement of ISFs from the cleared areas intended for the North-South Railway System.

Based on a set of criteria, the study sites, eight (8) Resettlement Projects and ten (10) CMPs, were randomly selected from the listings provided by the National Housing Authority (NHA) and Social Housing Finance Corporation (SHFC), respectively. The specific Pag-IBIG service branches and EFP beneficiaries or loan borrowers for the rapid appraisal of EFP were likewise identified in consultation with the Home Development Mutual Fund (HDMF).

For the follow-up survey of resettled households from the waterways of Metro Manila, only those resettled from August 2013 until 2014 (with available baseline information or covered by the July-December 2013 census) were included to serve as the sampling frame or population for the study. In the case of the ISFs relocated from the North and South railways (Metro Manila segments), the listing of relocated families during the 2008-2009 period served as the sampling frame. The survey sample sizes were estimated with the required reliability of *95% confidence level* and *5% margin of error*.

The review of survey instruments ascertained that the baseline data for the ISFs resettled from the 8 major waterways include several impact indicators needed in the study, while that of the ISFs from the North-South railways scarcely include impact indicators. Because of the absence of impact variables in the profile data prepared by NHA before the relocation of the ISFs from the railways, the Study Team decided to prepare a survey questionnaire with several recall questions pertaining to their conditions before they were relocated during the period 2008-2009.

Limitations of the study, specifically the RP impact assessment, centered on the choice of the evaluation design given the nature of the resettlement program and the sampling design constrained by the unavailability of required baseline data, for which the evaluators had no control.

Detailed discussion on the design, approaches and methodologies used in the RP impact assessment, and CMP and EFP rapid appraisal are presented in volumes 1 and 2 of the report.

FINDINGS AND EVALUATION RESULTS

The format of the presentation of study results for this integrative report follows the sequence of the study objectives, the discussions responding to each of the four objectives. Detailed discussions are presented in the Volume 1 (RP Case Study) and Volume 2 (Rapid Appraisal of CMP and EFP) of the report.

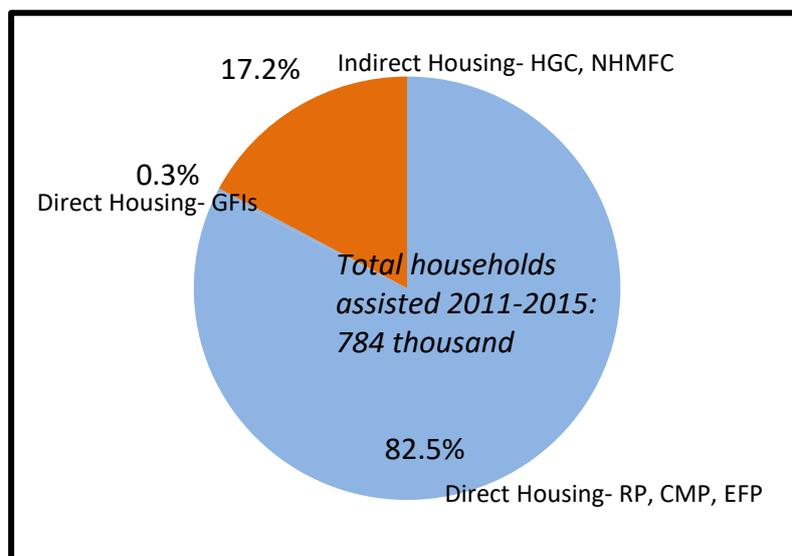
Objective #1: *Determine if the National Shelter Program (NSP) has significantly expanded access to secure shelter, and thus have reduced vulnerabilities among the targeted bottom 30% of the population.*

The following discussion addresses the above stated objective only as far as presenting the coverage and accomplishments of the program in securing shelter for the targeted beneficiaries. Impacts and benefits to the targeted bottom 30% of the population in terms of reduced vulnerabilities are tackled thoroughly in succeeding sections that address objective #3.

The National Shelter Program (NSP) is a comprehensive strategy of the Philippine government to assist homeless low- and middle-income families in meeting their housing needs through affordable housing opportunities. Under the NSP are five major schemes categorized under two main groups: *Direct Housing* which includes three schemes: (1) housing production; (2) community programs; (3) developmental loans; and *Indirect Housing*, which is composed of two schemes: (4) home mortgages and (5) guarantees.

The NSP's direct housing component, which is the focus of this study, is comprised specifically by the following: Resettlement Program of NHA (representing scheme 1 or housing production), Community Mortgage Program of SHFC (representing Scheme 2 or community programs), and End-user Financing Program of HDMF/Pag-IBIG Fund (representing Scheme 3 or developmental loans). The significance of these programs is observed within the context of the overall accomplishment of NSP or the total outputs of all the five schemes. Using data for the period 2011-2015, the total accomplishment of both direct and indirect housing provision was about 784 thousand households assisted. And of this total, direct housing provision by RP, CMP and HDMF-EFP accounted for 646.9 thousand (from Table 1) or about 82.5% of total accomplishments over the five-year period 2011-2015. A very minute portion of direct housing, 2,423 or about 0.3% of households assisted was jointly accounted for by government financing institutions such as SSS, GSIS, DBP and LBP (UN-HABITAT 2016). Indirect housing provision by HGC and NHMFC in the same period totaled 134.7 thousand households assisted or about 17.2 % (UN-HABITAT 2016). See Figure 1.

Figure 1. Distribution of Accomplishment by NSP Scheme Grouping: All Households Served by NSP in the Period 2011-2015



Source: Data taken from Table 1 and UN HABITAT III Philippine National Report, 2016

Indirect housing provision accomplishment used in the computation includes households assisted only in terms of mortgages and guarantees by HGC and by NHMFC. The accomplishment of the RP, CMP and HDMF-EFP can thus be said to be reflective of the NSP performance in general since the three programs together accounted for a major portion of the total program accomplishment.

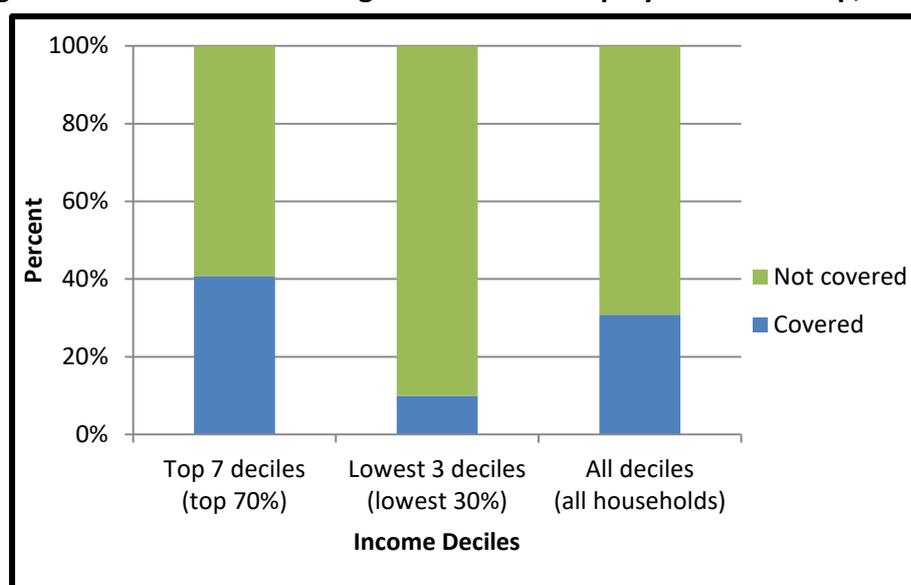
Reach or intended beneficiaries of the direct housing program

The households intended to be covered by the RP and CMP are those belonging to the lowest 3 deciles or lowest 30% of households. However, households that had eventually become beneficiaries of the two programs were mostly those who formerly resided in informal settlements. Exceptions, in the case of the NHA, are the housing projects for specific sectors such as the military and police.

The coverage or reach of the three programs may also be described using data from the 2014 Annual Poverty Indicator Survey (APIS). In the 2014 APIS, the size of informal settler families (ISFs) as potential target of the two programs is indicated based on the housing tenure of households. These ISFs or households are identified in the survey as those that “own house, on rent-free lot without consent of owner” and those living in “rent-free house and lot without consent of owner”. These ISFs consist of 2.3% of households in the lowest 3 deciles. Overall, such households constitute about 2.7% of all households across all income groups (or an estimated 700 thousand households using 2015 data). Other sources place the number of ISFs even higher. Data from surveys conducted by NHA with support from some local governments showed that as of July 2011 the number of informal settlers is already about 1.5 million (UN HABITAT 2016).

The distribution of Pag-IBIG members by income group in 2014 is summarized in Figure 2, and the proportions by decile have been used to estimate the absolute number of households with Pag-IBIG membership in each decile in 2015. About 10% of the lowest 3 deciles or the poorest 30% of households had membership in Pag-IBIG. In terms of the number of households, this translates to about 600 thousand low-income households that were covered by Pag-IBIG in 2015. In contrast, about 41% of households in the top 7 deciles have membership in Pag-IBIG, or an equivalent of about 5.24 million households in 2015.

Figure 2. Households with Pag-IBIG Membership by Income Group, 2014

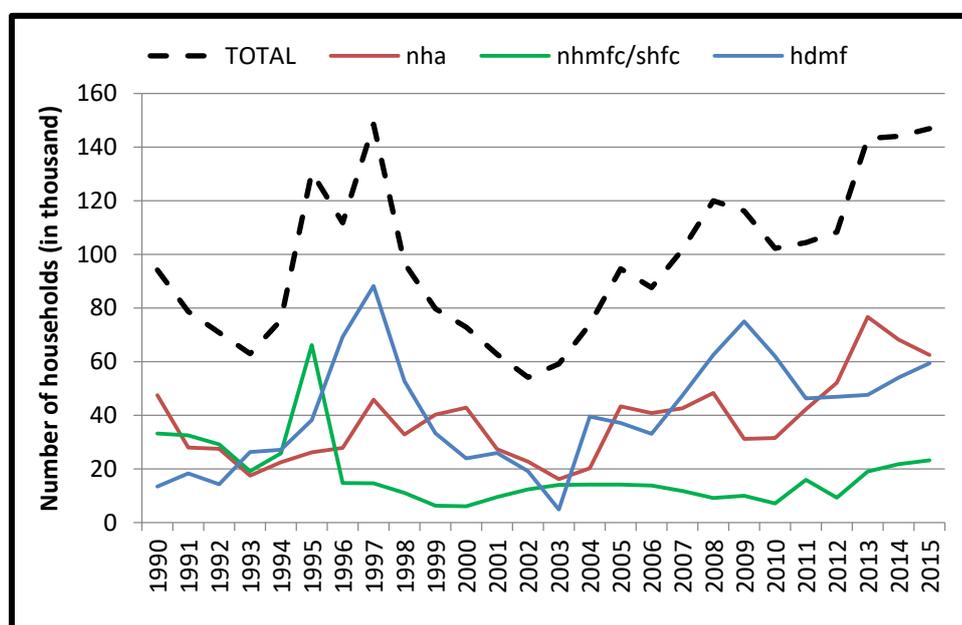


Source: 2014 Annual Poverty Indicator Survey

Outputs of the direct housing programs

In terms of actual accomplishments of the three programs, these are concretely quantified by the number of households provided with housing units and/or housing loans administered by government, i.e., by NHA, SHFC and Pag-IBIG/HDMF. Data from the year 1990 up to 2015 are examined for a longer perspective of the accomplishments (Figure 3). Overall, the data shows two distinct patterns: first, total output rose from 1990 to 1997, and then fell from 1998 to 2003, with the fall distinct for NHA and for HDMF in particular; and, second, total output started to rise again from 2003 and onwards to 2015. The three programs contributed to the generally increasing trend in the total accomplishment. In particular, there was a sharp increase from 2007 to 2009 in households assisted by the HDMF. Similarly, in 2013 and 2014, there was a sudden increase in the number of households assisted by the NHA through the resettlement of ISFs from danger areas in Metro-Manila and the housing assistance for calamity victims (UN-HABITAT 2016 and NHA).

Figure 3. Number of Households Provided with Housing Units and/or Housing Loans Administered by Government: Direct Housing Provision, 1990-2015



Sources:

For NHA: 2003 and 2016 Philippine Statistical Yearbooks; HUDCC; HABITAT III: Philippine National Report 2016: NHA, Housing Assistance Program for Calamity Victims 2011-2015

For NHMFC/SHFC: 2003 Philippine Statistical Yearbook; HUDCC; SHFC 2013, 2014 and 2015 Annual Reports

For HDMF: 2003, 2007 and 2016 Philippine Statistical Yearbooks; HABITAT III: Philippine National Report 2016

In Table 1, the same set of data graphed in Figure 3 are aggregated for each of the three programs for three periods corresponding to census years (for which there are data on housing that are needed later on): 1990-2000, 2001-2010 and 2010-2015. In the first two periods, Pag-IBIG/HDMF accounted for the largest shares of households served in direct housing provision (39.6% in the first period and 49.4% in the second period) and a continuing large share of 39.3% in the third period. NHA, on the other hand, had a steady share in direct housing provision of over one-third in the first two periods (35.2% and 37.1%, respectively) but its share sharply increased reaching 46.6% in the latest period. As explained previously, the increase in NHA share in the recent period is because of the sudden increase in the numbers of households relocated from danger areas in Metro-Manila and households assisted following severe calamities that hit the country in the period 2011-2015.

Table 1. Number of Households Provided with Housing Units and/or Housing Loans Administered by Government by Period: Direct Housing Provision, 1990-2000, 2001-2010, 2011-2015

Period	TOTAL	NHA	NHMFC/SHFC	HDMF EFP
1990-2000	1,022,169	358,598	258,712	404,859
2001-2010	872,414	323,989	116,044	430,798
2011-2015	646,899	301,682	89,297	254,191
Percent distribution by government housing program				
1990-2000	100.0	35.1	25.3	39.6
2001-2010	100.0	37.1	13.3	49.4
2011-2015	100.0	46.6	13.8	39.3

Sources:

For NHA: 2003 and 2016 Philippine Statistical Yearbooks; HUDCC; HABITAT III: Philippine National Report 2016: NHA, Housing Assistance Program for Calamity Victims 2011-2015

For NHMFC/SHFC: 2003 Philippine Statistical Yearbook; HUDCC; SHFC 2013, 2014 and 2015 Annual Reports

For HDMF: 2003, 2007 and 2016 Philippine Statistical Yearbooks; HABITAT III: Philippine National Report 2016

The contribution of the RP, CMP and HDMF/EFP to housing provision in the country in general is assessed by examining the ratios of the number of households assisted by these three programs, on the one hand, to actual housing additions and to actual housing stock in the country, on the other hand.

Data on population, households and occupied housing taken from the 1990, 2000, 2010 and 2015 censuses (Table 2) were reviewed and eventually used for the succeeding assessment. Expectedly, the population size, number of households and number of occupied housing units had consistently increased over the 25-year period as shown in Table 2, but the rates of change in each of these three components have not been the same. Average household size has steadily decreased, from 5.32 in 1990, to 4.58 in 2010 and to 4.40 in 2015 – reflective of lower average number of children per family. Similarly, the ratio of households to housing units have generally been falling, from 1.0353 in 1990 to 1.0231 in 2010, but rising slightly to 1.0245 in 2015 – indicating that the “doubling-up rate” or the percentage of households sharing housing units have generally been decreasing. Doubling-up of households has decreased from 3.53% in 1990 to 2.31% in 2010 and increased slightly to 2.45% in 2015. But while the doubling rate is declining, the absolute number of doubled-up housing continues to increase as follows: 387 thousand in 2000, 455 thousand in 210 and 549 thousand in 2015.

Table 2. Population, Households and Occupied Housing, 1990, 2000, 2010 and 2015

Census Year	Population Size	Number of Households	#of Occupied Housing Units	Average Household Size	Household-to-Housing Units Ratio
1990	60,703,206	11,407,262	11,018,208	5.32	1.0353
2000	76,506,928	15,278,808	14,891,127	5.01	1.0260
2010	92,337,832	20,171,899	19,715,695	4.58	1.0231
2015	100,979,303	22,969,666	22,421,193	4.40	1.0245

Sources: 2003, 2007, 2016 Philippine Statistical Yearbooks

The number of occupied housing units presented in Table 2 represents the “stock” of housing available in the years when the censuses were taken. Using the housing stock data, the number of new housing units constructed in between two census years, or the “housing additions”, can roughly be estimated by simply taking the difference between the housing stock in a later census period and the housing stock of an earlier census period. The computed housing additions in the periods 1990-2000, 2001-2010 and 2011-2015 are shown in Table 3 along with the total number of households given assistance through direct housing (RP, CMP and EFP/HDMF). Additional housing units increased from 3.8 million in the period 1990-2000 to 4.8 million in the period 2001-2010. The new addition in the recent five-year period, about 2.7 million, is already more than half at 56% of the housing addition in the previous decade.

Table 3. Additional Housing, Households Assisted by Government (Direct Housing), and Ratios, 1990-2000, 2001-2010, 2011-2015

Period	Additional Housing (1) (A)	Households Assisted by Direct Housing (2) (B)	Annual Average Number of Households Assisted (3) (C)=(B)/years	Ratio (as % of Housing Additions) (D)=(B)/(A)	Ratio (as % of Base Year Housing Stock (4) (E)=(C)/stock
1990-2000	3,872,919	1,022,169	102,217	26.4	0.93
2001-2010	4,824,568	872,414	87,241	18.1	0.59
2011-2015	2,705,498	646,899	129,380	23.9	0.66

Notes:

(1) Computed using data from Table 2.

(2) Taken from Table 1.

(3) Column B values divided by number of years in the corresponding period.

(4) Column C values as percent of the base year housing stock (data from Table 2), e.g.,

$$100*(129,380/19,715,695) = 0.66$$

Comparing the number of households assisted by direct housing programs of the government to national housing additions for each period, the contribution of direct housing had ranged from about 18% in the middle period (the lowest) to 26% in the first

period (the highest) – while the ratio in the most recent period comes close to the ratio in the first period. That is, for every 100 additional housing units constructed in the period 2011-2015, around 24 units of these were contributed by the direct housing programs of government. The expansion of direct housing programs of government seem to have generally caught up with the overall pace of housing additions in the country considering near recovery in the percentages from the earliest to the most recent period.

The contributions of government direct housing is also assessed relative to existing housing stock. The ratios of the annual average number of households assisted by direct housing in each period to the level of housing stock at the beginning of the period are also reported in Table 3. Reflecting the pattern seen in the ratios to the housing additions, the ratio to the housing stock is also lowest in the middle period. The pattern in the ratio over time is observed to be generally declining. In the 1990-2000 period, 93 per 10,000 stock housing units were government assisted. In the 2011-2015 period, this ratio was lower at 66 per 10,000 stock housing units.

Finally, the contributions of the government housing programs particularly by income group is indicated by findings from the 1999, 2002, 2007, 2010 and 2013 APIS (Table 4). The tabulations of the contributions of government housing programs among households are equivalent to the ratios computed relative to the housing stock in Table 3 – that is, the denominator of the percentages computed is “all” households for the different categories. The APIS data is also used to show the contribution of government housing programs by income group.

The percentage of households that had acquired a house and/or lot through a government housing program is generally increasing as income increases or when moving from the 1st (bottom) to the 10th (top) decile. Thus, the percentage is lowest for the lowest income group or the 1st decile, at 1.13% in 1999, 1.21% in 2007 and 0.85% in 2013, and highest for the highest income group or the 10th decile, at 10.67% in 1999, and 7.20% in both 2007 and 2013. It can be recalled that Pag-IBIG is among the housing programs that households have accessed over the years. The program accounted for about 40% of households assisted in the period 1990-2010 (in Table 1). And because the higher income groups have higher Pag-IBIG coverage (Figure 2), the percentages among the top 7 income deciles who reported to have acquired a house and/or lot through government housing or financing program would be expectedly high.

Table 4. Percentage of Households that Acquired Any House and/or Lot through Government Housing Provision or Financing Program by Income Group: 1999, 2002, 2007, 2010 and 2013

Income Decile	1999	2002	2007	2010	2013
1	1.13%	1.02%	1.21%	0.97%	0.85%
2	1.77%	1.50%	1.49%	0.83%	0.79%

Income Decile	1999	2002	2007	2010	2013
3	2.50%	1.55%	1.99%	1.08%	1.14%
4	2.26%	1.80%	1.92%	1.43%	1.09%
5	2.32%	2.94%	2.52%	1.51%	1.38%
6	2.81%	3.54%	2.49%	1.53%	2.56%
7	2.86%	3.97%	3.14%	2.96%	2.12%
8	4.48%	5.74%	4.13%	3.58%	5.04%
9	6.51%	7.01%	4.47%	4.85%	3.98%
10	10.67%	11.01%	7.20%	6.29%	7.20%
Lowest 30%	1.82%	1.36%	1.56%	0.96%	0.92%
Top 70%	4.54%	5.14%	3.70%	3.16%	3.34%
All Deciles	3.78%	4.05%	3.06%	2.50%	2.61%

Sources: 1999, 2002, 2007, 2010 and 2013 Annual Poverty Indicator Surveys

Overall, the percentage of households that have acquired a house and/or lot through a government housing program had declined from 3.78% in 1999 to 3.06% in 2007, shrinking further to 2.50% in 2010, and remained low at 2.61% in 2013. The decline from 2007 to 2010 was experienced by nearly all income groups. There was a general decline in the overall percentage because the level of service (the numerator), i.e., the number of households assisted by the government programs, in the mid- to late 1990s was generally higher compared to that during the period 2000-2010, with the level in 2010 remaining practically the same as the level of service in 2007 (see Figure 2). Meanwhile, the population size and number of households (the denominator) being served by the programs had steadily gotten bigger over the years.

Examining specifically the lowest 3 deciles, the percentages that had benefited from the government housing programs in 1999, 2002 and 2007 were generally higher (close to 2%) compared to later years. Percentages had gradually declined from 1.56% in 2007 to 0.96% in 2010, and further to 0.92% in 2013. Meanwhile, the percentages for the top 7 deciles were generally higher in 1999 and 2002 (exceeding 4%) compared to later years at 3.16% in 2010 and 3.34% in 2013. Looking at Figure 2, the number of households assisted by government programs had in fact significantly increased from 2010 to 2013 and this is reflected in the overall increase in percentage from 2.50% in 2010 to 2.61% in 2013.

While the top 7 deciles had obviously benefited from the increase in the output of direct housing from 2010 to 2013, as indicated by the increasing percentage from 3.13% to 3.34%, the nearly constant percentages (0.96% and 0.92%, respectively, for the same two years) nonetheless means that households in the lowest 3 deciles had likewise continued to benefit from government housing assistance. In absolute numbers, the estimated number of households that benefited from the housing program had increased not only for the top 7 deciles (from 446 thousand in 2010 to 498 thousand 2013), but also for the lowest 3 deciles (from 57 thousand in 2010 to 59 thousand in 2013).

The poor and underprivileged as beneficiaries of the program

Using the baseline data on the incomes of targeted relocatees from the 8 major waterways of Metro Manila and the FIES 2012's computed mean monthly income of the 3rd decile (Php8,988) as reference, it is estimated that around 33% of the targeted ISFs for relocation belonged to the first 3 deciles (lowest 30% income group), earning less than P9,000 per month. That means that majority, or two-thirds, of those being targeted for the provision of socialized and low-cost housing by the RP were actually earning more and belonging to the upper income group, at least within the 5th and 6th deciles.

Although CMP is considered as an important component of the strategy to address the housing needs of the underprivileged, there appears to be inherent program limitations and weaknesses that limit its accessibility among the intended beneficiaries. The beneficiaries on site in the 10 subject CMP projects of this study were originally landless and/or homeless (based on SHFC's Background investigation Report), but not all of them can be considered *underprivileged* if underprivileged refers to those families below the poverty line. All beneficiary families have means of livelihood and/or some family members are gainfully employed (e.g., government workers, teachers, etc.). Although the Study Team had no way of knowing their housing quality before they became CMP beneficiaries, it is only logical to assume that their previous residence were of poorer quality than the houses they have built on their assigned CMP lots.

Pag-IBIG housing finance privilege, however, is presently accessible only to Pag-IBIG members. The non-members, especially those belonging to homeless and underprivileged who are the real targets for the government shelter program cannot be given access to the Pag-IBIG housing loan privilege. And although membership to the Pag-IBIG Fund is now universal, membership is still reserved to those with regular income and capacity to pay. In keeping with its mandate to provide affordable loans to finance *affordable housing*, HDMF introduced the *Affordable Housing Program* in 2012. The program covers houses not costing more than Php750,000, and is available for members with monthly incomes that do not exceed Php17,500 for those working in Metro Manila, and Php14,000 for those working in other regions. Data in Table 5 estimated the reach of the Pag-IBIG Fund, particularly the Affordable Housing Program, among the lowest income group. The lowest 30% income earners constituted less than 2% of the total # of loan borrowers in 2012-2015, accounting for less than 1% of the total loan value. This is only to be expected considering that the likelihood that Pag-IBIG member will belong to the 30% income decile is low because a member by definition is gainfully employed and has the capacity to pay the loaned amount for a housing unit. Nevertheless, there was a rapidly increasing number of poor families availing of the Affordable Housing Program from 2012 to 2015.

Table 5. Distribution of Borrowers under the Affordable Housing Program by Annual Income: 2012-2015 (Loan Value in Php Million)

Income Group (Php)	2012		2013		2014		2015	
	#	Loan Value	#	Loan Value	#	Loan Value	#	Loan Value
Below 40,000	2	0.70	2	0.50	1	0.18	2	0.24
40,000-59,999	2	0.66	16	3.13	52	10.47	125	28.09
60,000-99,999	60	20.13	458	139.70	936	274.56	1,875	562.72
100,000-249,999	223	90.09	2,897	1,087.93	7,381	2,739.68	13,036	5,265.64
Total	287	111.58	3,373	1,231.26	8,370	3,024.89	15,038	5,856.69
1st to 3rd Deciles	64	21.49	476	143.33	989	285.21	2,002	591.05

Source of Data: Home Development Mutual Fund

Basis: Computed Average Annual Income (FIES 2012): 1st Decile = P 68,609

2nd Decile = P 92,396

3rd Decile = P107,862

Direct housing provision of agencies: outputs and costs

The performance of the direct housing provision component of the shelter program is further dissected using the accomplishment report data of the concerned shelter agencies, such as the National Housing Authority, Social Housing Finance Corporation (SHFC) and Home Development Mutual Fund (HDMF).

Table 6 summarizes the performance of NHA, SHFC and HDMF from 2001 to 2015 in terms of the number of households/families served, total amount spent on resettlement, and volumes of loans released through the Community Mortgage Program and Pag-IBIG housing loan program. Despite the increased volume of housing assistance contributed by NHA in 2014-2015, the obligated amount was considerably low. This is due to the fact that the biggest bulk of funds spent on the resettlement of ISFs from Metro Manila's danger areas came from the Oplan Likas' Php50 Billion Fund and not from the agency's allotment from the National Government (to which the reported obligations and disbursements have been paralleled).

From 2001 to 2015, the CMP has extended Php8.9 Billion in loans to 1,771 community associations (CAs) with 172,083 beneficiary families. The Pag-IBIG Housing Program, on the other hand, has been the biggest provider of end-user housing finance for employees, both from the government and the private sector, over the last several years. In 2015 alone, the program was able to provide Php43.9 Billion housing loans equivalent to 59,409 housing units.

Table 6. Accomplishment of the National Shelter Program: Resettlement Program, Community Mortgage Program, and Pag-IBIG Housing Loan: 2001-2015

Year	Resettlement Program (NHA)		Community Mortgage Program (SHFC)		Pag-IBIG Housing Loan (HDMF)	
	Number of Households Assisted	Total Amount Obligated* (Php M)	Number of Households Assisted	Total CMP Loan Value (Php M)	Number of Fund Members Served	Total Housing Loan Value (Php M)
2001	6,840	874	No data	No data	16,194	3,820
2002	4,381	389	12,331	489	19,125	5,402
2003	4,131	307	No data	No data	29,035	9,324
2004	11,760	860	14,129	699	39,562	14,787
2005	16,960	940	14,199	725	37,175	15,291
2006	15,390	1,023	13,783	748	33,066	16,195
2007	17,155	4,120	11,822	632	47,367	23,665
2008	24,330	5,515	9,169	518	62,507	34,028
2009	21,794	4,738	No data	No data	74,973	45,702
2010	19,459	3,354	37,923	1,054	62,041	40,804
2011	16,365	4,275	15,875	1,001	46,296	31,532
2012	33,369	5,501	9,287	558	46,898	31,821
2013	49,390	4,636	12,537	791	47,562	33,963
2014	63,384	200	13,120	832	54,026	40,581
2015	56,313	512	12,038	830	59,409	43,932
Total	361,021	37,241	172,083	8,878	675,236	390,849

*Refers to Total Annual Obligations of NHA (instead of disbursements).

Sources of Data: National Housing Authority (reports to COA), Social Housing Finance Corporation (annual reports) and Home Development Mutual Fund (annual reports)

Objective #2: Examine the service delivery of key direct housing programs under NSP.

Examination and assessment of the implementation and service delivery of the RP, CMP and EFP are done by addressing the specific key evaluation questions under each of the three (3) evaluation parameters such as relevance, efficiency and sustainability. The following are the assessment findings:

A. Resettlement Program

Relevance

1. To what extent were the intended outcomes of the RP strategically aligned with the country's development priorities as articulated in the Philippine Constitution, framework plans and other policy documents?

National policy from the 1960s up to 1986 placed the responsibility for the provision of social goods and services, including housing, squarely in the hands of the government.

This policy saw a radical shift with the change of government following the EDSA people power revolt in 1986. The post-EDSA policy regarding the provision of housing is characterized by a diminishing role of the national government and a broadening of participation in housing provision to include the private sector, civil society, local governments and local communities. The policy shift is articulated in the Constitution, the UDHA, the NUDHF, the NFPP, MTPDP, PDP, and related documents.

The rationale for the policy shift stems from the generally acknowledged inadequacy of government resources to meet the rising demand for housing with its limited resources. The salient features of the policy that apply to housing provision pursued during the period preceding the one under review (C. Aquino and F. Ramos administrations) include: a) limiting the role of government to facilitating people's quest for shelter by providing and ensuring that adequate quantities of land available for housing purposes, making sure that residential support infrastructure is provided to recognized housing development areas, and supporting housing finance systems and providing mortgage guarantees; b) directing government efforts in the housing field to households belonging to the lower half of the income distribution; c) devolving socialized housing to local governments in partnership with the private sector, civil society, and local communities; and d) expanding the role of the private sector in socialized housing finance and construction.

Under the short-lived Estrada administration, the President issued Presidential Order 159 creating the Task Force on Mass Housing in line with the "*Erap Para sa Mahirap*" vision of the administration, with poverty eradication as the central focus of all its development program and interventions. The Estrada administration recognized that (1) shelter is a basic need for which the poor, particularly in urban areas, requires assistance; and (2) that in addition to direct housing provision for the poor, mass housing projects generate multiple economic benefits (i.e. provision of employment and promotion of entrepreneurial activities). The Estrada administration has clearly complied with the policy of targeting for government assistance the lower half of the income distribution. A major resettlement undertaking of the Estrada administration is the relocation of informal settlers along the Pasig River affected by the rehabilitation of the river.

Under the Gloria Arroyo administration, the *Abot Kayang Pabahay* Fund was established by virtue of RA 8763. Among its many programs, the Arroyo government created the Home Guaranty Corporation (HGC) to undertake a nationwide housing program with the private sector to make available at affordable cost decent housing; seek to ensure that homeless families can enjoy the benefits which can be derived from the government's guaranty facilities; can serve the requirements for those who are not members of any funding agencies [e.g. GSIS, SSS and HDMF]. To comply with the policy to make available land for housing, the Arroyo administration has resorted to the use of a non-traditional mode - Presidential Proclamation - releasing underutilized government property for

housing development. One of the sample resettlement sites covered by this study is a result of such proclamation – Southville 3 in Muntinlupa City. By mainstreaming government funding into the market-based housing finance system, the Arroyo administration has come closest to the policy of expanding private sector participation in housing provision. Arroyo’s major resettlement effort has to do with relocating the informal settlers who encroached on the north and south railway ROWs, part of which is covered by this study.

Under President Benigno Aquino III, another major resettlement program was undertaken. Through Memorandum Order 57 Pres. B.S. Aquino III directed the Secretary of DILG to immediately spearhead the transfer of ISFs living in danger and high-risk areas, in this case, those informal settlers living along rivers, creeks, and esteros in Metro Manila and nearby provinces. The DILG was further directed to coordinate with LGUs, PCUP, NHA and other relevant agencies to implement the administration’s thrust to: (1) provide refuge to “our countrymen” living in the aforesaid danger or high-risk areas by providing them better housing, with access to public transport, (2) prioritize their safety in properly reassigning their residential locations after clearing the clogged waterways of our cities, and (3) guarantee their protection and wellbeing in this exercise by ensuring proper coordination among the government agencies concerned. Furthermore, DILG was to make sure to comply with the Constitutional mandate that “no resettlement of urban or rural dwellers shall be undertaken without adequate consultation with them and the communities where they are to be relocated”. The focus of the B.S. Aquino III administration on residents of danger zones and high risk areas was clearly in pursuit of the policy of targeting the lower half of the income distribution.

Thus, the policies on the role of government in housing provision have been selectively implemented with each administration choosing its own area of focus.

2. Did the RP take into consideration the articulated social needs of the targeted segments of the population? Supply- or demand-driven?

As part of the social preparation, NHA gives the target beneficiaries of resettlement the opportunity to express their preference for the relocation site of their choice. Through the community initiative approach (CIA), the NHA or volunteer groups conduct the potential relocatees on ocular inspections (or trippings) to a number of pre-identified sites. In these site inspection trips, were the relocatees able to get their preference? As many as four in five (80.1%) relocatees from the railways indicated that the current location of their house is their preferred one. Among those who came from the waterways the ratio is slightly lower at two-thirds (67.6%). In both cases, a big majority said they are now living in the location of their choice. What about the housing unit, did the beneficiaries also get what they wanted? Less than two-thirds (62.9%) of those from the

railways and a slightly higher percentage from the waterways said that their present house is their family's choice prior to relocation.

The lower percentage of those who now live in the type of housing unit of their choice may be due to the fact that screening is done by NHA regarding the award of specific dwelling units. This is particularly true with LRBs where the cost of a unit varies according to which floor it is situated. Because of the variation in cost, who gets what unit is determined by each household's affordability level.

The most common articulated need of resettled families is jobs or livelihood opportunities in or close the resettlement sites. How is this need being addressed? The in-city relocation is supposed to address this concern to a greater degree than off-city. In both cases livelihood trainings are provided. Data obtained from the Community Support Services Department (CSSD) of NHA showed that there was a total of 170,310 individuals in 2013-2017 who were beneficiaries of various types of livelihood assistance in all their resettlement projects all over the country. Of those given livelihood assistance of various types, only 38,407 or less than one-fourth (23%) were successful in getting employment or starting their own businesses. What is unknown to the public is that livelihood assistance is not included among the functions of NHA. Hence, the agency has no budget for this all-important function. Instead, the NHA has been relying on other agencies such as DSWD, TLRC, DPWH, DTI, LGUs, and development NGOs, to provide funds, equipment, and other logistical needs and service providers to conduct skills training programs. Despite its handicap, the NHA has been able to provide a variety of livelihood interventions categorized into livelihood trainings/seminars on business management, agriculture, entrepreneurship, financial literacy, cooperatives formation, and the like; job generation both for paid employment and self-employment; job placement or referral; and access to credit.

Regarding provision of urban utilities, a number of resettlement sites are found to be underserved with reliable water supply. Moreover, the type and quality of social services provided on the site depends on the relative affluence and generosity of the receiving local governments to augment those provided by NHA.

3. Were analyses of RP implementation being carried out, and lessons learned being applied? Were program performance and success indicators and targets at various levels laid down well and liable to measurement?

Given its mandate, HUDCC formulates national goals and strategies for housing and urban development, recommends necessary legislation and amendments to existing laws and coordinates the activities of government shelter agencies towards achieving the National Shelter Program goals, objectives and targets. It operates within a logical framework that spells out the targeted outputs and outcomes that are expected to contribute to the

sectoral goal of shelter security among Filipino households and improved lives of slum dwellers, and ultimately to the societal goal of improved quality of life. (Refer to HUDCC Logical Framework below.) In so far as examining the shelter program implementation following the framework, it seems that monitoring of program performance stops at the level of major final outputs (MFOs) of the organization which are: (i) plans, policies and programs formulation, coordination and monitoring services, (ii) provision of security of tenure and other support services, and (iii) provision of overall supervision of performance of the Key Shelter Agencies. Understandably, tracing and probing on whether success in producing these MFOs has eventually resulted in improving the lives of the program beneficiaries and if such improvement has been sustained, has not been done so far on a large scale or on a regular basis. The results of such kind of assessment could have guided the crafting of policy and program reforms.

At the project level of the RP, regular monitoring of the intermediate outcomes of various projects requires identification of measurable success indicators. Program effectiveness can be assessed by determining how well its goals and objectives have been achieved. Given the absence of project-specific logical framework highlighting project objectives and targets, success indicators, and baseline data, it is quite difficult to assess especially in quantitative terms the effects of the project. An NHA informant agreed with such observation and attested to the need for establishing an effective monitoring and evaluation system in the agency. While there is no monitoring of resettlement project outcomes done, there are some sporadic attempts by NHA to document best practices in selected projects. There was, in fact, a compilation of best practices in different resettlement projects that was published and disseminated by the agency. Moreover, NHA has installed a Quality Management System, whereby the agency's effectiveness in the provision of socialized housing to the homeless and underprivileged is monitored and evaluated through various feedback mechanisms, including Suggestion Boxes in strategic areas, house-to-house surveys among the client/project beneficiaries, random interviews with beneficiaries, Homeowner's Associations, LGUs, NGOs and other stakeholders, conduct of FGDs among selected clients, and opinions from various media sources. All complaints, verbal or written, are coursed through its Public Assistance and Complaints Division (PACD), which monitors the compliance and actions of the concerned NHA units in responding to the complaints. Being maintained by the system is a data base containing regularly collected information serving as basis for programming of specific projects and activities. Such information include, among others, results of customers' satisfaction/dissatisfaction survey, data on accomplishments vis-à-vis program objectives and targets, and supplier/outsourced service performance (NHA Quality Management System Manual, November 2015).

Current approaches and formula of estimating “housing needs”

Crucial to the evaluation of program effectiveness is the setting of realistic housing program target -- the “housing needs”. The formula for estimating housing need being used by the HUDCC is based on the Component Method of the United Nations (UN). The UN defines housing need as “the number of conventional dwellings or other suitable living quarters that need to be constructed or repaired in order to bring housing conditions, as of a particular point in time, up to nationally adopted standards, plus the number that need to be constructed, repaired and/or maintained to ensure that housing conditions remain at the standard level over a stated period of time.” (Marquez, et al, 2010).

The UN has classified the principal components of housing need into three: 1) Accumulated needs, 2) Recurrent or future needs, and 3) Allowance in the estimates for vacant dwellings. A number of deviations from the UN definition are noticeable in the HUDCC definition such as:

1. The third component, *allowance in the estimates for vacant dwellings*, was omitted from the HUDCC definition.
2. What the UN calls housing units of acceptable type but in need of repair or replacement or slum as a sub-component of unacceptable housing is missing from the HUDCC definition.
3. The UN considers only involuntary doubled-up households whereas the HUDCC definition does not indicate such distinction.

This study commends the Philippine government’s attempts to adopt the UN definition with as little deviation as possible to allow more convenient cross-country comparisons. The Study Team, however, would like to emphasize that the omitted items may be important. Properly considered, some of these items could help augment the supply or stock of housing. Vacant dwellings, for example, represent an under-utilized urban asset. If owners of vacant dwellings, especially when these are still of acceptable quality, could be sanctioned in the same manner that owners of idle lands could be slapped the idle land tax, then, the housing stock could be increased by minimizing vacancy. Similarly, slum upgrading should be able to add to the housing stock by upgrading dwelling units of still acceptable condition but needing repair. Moreover, giving priority to slum upgrading over building in green field sites could contribute to achieving a more compact urban form that is known to contribute to mitigating the anthropogenic cause of climate change.

In addition, the Study Team observes that some cultural practices of Filipinos might distort the universal assumption that each household must be an occupant of at least one dwelling unit. The much-touted Filipino trait of high tolerance for congestion may, if true, render inaccurate the HUDCC definition of “doubled-up” household which is simply the difference between the number of households and the number of occupied dwelling

units, for example. The UN limits consideration to involuntary doubled-up households. In the Philippines, there is reason to believe that most doubled-up households are either renters who are not relatives of the landlord or close relatives who are allowed to double-up free of charge, a throw-back to the strong family ties and extended family syndrome the Filipino is known for. These are by no means involuntary. This assumption was tested among the interviewed beneficiaries of resettlement projects who came from the North-South Railway Project and the relocated households from along the major waterways of Metro Manila. The samples used in this validation study hardly represent the typical Filipino household as they are all relocatees. But it is felt that the determination of doubled-up household should be limited to involuntary cases just like in the UN definition. It may well be that the reasons for doubling-up are pecuniary (as in the case of renting out) or cultural (as suggested by the significant proportion of parents not wanting their married children to leave). Secondly, the estimation of the housing need due to increase in new households should be refined to take into consideration the apparent time lag it takes for the young couple to become financially independent enough to be able to strike it out on their own. At any rate, further study is strongly recommended to test the above assumptions especially among higher income households in the formal housing sector.

3. Were the financing schemes of the RP consistent with social equity objectives?

The National Urban Development and Housing Framework (2008-2010) has made the following analysis which may well represent the status of the housing problem of the country across the period covered by this evaluation study. First, the total annual housing need (2005-2010 backlog plus new requirement) is approximately 625,000 units, the NUDHF observes. About two-thirds of the housing need comes from new requirements (natural increase plus net immigration). This means that the high population growth rate is a key contributing factor. Second, there is a severe shortage in government funding to adequately address the housing requirement, the NUDHF continues. At Php200,000 per unit (as per the MTPDP), a total of Php125 billion per year, for six years, is needed. This is a conservative amount given that about 50% of the housing requirement is in urban Metro Manila, CALABARZON and Central Luzon where the cost of land and labor is much higher than in the rest of the country. This annual amount already represents about ten percent of the total national government appropriations for 2008. In contrast, NHA, the government agency tasked with housing production, was only allocated Php3.5 billion or only 2.8% of the Php125 billion requirement. In fact, the combined 2008 GAA of all the housing agencies—HUDCC, HLURB, NHA, HGC, NHMFC—amounted to only Php4.9 billion. Notably, the budgeted debt service payment for interest alone can cover more than twice the annual housing requirement. The severe funding limitation of government for housing along with the rapid population growth, explains, in part, why the housing need gets bigger and bigger every year. Third, the lack of government resources for housing also explains why the private sector dominates housing production in the country.

Government housing accomplishment targets are only about 30% of the housing need; actual accomplishment, however, is only about 69% of target or 23% of total need, the NUDHF observes, citing Senate sources (Senate Economic Planning Office 2006).

The total actual appropriations for NHA's resettlement program for the period 2001-2015 totaled Php 30.35 Billion or an average of a little over Php 2.0 Billion in a year. In fact, for the period 2001-2007, the average annual appropriation was only Php 0.542 Billion. Only during the six-year period 2008-2013 did the amount appropriated for resettlement increased to an average of Php 4.13 Billion. However, in 2014 and 2015, the amount fell abruptly to Php 0.413 Billion per year.

Given continued limitations in government housing funds, the NUDHF concludes, increasing private sector participation in the housing sector is necessary if any headway is going to be made in reducing the country's housing backlog. And in this case, effective demand, not supply, is critical because without substantial government subsidies, the private sector will be responding primarily to housing market affordability (NUDHF 2008-2010).

The lack of government funds can be understood in the context of the retreat of the public sector from its traditional function as provider of social goods and services. Government is growing more and more dependent on the private sector to finance the provision of public services, a trend which prompted one newspaper columnist to remark about the "creeping privatization of public services". Housing is one of the long-recognized social services but government seems to be handing over the greater responsibility to the private sector. This policy is articulated best in the MTPDP 2004-2010. In Chapter 4 of this plan entitled "Housing Construction", housing is no longer seen as merely a social development service but rather as an industry that has the potential to create jobs. The government also wants to reduce its role in housing finance by withdrawing government subsidy and mainstreaming socialized housing finance in the financial market. According to the MTPDP, private sector financing for housing will be pursued under a market-oriented approach ... and redefine the role of government in housing finance to ensure a better distribution of responsibilities and risks with the private sector. Hence, the so-called shortage of government funds for housing is more apparent than real. It is more indicative of a deliberate policy of government to give a bigger share of this public service to the private sector.

Affordability of the Housing Units. To make the cost of the house and lot package affordable, the government subsidizes a part of the price of the land and the price of the unit. Then, there is a grace period of four years on the interest, and a low interest is charged on the amortization spread over 30 years. Despite such concessional terms, NHA experiences a collection rate of less than 50% in most projects. The reason for such

delinquency is not so much of affordability as an attitudinal problem. As explained by NHA informants, the relocatees are used to occupying land rent free and availing of urban utilities free of charge through illegal connections. So, it is not easy for them to adjust to their new status as owners-occupiers for which they have to pay. This attitude is exacerbated by some groups of agitators who advocate free housing and urban services.

Another attempt to make housing affordable is the adoption of usufruct arrangement on the land. Under usufruct, the final cost of the housing unit is reduced because the cost of land is not imputed.

The findings of the Study Team seem to indicate that in the Low Rise Buildings (LRBs), affordability is probably not an issue. Aware of the fact that they will not obtain title to the building lot, awardees fought over the right to occupy the lower two floors even though the units are higher priced. Some even resorted to inflating their reported income just to qualify for occupancy of the high-priced units. Why do most awardees covet the ground and lower floors? The motivation could possibly be pecuniary because of the prospect of being able to engage in some form of livelihood activities despite the many restrictions on the use of the common areas. Incidentally, many of the LRB awardees reportedly wish that they had been taken to row houses instead where it is possible to obtain land titles.

The desire to acquire a title to the land is validated in the case of Southville in Muntinlupa where the lot is also under usufruct, but the houses are built in rows of single-storey units. The awardees are aware that they enjoy free use of the lot and are supposed to amortize only the subsidized cost of the housing unit. Yet, NHA still encounters low collection rate. Worse, the awardees want to convert the usufruct on the land to freehold. They want to have a title to both house and lot. Obviously, the issue here is not affordability but speculation borne out of the view that land is a tradable asset. This speculative attitude is further fired up by the practice of real estate agents who are ubiquitous in shopping malls offering to sell “investments” rather than housing units. There seems to be an incongruence between the conventional wisdom that what the poor families need is housing and that they need a proper abode as a basis for establishing a “community”, and their real interest which is to acquire a titled house and lot as a tradable commodity. This explains the rampant selling of rights, leasing and renting out of units despite the existence of rules discouraging such practices.

One final observation is that the government has been disposing of the housing units it produces through sales. It is about time the government tried out alternative tenures to offer potential beneficiaries a choice of what fits their socio-economic status. For example, public rental housing which is provided for in the UDHA (RA 7279), may be added to the package of government shelter services. Public rental housing should be offered for

slum dwellers and renters of ISF-built structures as a transitional but decent and affordable accommodation until their financial status allows them to participate in the socialized or economic housing sector.

Efficiency

1. How were the resources of the Resettlement Program used?

The use of the program's resources is basically categorized as operational or administrative cost for program implementation, and housing loans provided by the programs that are eventually repaid by the beneficiaries to the government. The scope and the types of operational costs to government for RP are described further below. The operational cost of the programs may be viewed as the cost of earmarking and ensuring the allocation of resources for securing the tenure and, for some, reducing the vulnerability to natural hazards of housing for the low-income households.

The operational costs of the RP cover the cost of implementing the following key program activities: pre-relocation activities, relocation activities, post-relocation activities and general administration. The pre-relocation activities (with social preparation) include identification of resettlement site, evaluation of project proposals and identifying project contractor, coordinating with other government agencies (DPWH, utility companies), pre-census of families intended to be relocated, actual census and census validation, information drive on resettlement sites and on the relocation process in general, conduct of beneficiary consultative meetings, issuance of notices to individual families, completion of pre-relocation documents/requirements, and voluntary dismantling of houses at origin.

Relocation activities include organizing of human resource assistance teams before mass relocation, issuance of entry pass (to the destination) and resettlement papers, loading of materials/personal belongings and transporting of beneficiaries to the resettlement site, and processing of documents and lot/unit assignment at destination.

For the post-relocation phase, NHA established project offices at the various RP sites. Their activities include the following: estate management, finance, technical, community relations and livelihood program. Estate management involves delivery or awarding of housing packages to beneficiaries, maintaining project housing economic value, aesthetic value and sanitation, and cultivating harmony with project beneficiaries. Finance activities include collection of loan repayments and evaluation of project revenues. Technical activities involve preparing engineering design of housing project facilities, appraising project performance and quality of on-going engineering activities, and coordinating with project contractors. Community relations and livelihood activities include conduct of community information drives about housing; identifying housing services needed and coordinating delivery; identifying, planning, developing, packaging and implementing

livelihood projects. Administrative activities include maintenance of personnel information system, performance evaluation, and other record systems of NHA.

Estimated operational cost per household by type of expense for the RP is shown in Tables 7 and 8 for the eight (8) resettlement sites used as cases in this study. Parts of the cost data shown in the tables were taken from NHA Board Resolutions and others were estimated based on information obtained from selected project offices of the NHA. The tables show the categories of cost or use of RP resources at the household level. These include costs incurred during pre-relocation, relocation, and post-relocation stages. Note that the subsidy for the house and lot (latter only for non-LRB) constitutes a large expense item for the relocation of families from both the waterways and from the railways. The post-relocation expense is an equally large item for the relocation of families from the railways.

Table 7. Estimated Operational Cost of Government for the RP per Family/ Household: Resettlement of ISFs from Metro Manila Waterways

Item Description	In-city (4)	Off-city (5)
	5-storey LRB	Row-houses
Board Resolution	5411	5411
Date	24-Feb-12	24-Feb-12
PRE-RELOCATION & RELOCATION (1)		
Water and power connection fees	6,000	9,000
Community facilities	-	19,000
Relocation	7,000	8,700
Social preparation & community development	1,300	1,300
Financial assistance/food allowance	-	-
Tent/Staging area	-	-
Administrative cost	17,850	12,000
Amount of subsidy	100,850	35,000
M&E - 5% (2)	29,150	14,500
Total (Pre-relocation & relocation)	162,150	99,500
POST-RELOCATION (3)		
Covers cost for estate management, administration, collection/finance, technical and community services support including livelihood development	16,000	16,000
TOTAL OPERATIONAL COST	178,150	115,500

- Notes: (1) Data taken from Board Resolution 5411, as indicated above.
(2) Estimated based on information from interviews of NHA key informants. For families relocated from the waterways, this item is estimated as 5% of pre-relocation costs.
(3) Estimated based on projection of expenditure of NHA field office in Golden Horizon Homes over 30 years. Php12,365,117 was the total cost for 2013-2017 (5 years of operation) serving 4,541 relocated families. Per family cost estimated by dividing total cost for 30 years (valued at current period prices) by number of families.
(4) Cost for Paradise Heights and Camarin Residence-1 resettlement projects.
(5) Cost for Golden Horizon Homes and Pandi Resettlement Projects.

**Table 8. Estimated Operational Cost to Government of the RP per Family/
Household: Resettlement of ISFs from North-South Railways**

Item Description	Metro Manila-Laguna Segment (4)	Bulacan and Pampanga Segment (5)	Southrail New Bilibid Prison (6)	Northrail and Southrail (7)
Board Resolution	5028	4990	5114	5114
Date	31-Jan-07	31-Jan-06	19-Jul-08	18-Jul-08
PRE-RELOCATION & RELOCATION (1)				
Water and power connection fees	4,000	4,000	4,000	4,000
Community facilities	10,000	10,000	10,000	10,000
Relocation	10,000	10,000	12,000	12,000
Social preparation and community development	-	-	-	-
Financial assistance/food allowance	1,000	1,000	1,000	1,000
Tent/Staging area		1,500	1,500	1,500
Administrative cost	8,000	7,500	8,800	8,750
Amount of subsidy	35,000	35,000	35,000	35,000
M&E - 10% (2)	18,500	17,650	20,450	20,350
Total (Pre-relocation & relocation)	86,500	86,650	92,750	92,600
POST-RELOCATION (3)				
Cost for estate management, administration, collection/finance, technical and community services support including livelihood development	35,000	35,000	35,000	35,000
TOTAL OPERATIONAL COST	121,500	121,650	127,750	127,600

Notes:

- (1) Data taken from Board Resolutions as indicated above.
- (2) Estimated based on information from interviews of NHA key informants. For families relocated from the railways, this item is estimated as 10% of pre-relocation non-recoverable and recoverable costs.
- (3) Estimated based on projection of expenditure of NHA field office in Southville 5/5A over 30 years. Php11.7 million was the estimated total cost for 2016 operation serving 9,840 relocated families. Per family cost estimated by dividing total cost for 30 years (valued at current period prices) by number of families served.
- (4) Cost for Southville 5/5A (Binan, Laguna).
- (5) Cost for Northville 4A/4B (Marilao, Bulacan).
- (6) Cost for Southville 3 (NBP, Muntinlupa).
- (7) Cost for Northville 2B (Bagumbong, Caloocan City).

2. *How well was the RP resources used to achieve the intended outcomes?*

At the project level, measures or indicators of benefits (generally quantified not in monetary terms) resulting from Php100,000 per household investment by government (operational cost of government) were computed in terms of “change” in the situation of households (and their housing units) before and after resettlement. Survey data of RP beneficiary households was used for this purpose. The operational expenditures per household for the different resettlement sites are different (e.g., and, thus, the indicators computed for the different sites were standardized to correspond to a common level of recoverable cost, Php100,000 per household, for comparability of results across sites. Some of the findings include the following:

- a. On the average, households relocated to all 8 sites showed increased housing services consumption as indicated by positive rental value changes. Thus, the government’s investment or operational cost of Php100,000 per household had paid for a higher level of housing services consumption of each household. For instance, there was an increase of Php341 per month (or 27% of previous monthly rent) for Golden Horizon Homes’ residents and an increase of Php385 per month (or 22% of previous monthly rent) for Southville 5 residents.
- b. The operational cost of government of Php100,000 per household had specifically, paid for a number of different benefits in terms of improvements in housing characteristics – in housing amenities, in location of housing relative to location of services and in housing location in terms of safety from natural hazards. In terms of the number of concrete housing units, there were increases ranging from 30 to 75 houses that were made of concrete for every 100 at the resettlement sites.
- c. The Php100,000 operational investment of the government per household for those resettled from the waterways had paid for 6-22 sq. m. additional floor space, 33-75 per 100 more houses made of concrete, 43-63 per 100 more houses with water-sealed toilets, 4-14 per 100 more households with own water connection, 12-17 per 100 less households without electricity and 17-25 per 100 more households covered by proper garbage collection.
- d. The Php100,000 operational cost to the government per household for those resettled from the railways had paid for -6 to 6 sq. m. additional floor space, 57 to 72 per 100 more houses made of concrete, 13-33 per 100 more houses with water-sealed toilets, 17-60 per 100 more households with own water connection, 5-19 per 100 less households without electricity, and 16-29 per 100 more households covered by garbage pick-up.
- e. The government’s investment for the housing of the resettled population resulted to generally shorter travel time to services including public market, health center and elementary school.

- f. The government investment had also paid for housing in locations where more of the households felt safe from hazards that can be brought by flooding and earthquakes. In terms of actual experience, there was reduction in the number of households that experienced flooding inside their house.

3. *What were the timing and other process issues encountered in the RP implementation?*

Ideally, a resettlement project of 1,000 units can be completed in 1.5 to 2 years. However, there can be various causes for delays in the different steps of the relocation process. A number of possible causes for delays for some of the steps of the relocation process include the following:

1. Finding resettlement sites. The reasons of delay cited include, among others the following: (i) LGUs are not doing land-banking for socialized housing as required by UDHA; (ii) HUDCC has incomplete inventory of available land; and, (iii) there is no follow up by LGU to set aside land for socialized housing through local legislation, even with an existing land inventory.
2. Resettlement project contractor issues. Some of these issues mentioned include (i) failed bidding, (ii) construction materials supplies problem (e.g., the case of projects after Typhoon Yolanda in Leyte), (iii) variation in order of contractor, (iv) contractor's lack of funds, and (v) unforeseen land topography.
3. Coordination issues with other national government agencies. The efforts of the agencies for the housing projects are not synchronized.
4. Social preparation can take the longest among the RP implementation steps and there can be delays because of factors such as resistance from some sectors of the community to the relocation, among others.
5. A moratorium order can be issued by a receiving LGU to hold all relocation activities until a MOA is signed with the NHA.
6. It has not been clearly established nor has it been studied as to what the government should do after a resettlement project is completed. There are on-going discussions of various post-relocation scenarios. At this time, there is no clear basis for determining when NHA can disengage from projects.

Sustainability

1. *What are the facilitating factors to be maintained and sustained, and the risk factors to be avoided or mitigated (e.g., political, economic, institutional, technical, social, environmental, etc.) in order (i) to prolong the life of the RP and, (ii) to ensure continuous access of RP beneficiaries to program benefits?*

Program sustainability refers to institutional capacity to sustain program implementation, e.g., flow of resource inputs, qualified human resources, finance, equipment and other

inputs, suitability of organizational arrangements and processes, governance structures, institutional incentives, and capacity to assume roles and mandates

The NUDHF 2008-2010 noted that the coordinative mechanisms for the housing and urban development services are generally weak. Activities of numerous shelter agencies tasked to address different aspects of the housing sector are often uncoordinated and lacking in clear strategic focus. Strong sectoral biases of various agencies similarly aggravate the problem of coordination. Furthermore, simplistic concept of “housing” as a shelter phenomenon and often unrelated to urban development, is not appropriate in responding to the need for other services attached to housing (e.g., infrastructure, transportation, etc.). There is obviously a need to institute a stronger mechanism for the harmonization of all shelter and urban development policies, guidelines and standards at the national level (NUDHF 2008-2010).

The national government has taken the responsibility for housing the low income groups for far too long. NHA has developed the institutional capacity to sustain implementation of the government’s resettlement program, as far as production of housing units is concerned. NHA has been expected to implement livelihood projects in the resettlement sites. However, its mandate is only to link the resettled communities with government and non-government institutions providing skills training, job placements, and livelihood projects including loan assistance. The agency is seeking the services of agencies like TESDA and TLRC, but these agencies only provide skills training and are not directly involved in actual job creation. The trainees are still faced with the difficult task of looking for jobs elsewhere after their training. NHA, therefore, should choose a site within a city or town where there are already existing job opportunities such as industrial estates and require the skills training agencies to tailor fit their programs to the requirements of specific firms or enterprises.

As far as sustaining the socio-economic benefits of the housing projects, the addition of a large number of population may be a sufficient basis for the change in status of the host LGU due in part to the increase in its IRA share. In some cases, the resettled community becomes mature enough to become a viable political unit in its own right. In other cases, the resettled community, though seemingly an enclave initially and contributing to urban sprawl, eventually becomes an integral part of the urban fabric and body politic of the host locality (e.g., Sapang Palay in San Jose del Monte City). The large number of relocatees boosted the population of the host locality which translated to increased share in the IRA.

To further sustain the socio-economic benefits of the resettlement, it has to become a full member of the local governance structure of the LGU. The template for this is the practice in Caloocan City wherein representatives of homeowners’ associations are made

members of the City Development Council. Thus, resettlements are regarded as full members of the city's body politic and are given the opportunity to take part in the planning and policy making functions of the city government.

Concomitant to treating the resettlement as an integral part of the local body politic is the effective sharing of services and facilities between the resettlement and other communities within the host city. Not all host LGUs, however, are willing and ready to take over management of the resettlements in case of NHA phase out. They seem to be fazed by the high percentage of delinquencies in amortization payments.

Compared to their places of origin, the resettlement sites having undergone vetting against criteria prepared by NHA, are deemed secure from natural hazards. The structural quality of the housing units, however, does not inspire much confidence that they can withstand earthquakes and typhoons. This is due to the attempt to bring down the final cost of the dwelling unit to affordable levels. However, to sacrifice the safety of people for the sake of affordability can be debated on moral grounds. Because the ability of the dwelling unit to provide secure protection of its occupants from natural hazard events is doubtful, there is a need to provide evacuation centers. However, to put up facilities of that kind is a luxury in a resettlement site where land is often unavailable. In the absence of dedicated evacuation centers, the school buildings and covered courts may serve the purpose temporarily. School authorities however, are often heard to complain about the disruption of school activities with continued use of schools as evacuation centers.

The relocation of ISFs to resettlement projects causes an instantaneous population increase in the host LGUs, but does not result in a corresponding immediate increase in IRA that will augment the local budget for required social and other services. Despite the time lag in the expected windfall, host LGUs are always willing to give support to the resettlements apparently in anticipation of such windfall.

Because of the high cost of in-city relocation due in part to the growing scarcity of land, off-city resettlement has been NHA's preferred option. The cost of land within Metro Manila is very high, making it impossible to lower the cost of the housing/lot unit for in-city resettlement without subsidy from either the government (national or local) or private donors. NHA produces housing units outside Metro Manila which are intended for immediate relocation of ISFs, especially those in the danger areas. But some completed units are found unoccupied and are already needing repairs because of the reluctance of the awardees to move in apparently due to the inconvenience of physical relocation and the not-so-bright prospect of finding immediate sources of livelihood.

Cases of selling rights are prevalent but difficult to monitor and sanction because there is evidently a connivance between awardees and buyers/renters. Moreover, rights selling does not usually require execution of a "Deed of Sale" which could be a strong evidence

that a transaction took place, instead, only the certificate of lot allocation or in some extreme cases, an “Entry Pass” is used as evidence of possession. This makes it impossible for the NHA to gather evidences on the illegal transaction. Project managers also get intimidated with the threat of CHR investigation for possible human rights violation if they are to evict non-awardees from the resettlement sites. As a result, they turn a blind eye on the widespread selling and renting out of housing units.

Aside from the scarcity of livelihood opportunities in the resettlement areas, which is the common excuse for the problem of selling rights, this illegal practice is also bolstered up by the local demand for housing unit. The demand comes from the unreached sector who are seriously interested in owning a housing unit but fall short of a bank or Pag-IBIG housing loan requirements nor qualified to be a beneficiary of any NHA resettlement project. This gap shows that while the government aims at addressing the housing backlog, it fails to deliver housing service to the sectors who genuinely need it. The extent of this problem affecting program effectiveness and sustainability is indicated by cases wherein awardees have already sold their housing units for Php30,000 to Php100,000 while they have not paid a single centavo to the government for the said units. In Golden Horizon, for example, NHA has not started collecting payment since 2013 because they are still processing some documents, yet many awardees have already sold out their housing units.

2. *Are innovations and transformative effects being given attention?*

The change in the policy of NHA from selling serviced lots only to completed house-and-lot package is one innovation worth noting. This has made life a lot easier for the beneficiary families to move to the new place without having to worry about carrying the salvaged materials and putting them together to make a makeshift shelter in the new site. In any case, a more in-depth and systematic evaluation of the impact of this innovation is needed. Another innovation is the inclusion of *usufruct* as a form of tenure on the land. This has actually brought down the price of the dwelling unit because the cost of the lot is not included, thus making the house affordable to the poor. But why do the awardees insist on having titles to the land as well as the structure? The hypothesis that people, including the poor, are not so much interested in the house as a place to live in as they are in the titled property as a tradable asset needs to be validated through further study.

Another innovation adopted by NHA is the *Community Initiative Approach* as a variant of the “People’s Plan” concept, which was introduced by civil society organizations and is being pushed by DILG. Under this concept, the informal settlers in a community who are under threat of eviction organize themselves and undertake the process of locating lands within the city where they could relocate. When they have firmed up their search, they seek the help of professionals and the SHFC to acquire the lot and develop it into a housing subdivision where they can eventually move. This process, however, is painfully slow and

is not responsive to the objective of relocating settlers in danger zones. Hence, NHA adopted the community initiative approach as a variant of the people's plan. Under this approach, the prospective relocatees need not go through the process of locating sites. NHA just takes them to pre-identified sites through "trippings" and they choose which site they want to be brought to be relocated. But there is some problem with allocating units in the LRBs where almost everybody wants to get the ground floor units.

Yet another innovative approach adopted by NHA to improve the rate of amortization payments is the "Livelihood and Affordability Enhancement Program". Under this program NHA project sites utilize their various employment and livelihood assistance as a vehicle to leverage amortization payments. Those who have undergone skills training and have successfully landed a job or opened a viable business are required to give back 20% to 50% of their income to NHA as amortization. The number of undocumented success stories shared by the NHA-CSSD with the Study Team indicates that the program is highly acceptable to the beneficiaries.

B. Community Mortgage Program

Relevance

1. *To what extent were the intended outcomes of the CMP strategically aligned with the country's development priorities as articulated in the Philippine Constitution, framework plans and other policy documents?*

The main objective of the CMP is *"to assist residents of blighted or depressed areas to own the lots they occupy, or where they choose to relocate to, and eventually improve their neighborhood and homes to the extent of their affordability (RA 7279 Section 31 Article VIII).*

As a financing program to help informal settlers acquire ownership of the land they occupy, the CMP is, by definition, very much in accord with the Constitutional mandate to help the homeless and underprivileged. This was confirmed by Congress in 1992 when it gave recognition to the Program in Article VIII sections 31 to 33 of the UDHA and again in 1994 when it provided Php12.78 billion for the program through the CISFA.

Informal settlers are presumed to be homeless and underprivileged, and this presumption may be considered generally true with rare exceptions given the generally poor quality of their living conditions. With them as intended program beneficiaries, CMP is deemed an important component of the government's pursuit to implement its Constitutional mandate and UDHA.

The program is demand-driven, i.e., the initiative to secure CMP loan must come from the communities themselves. But the seemingly low availment rate for CMP loans over the

past several years in relation to the perception of great demand tends to cast doubts as to the relevance of the program to the intended beneficiaries. As of end of 2015, there still remained an unreleased balance of Php2 Billion from the Php12.78 Billion funding in 1994 and meant for five years only. Although the Php12.78 Billion was intended for five years only, the Department of Budget and Management (DBM) typically programmed the releases at no more than Php500 Million annually based on historical performance and projected needs which, in turn, are based on applications received and being processed. From 2013 up to 2015, DBM increased the appropriations to Php1 Billion per year with the commitment from SHFC management that it would scale up the program. The targets were not achieved, however, and the increased releases only served to increase the cash position of SHFC. By the end of 2015, SHFC had a total current asset of Php4 Billion, mostly invested in in short-term government bonds. This was quite ironic because the budget-deficit government that was floating bonds to fund its programs was actually borrowing back the funds it has given to the program. SHFC's capacity was actually much higher than Php500 Million because it was able to flow back as much as P300 Million of its collection. These flow backs steadily escalated with the building up of its CMP loan portfolio.

Although CMP is considered as an important component of the strategy to address the housing needs of the underprivileged, there appears to be inherent program limitations and weaknesses that limit its impact and its accessibility to the intended beneficiaries. To cite a few factors, the program requires a duly organized community organization as the borrower, and the program requires full cost recovery although at seemingly very liberal terms of 6% interest rate and 25 years repayment period.

2. *Did the CMP take into consideration the articulated social needs of the targeted segments of the population? Supply- or demand-driven?*

The Constitutional mandate is to provide *decent housing* to the homeless and underprivileged, however, the Constitution and UDHA did not provide definitions and standards for decent housing. The Constitution specifies that housing should have access to physical and social services but falls short of specifying the standards for the housing unit. Although existing subdivision laws and building codes provide these standards, CMP as a lending program does not require strict compliance to these standards.

CMP mainly provides the means to secure tenure and land ownership. There is insignificant focus on site development and building of housing units within acceptable standards. Although CMP currently offers additional loan amounts to cover site development and house improvement, avilment of these loans has been very minimal to almost negligible. Apparently, this is directly related to the affordability and financial capacity of the beneficiaries. Many beneficiaries would rather bear with the very poor quality of their houses and just hope to improve over some time rather than add to their burden of paying for the lot. On the part of SHFC, it would be very imprudent to approve

additional loans if there is already a record of past delinquencies among the potential loan applicants. Hence, CMP's relevance as regards access to decent housing may be questioned.

Because of the lack of housing component and the substandard subdivision development, many CMP projects do not really add to the housing stock nor do they contribute to the reduction of the housing backlog. Instead, they produce rental spaces/rooms as in most informal settlements, thus amplifying unmet demand for decent rental housing units.

For the government's shelter program policy reform, perhaps it may be more relevant to consider *housing poverty* instead of *absolute poverty*. This is in serious consideration of the suggestion of Dr. Tan that "families living in very poor housing conditions should be counted as poor".¹

Housing poverty definition also calls for the clear definition of decent housing, a concept that has not been fully defined in the Constitutional mandate nor in its implementing law, the UDHA. In the absence of a clear concept, housing quality has always been compromised with the issue of affordability. In her paper, Dr. Tan cites UN-Habitat's five conditions that characterize slum housing: (i) lack of improved water; (ii) lack of improved sanitation and toilet facilities; (iii) insufficient living area; (iv) not durable housing; and, (v) insecure tenure. These conditions suggest what the government's shelter program for informal settlers needs to overcome as well as the parameters for decent housing. With these parameters for assessing CMP's relevance, it can be construed that CMP is sorely lacking in standards and tolerance limits on what sufficient living area should be. This lack of standards has led to the approval of CMP projects with very small lot areas that are below the standards set by existing laws. Even worse, this results in very small housing units that cannot pass the standards set by the building code. In her paper, Dr. Tan presents the distribution of housing units by floor area from the 2010 Census of Population and Housing and from the Annual Poverty Indicator Surveys. She considers shelters with 19 square meters or less floor area as poor housing. Using this standard, many CMP project beneficiaries' housing units remain destitute and will probably continue to be so because their lots are also very small to allow for house expansion. The adequacy of living area must also consider family size. Twenty square meters of living space for a nuclear family of four members may be sufficient only if the two children are still very young. But for a family of six with four grown-up children, 20 square meters of living space may not be sufficient.

¹ Tan, Editha A. "How We Measure Poverty Underestimates, Its extent and Depth", The Philippine Review of Economics Journal, June 2017

3. *Were analyses of program implementation being carried out, and lessons learned being applied? Were program performance and success indicators and targets at various levels laid down well and lent themselves to measurement?*

As per the Study Team's observation, while numerical targets and outputs in terms of number of CMPs and loan values are being set and documented, monitoring of the outcomes and impacts (e.g., quality of community projects, satisfaction of beneficiaries, reasons for non-payment of amortization, etc.) of each CMP project has not been a standard practice by SHFC.

Moreover, CMP account management as currently practiced, is mostly confined to the financial aspect of amortization collection and monitoring, the main indicator of efficiency of which is the monthly collection efficiency ratio (CER). Currently, the CER formula is simply the ratio of actual cash collections received over the current amortization due for the month. This formula, which has been already revised with a more conservative estimate of collection efficiency, is still misleading. The numerator is the actual cash collection received that includes not just the current amortizations received but also the past due amortization, penalties, and advance amortization payments including advanced full payment. With such bloated numerator, it is not uncommon to see some CMP HOAs with over 100% CER for some months, and a very high corporate CER. The most accurate estimate for CER should be: actual amortization received during the month out of the total current amortizations due for the same month. The CER should be appreciated always in relation to the ageing of accounts, and most importantly, the reasons for the non-payment and payment delays in amortization.

4. *Were the financing schemes consistent with the CMP's social equity objectives?*

Lending policy and cost recovery

The *6% annual interest-25 years to pay term* of the Community Loan is considered very liberal in view of the fact that mortgage lending rates by private banks are typically above Pag-IBIG's 9% and require at least 30% equity. However, with the downward trend in interest rates worldwide in the aftermath of the 2008 financial crisis, 6% is no longer that low when compared with those of other lending institutions. In fact, even Pag-IBIG had to lower its lending rate to 6% to be competitive with private banks. But for the truly underprivileged families or those belonging to the lowest 3 income deciles, the repayment terms may still pose a serious burden and the less daring ones would have serious doubts as to their capacity to pay. The problem is compounded if the loan amount is not sufficient to cover the selling price of the land and the beneficiaries are required to shell out substantial cash equity upfront. The maximum loanable amount from SHFC (Php 100,000 for lot purchase at present) is usually insufficient to cover the selling price of lot particularly in the city. These, in turn, resulted to several issues that affect program

effectiveness and sustainability. For one, lot sizes in the city are becoming smaller, e.g., 30 square meters in some CMPs in Quezon City.

An internal policy study on affordability by SHFC's Planning Department a few years ago concluded that the CMP may not be affordable to families belonging to the lowest 3 income deciles of the population and may be only marginally affordable to those belonging to the 4th decile. Based on this study, CMP can be considered irrelevant or unresponsive to the lowest 4 deciles of the population. Those above the 4th decile may be homeless but no longer underprivileged if the government's notion of being *underprivileged* refers to those families/individuals living below the poverty line.

Although SHFC has demonstrated a much better collection efficiency ratio (CER) compared with other government agencies involved in socialized housing, there has been an observed significant incidences of delinquencies and substitutions. This is seen in the ageing of accounts in the number of projects under remedial management and in most of the CMP projects visited by the team. Based on data provided by the SHFC's Finance and Controllershship Department, out of the total number of beneficiaries served by the program since its inception, only 16% have fully paid their accounts and only 22.37% are considered current (3 month or less in arrears). Three-fifths (or 60.79%) of the total number of beneficiaries are considered delinquent, of which half (32% of the total) have more than 60 months of arrears. Presently, there are 172 Community Associations that have been transferred to the Task Force on remedial management involving 27,965 member beneficiaries. Since its creation 8 years ago, the task force was able to resolve and restructure only a few of these accounts.

In almost all of the 10 CMP projects visited by the Study Team, there have been several incidences of delinquencies, substitutions and even abandonment of lots. There is only one exceptional project with a very high collection efficiency. Another project, although very well organized and has been the recipient of generous grants from donors (for the construction of housing units) still suffers from delinquencies, indicating the insufficient capacity of the beneficiaries to pay for their loans.

A few years ago, SHFC was given limited consent to condone penalties and restructure delinquent accounts. Out of over 40,000 demand letters sent with offers of restructuring, only 17,328 beneficiaries responded, 4,816 of which applied for one-time full payment. But of this 4,816 applicants, 1,080 were found to be substitutes and not the original beneficiaries. Overall, 3,957 or 23% of the 17,328 beneficiaries that responded to the demand letters were found to be substitutes.

Prevalence of substitution and use of dummies

Substitution implies transfer of membership and rights of an original member-beneficiary to a new member. Substitution happens in situations where there is voluntary waiver of rights to the property by the original beneficiary, default in his/her payment, and assumption of obligation by a potential substitute. Data presented in the PIDS study (2017) indicates a large number of SHFC-approved substitutions -- 15,082 as of 30 April 2015 since the take-out year of 1994. More than 50% of such substitutions materialized in Metro Manila.

This study tried to probe on the substitution cases in one of the subject project, the Upper Banlat CMP, but was not able to elicit honest and precise responses. Volunteer key informants from neighbor CMPs, however, confirmed the rampant substitution in their communities. Accordingly, the less educated and poorer member beneficiaries became victims of their own deceitful CA officers, who deliberately did not explain to them their payment obligations, the corresponding penalties and eventual consequence of payment defaults. Ignorance of the rules often resulted to default in amortization payments that eventually precluded them in enjoying their rights to own properties. The substitutes were mostly relatives of the officers and other HOA officers/staff who are loyal to them. The members who have been eased out of the program either moved out of the community to squat in another area, or now renting rooms or whole housing units owned by other beneficiary members within the CMP.

Substitution complicates the problem of misdirected housing assistance and benefits. Because of the inability of the poorer members of the community to pay their portion of the required equity (difference between the landowner's selling price of the lot and the loanable amount set by SHFC), they are being eased out from the program and those with money taking over. Businessmen or wealthy families were able to amass several lots (at a very low cost) by using the names of their employees, relatives and neighbors who cannot afford to pay the equity. In some cases, they allow their dummies to temporarily occupy the lots/housing units. The supposedly qualified beneficiaries of the program become tenants and not owners, thereby forfeiting the purpose of the program.

Since the 4 CMPs in the region are forced-on-site projects and the CA members are either dummies or recruited through the mobilizer's marketing scheme, most original beneficiaries are no longer in the area and have been substituted by new members. Some of those original master list beneficiaries that were substituted have opted not to settle to their assigned lots because the site is not convenient for them in relation to their livelihood or employment. They had to eventually give up their lot because it does not suit their housing needs.

The case is different in NCR-based CMPs where most substituted families are the poorest members of the CA. Many of them remain in the community and are renting portions of other beneficiaries' dwellings.

While collection efficiency rate (CER) is generally recorded as high for some CMPs, it does not automatically mean that all CA members are updated in their amortization payments. In some cases, the high CER is due to the complete payment of a number of well-off CA members who are mostly substitutes.

Furthermore, allowing 15% and 70% of CA members, respectively for on-site and off-site CMPs, to be non-original community residents of the site being applied for as a CMP tolerates the practice of bring in families that are not the intended beneficiaries of the program. In one of the 10 CMPs studied, one original resident household head (who later became a HOA officer) admitted to have brought in several relatives who came from a distant province.

Equity requirement among member beneficiaries

The maximum loan amount should not exceed the appraised value or selling price of the land to be purchased, otherwise, the borrower shall be required to put up an equity before the loan application is processed. SHFC does not involve itself in the negotiation between the CA and the landowner, but only sees to it that that equity will be eventually paid to the latter. In many cases, the poorer/poorest member beneficiaries in the community are unable to afford the equity amount and have no means of obtaining the money through personal loans from equally poor relatives and neighbors. Hence, either they are deliberately excluded from the list of beneficiaries, or they give up their chances of owning a property to those who can afford to put up the equity. They are likely to be used as dummies by these more opulent families who, in many cases, allow them to continuously occupy the lot and the house thereon, and pay a rent. This practice, which is widespread in the Upper Banlat and other nearby CMPs in Tandang Sora, Quezon City, puts forward the question whether the program is being implemented in such a way that the intended beneficiaries are effectively covered and their rights protected.

Efficiency

1. *How were the resources of the CMP used (i.e., program implementation, implementing entities' operations, etc.)?*
2. *How well has the CMP used the resources to achieve the intended outcomes (program's social benefits versus financial costs pertinent to government)?*

Following the description of the CMP, its purpose and the process flow of the program, the financial resources of SHFC are used basically in two ways: (i) for the operational cost of SHFC or the cost for implementing the tasks entailed in the CMP process, and (ii) for

the loans provided to the community associations or CAs (loans which the CAs eventually amortize or repay to SHFC). The operational costs of the program may be viewed as “cost to government” or costs that do not get repaid to the government.

The operational costs are used for the various functions, tasks or activities entailed in the implementation of the CMP process. These functions or activities are organized into a number of categories of cost items. The first category of the operational costs include, among others, community mobilizer cost and costs of related activities. Accredited CMP mobilizers are tasked to assist informal settlers in organizing themselves into CAs and ensure their cohesiveness, to carry out social preparation activities, to provide information to CAs on how the CMP process works in order to prepare them for the succeeding steps (e.g., getting loan documents ready and delivering these to SHFC), and to build capacities that the CAs would need at the various stages of the program.

Operational cost also includes CMP loan application and approval process costs in SHFC. The loan documents submitted by CAs to SHFC undergo four major evaluations that are done simultaneously by four departments. The specific functions include, among others: (i) the conduct of background investigation to validate the CA and its membership, and other pertinent information; (ii) review of lease purchase agreement, proof of CA saving deposit, subdivision plan, and other related documents; (iii) review of exemptions from capital gains tax; and, (iv) review of the technical aspects of the site of the lot, feasibility of site for CMP, zoning certification and vicinity map.

Also included among the operational costs are CMP account management costs and general administrative costs of SHFC. The former include cost of collecting amortization payments from beneficiaries. The latter refers to costs of the personnel and accounting departments of SHFC, among others.

In 2015, the SHFC paid out 5.2 pesos in loans for every 1 peso of operational cost, similar to the ratio seen in the year 2007. In the years in between (2006-2014), the average amount of loan paid out was about 2.7 pesos for every 1 peso of operational cost. While the operational cost of the CMP had steadily risen from 2006 to 2015, the number of households assisted and the corresponding loan amount in the same period had fluctuated with clear drops in the years 2010 and 2012. The resulting ratios are, thus, primarily driven by the pattern observed in the loan amounts over the years – ratios are lowest (even less than 2) in the years 2010 and 2012 at 1.8 and 1.5, respectively.

Consistent with these estimates are those of Ballesteros et al (PIDS, 2015 and 2017) which calculated the inverse ratio for the years 2010 to 2014 and came up with an average cost of Php0.47 per Php1 loan generated during the 5-year period. The study further reported that during the same period, SHFC was spending an average of about Php27,700 for the servicing the lot acquisition loans of a borrower or CA.

3. *What were the timing and other process issues encountered in the CMP implementation?*

The implementation of the CMP as mentioned previously may be described in terms of the various functions, tasks or activities it entails. The timing and possible causes of delays of the various activities in the CMP process were identified as follows:

Community organizing

Based on interviews with SHFC officers involved in loan processing as well as the experience of CMP projects that have been visited, the typical application and approval process for CMP loan can take two to five years. There are many factors that contribute to this long process but among the major source of delay is the difficulty of organizing the community. Although an applicant community association is presumed to be already duly organized at the time of application, often times during the due diligence process, member beneficiaries can turn recalcitrant and substitutions occur. Factors that make organizing difficult are:

- a. Differences in economic circumstances and financial capacities (some are poor, some are poorer) resulting in differences in coping with the following: paying for equity required by the land owner, paying for required out-of-pocket expenses and paying for the 3-month advanced amortization;
- b. Unclear status of renters/sharers in the community (renters/sharers are typically present in most informal settlements and some house owners oppose their inclusion as member beneficiaries);
- c. Lack of trust and confidence on the community leaders;
- d. Willingness to borrow and to pay;
- e. Disagreements in land value/selling price; and,
- f. Disagreements on lot sharing/subdivision/re-blocking (Older residents tend to have bigger lots).

NGO as mobilizer

The role of NGO as a mobilizer/initiator is limited to assisting community associations (CAs) in accessing SHFC loans for the acquisition of property – e.g., negotiator/agent between the landowner and the CAs, guiding CAs in required document preparation and loan processes. Once the CMP loan has been released, the NGO withdraws from the scene. At least 2 key informants (a former mobilizer and an LGU officer) commented that utilizing NGO as mobilizer is not beneficial to the program. As a matter of fact, and as proven by the 6 out of 10 CMP projects that were visited by the Study Team, mobilizers have facilitated forced-on-site or landlord-driven CMP projects. Clearly, five out of the 10 CMP projects were actually initiated by the landowner. One CMP visited was initiated by

the property owner wanting to sell his lot at a higher price who solicited the help of a real estate broker, who then partnered with an NGO in applying for the CMP. The real estate broker is now an accredited mobilizer with 14 CMPs currently being mobilized. Mobilizing has become a lucrative work/business in the city.

Many problems may arise after the CMP loan release, problems which neither the NGO nor the CA can address and mostly requiring legal assistance. These problems include but are not limited to:

- a. Land grabbing or land ownership disputes;
- b. Encroachment of government project into CMP property without due payment;
- c. Disputes on right-of way;
- d. Recalcitrant occupants;
- e. Disappearance of original HOA officers without proper turn-over to present HOA officers;
- f. HOA officers not being recognized by HLURB, which causes internal management problems;
- g. Lack of paved concrete subdivision roads; and,
- h. Unapproved subdivision plan and non-payment of real property tax, which are slowing down the process of individual titling.

CA members are often not consulted on important decisions. Only the CA officers decide, and there are no regular meetings involving the members in most CMPs visited. Only 2 out of the 10 CMPs conduct monthly meetings, others only meet as the need arises. Moreover, the members have not been fully informed or may not understand the benefits, accountabilities and institutions involved.

Program promotion and product development

After more than 25 years of program implementation, public awareness remains low. Even worse is the prevalence of misinformation on the ground that makes it possible for unscrupulous persons to take advantage of the less-informed.

Only one of the ten projects, the Sunrise Village Homeowners Association (HOA) in Samal City, started with its own initiative, and many of its original members were already aware at the outset of the CMP for informal settlers. Mostly fishermen residing along the coastal areas of Samal City, the HOA members came to know and understand the CMP and the processes involved in application through a neighbor community approached by an NGO which encouraged its residents to relocate to an inland site, the owner of which was apparently known to the NGO. The Sunrise Village HOA, being aware of their vulnerability

to storm surges, approached the NGO for assistance. Unfortunately though, the said NGO has been suspended by SHFC because of the low CER of their projects, thus, the HOA was referred by the NGO to the Samal LGU. At that time, SHFC was already promoting the Localized CMP (LCMP) among the LGUs. Hence, Sunrise Village HOA became the first LCMP project of Samal. Nonetheless, program awareness was shallow and they still needed substantial assistance from the LGU Urban Poor Affairs Office (UPAO).

For the rest of the nine projects, CMP awareness level was very low, or even nil, at the start. Many of them were recruited and organized by mobilizer NGOs which, in some cases, were actually serving the interest of the landowner. In situations wherein the main motivation of an NGO is to assist the landowner in selling his property, the community organizing efforts tend to be superficial.

Program promotion/marketing and product development is a key strategy of reaching out not only to the potential informal settler beneficiaries that remain unserved but also to the other stakeholders such as landowners, LGUs and even policy makers. This large audience needs to be made aware of the CMP program, its benefits to the society as a whole, the application processes involved, and the costs it entails. Unfortunately, there is no clear definition and assignment of responsibility for this function within the SHFC organization. An organizational development study conducted a few years ago sorely missed out on this gaping need. SHFC has a Public Affairs Department that is in charge of corporate communications and public relations, but this unit has not been given the proper directions and specific tasks, much less the appropriate budget, to promote the CMP. The Corporate Planning Department has not been given the responsibility for the development of baseline data and in-depth policy analysis in order to fine tune the CMP and make it more responsive to the actual housing conditions on the ground. The department undertook its own initiative by preparing a short policy paper on CMP affordability a few years ago but this was unfortunately ignored by Management. After twenty years of program implementation, this study would have opened up at least for discussion the policy on interest rate and cost recovery. This policy has never been challenged since the program started more than 25 years ago. Instead, the CMP interest rate has been maintained at 6% even when interest rates dropped worldwide as a result of the quantitative easing program of the US Federal Reserves and other Central Banks in the aftermath of the 2008 financial crisis, and even when long-term T-notes auctions were already yielding effective rates below 5%.

As mentioned earlier, SHFC is dependent on the mobilizers to bring in CMP applicants. But the poor performance of the mobilizers in this respect appears to show that they do not engage in program promotion. Besides, many NGOs neither have the financial capacity nor the competence to engage in meaningful and effective program promotions.

The absence of promotions and product development may be one of the reasons for the low availment rate for CMP and the poor quality of applications that result in difficulties in meeting the requirements of due diligence. Although expenditures for corporate communications and policy research may have not been very significant over the years, the low expenditures are definitely not an indication of efficiency.

Technical land issues

Locations of many informal settlements actually suffer from technical defects that make it difficult, if not impossible, to pass the due diligence tests for site suitability, the on-site CMPs in particular. Most common problems are: (i) lack of right-of-way or access to a public road; (ii) defects in the technical description; (iii) exposure to natural hazards such as erosion and flooding; and, (iv) difficulty in sub-dividing and enforcement of re-blocking. It may take the community several years, if at all, to resolve these problems.

In all 8 CMPs visited in the regions, several lot units are still vacant, an indication that the sites do not match the beneficiaries' shelter requirement. Key informants revealed that due to distance from occupation/business, the beneficiaries of these lots have either abandoned the lot completely or are renting somewhere else, mostly in an informal settler community near their workplace. Several substitute members bought the lot units as investment and not a place to live in. In one CMP, almost 95% of the original beneficiaries have already left the site. One major issue of that CMP is the right-of-way, which is a component of site suitability.

Difficulties with landownership documentation

Negotiating with landowners can be a very tedious and difficult process if the land is actually an inheritance of several heirs, some of whom may not be in good terms with the others and some may have already migrated abroad or some distant place. The heirs themselves may have to undergo legal processes that may entail considerable expenses. In some cases, the titles contain errors that the landowners must undertake with much effort and costs to correct before it can be considered for CMP financing. This issue may similarly take years to be resolved.

CMP loan application process

The first and most crucial step for a community of informal settlers in applying for a CMP loan is community organizing – that is, formally agreeing among themselves to form a community association and to have the association registered with the HLURB. Only three of the CMP projects assessed by this study can be considered as a truly community-driven project by an existing community of informal settlers. And these three communities experienced the rigors of the application preparation and documentation, negotiating with landowners and complying with the requirements of the CMP application due

diligence process. Although provided with mobilizer assistance, these three communities suffered the difficulties and financial burdens of the process: community organizing, documentation and registration, subdivision planning and surveys, securing clearances and approvals, etc. For example, the officers of Sunrise Village HOA in Samal City recounted the difficulty and monetary cost of securing the tax exemption for the Capital Gains Tax (provided for in UDHA) from the BIR regional/district office of Davao. The HOA treasurer had to commute back and forth from Samal City for several days just to follow up the tax exemption certificate at the BIR office. And each time, the treasurer needs to be provided allowances for transportation and meals. For the informal settlers, each day spent in the application process is a lost opportunity to earn a livelihood.

The seven other CMP projects in the regions were either landowner/broker-driven or mobilizer/broker-driven. The beneficiaries, though homeless and underprivileged, were recruited or just signed up for association membership with the mobilizer/broker who took the burden of documentation and registration of the community association. The main burden for the beneficiaries is the payment of processing fees and other out-of-pocket expenses they were required to shell out by the mobilizer.

Community-driven or not, the CMP application preparation is not easy and can be an extended process. The most common complaint raised by the HOA members interviewed was in the accessing of the BIR exemption on the Capital Gain Tax which could take up to one year.

Loan processing

The burden of delivering the volume targets for CMP has been wrongly given to the Loan Processing Units, creating a clear conflict of interest because the main responsibility of these units is due diligence or quality control.

The Loan Processing Units are mainly involved in due diligence on the: (i) HOA and its members to make sure they are legitimate and eligible for CMP Loan; (ii) land that would be subject of CMP mortgage loan to ensure suitability; (iii) land titles and/or other supporting documents showing proof of ownership to make sure these are valid and the owners have the right and capacity to sell and transfer ownership; and, (iv) loan process documentation after the application has been approved. Due diligence is a quality control process and the end product should be the approval only of the qualified applications with suitable sites and valid documents. The proper measure of efficiency would be the length of time that a unit spends to conduct its due diligence and submit its report or recommendations. But since the processing units were wrongly given volume targets, the processing units never recommend any application for disapproval. Instead, applications with deficiencies or those that cannot pass the due diligence processes are merely held in abeyance until such time that deficiencies or flaws can be corrected. While two to five

years processing time appear to be normal, there are many applications that have been pending for more than five years.

The two to five-year processing time alone is already a significant indication of inefficiency. The multiple processing that result from this practice of not recommending disapproval is also a sign of inefficiency. The desire to meet volume targets tends to undermine the due diligence efforts. The poor quality of applications received, resulting to deficiencies found during the due diligence process, is also reflective of weak corporate communications and ineffective management of mobilizers whose responsibility is to assist HOA applicants.

Only one out of the ten projects assessed in this study, the Sunrise HOA of Samal City, appears to have achieved a high degree of success in terms of organized community, high amortization collection efficiency, and improved physical conditions of the beneficiaries' houses and community grounds. An LCMP project of the LGU of Samal, the project has also benefitted from the LGU support (e.g., community drainage system) even after the CMP loan approval. However, the HOA has to bear the difficulty and transport costs of having to send their treasurer every month to SHFC Davao City office to remit the members' monthly amortizations.

With the exception of the St. Hannibal HOA in Pasay City and Sunrise HOA in Samal City, the eight other projects indicated poor to fair performance in terms of occupancy, collection efficiency, community organization, and improvement in living conditions. Their collection efficiencies are complicated by other community problems that only serve to aggravate their collection problems. In Upper Banlat CMPs, for example, it is reported that poorer beneficiary members are being eased out and taken advantage of by the well-to-do educated members who then bring in their children and relatives to be the replacement beneficiaries or substitutes.

In the Angelo Heights CMP in Cauayan, Isabela, the HOA has been unable to assert its right-of-way access and the problem is complicated by the perceived intervention of a religious group and the lack of support by barangay officials. The Ranchero HOA in Legaspi City, on the other hand, has been affected by a DPWH road project that was made to pass within its internal major road within the CMP. Worse, the DPWH road ate into some of the individual lots of the beneficiaries. Up to now, despite the intervention of the Legaspi City government, no compensation has been given to the HOA and the affected beneficiaries.

As pointed out earlier, some of the communities may have relatively high CER as reported despite the fact that there are significant number of member beneficiaries who are delinquent in their monthly amortization payments. Such payment delinquencies may be covered up by advanced payments mostly of the substitute beneficiaries. In a sense, at

the level of the community associations, substitution is highly tolerated. These problems, however, are beyond the capacity of the SHFC Account Management Group to resolve.

Individualization of lot titles

A beneficiary member who has fully paid his/her amortizations is qualified to have the lot title transferred to his/her name despite the non-completion of amortizations for all the lots within the CMP. In a sense, this also allows them to transact directly with SHFC to access individualized additional loans which they can use for home improvement purposes. One requirement of title individualization, however, is the existence of an approved CMP subdivision plan whereby individual lot location and sizes are clearly designated, roads, easements and open spaces are clearly defined, and basic facilities needed are proposed.

According to the study of Ballesteros (2015), less than one-third (31%) of the 2,403 taken-out projects from 1989 to 2014 have approved subdivision plans as of 18 March 2015. Accordingly, some CAs do not even attempt to apply for individualization because they cannot put up the funds (collected from the member beneficiaries) needed to pay for a surveyor. Internal problems within the association and community (e.g., factions, inactivity among HOA officers, several recalcitrant households) hamper the individualization process (Ballesteros, PIDS Discussion Paper Series No. 2015-41).

Sustainability

1. *What are the facilitating factors to be maintained and sustained, and the risk factors to be avoided or mitigated (e.g., political, economic, institutional, technical, social, environmental, etc.) in order (i) to prolong the life of the CMP and, (ii) to ensure continuous access of CMP beneficiaries to program benefits?*

Financial sustainability of the program

In the short term, SHFC can easily support the present CMP program volume demand of Php500 Million to as much as Php800 Million from its collections and excess cash/liquid assets. With minimal budgetary support, the program can be sustained indefinitely. However, given its present plans and strategies, it is very unlikely the SHFC can really increase the volume of CMP applications and approvals in the near future.

On the other hand, rapid urbanization and the resultant rise in property values will make it increasingly difficult for the CMP to help the informal settlers whose livelihood and incomes have lagged behind the seeming rapid progress. In Puerto Princesa, for example, property values have risen quite fast in the last ten years.

Administrative accountability in implementing CMP projects

All urbanizing and highly urbanized LGUs need to cope with the problem of informal settlements. Quezon City which has the greatest number of informal settlers has also the most organized and most developed response to the problem. Quezon City has three alternative methods or approaches to the housing problem. The LGU coordinates with NHA for the relocation of some of their informal settlers to NHA relocation sites, and at the same time, it has developed its own low-income housing program, the “Bistekville”. The LGU also assists informal settlers in private lots to secure CMP loans. It has a housing department that oversees its housing program and it has tapped the authority given to LGUs under UDHA to temporarily raise property taxes to generate funds for its housing program. It can be construed based on the key informants’ interviews that Quezon City has been able to institutionalize, and professionalize to some extent, its housing program with a permanent department with regular plantilla positions and budgets. Hence, its housing program, including CMP, is likely to be sustainable for a longer time.

The main threat to Quezon City housing program’s sustainability is the scarcity of affordable lands that can be acquired for the Bistekville Program. As regards CMP, the increasing cost of land also poses a sustainability problem. As noted in the Upper Banlat experience, newer CMP projects have become smaller and more expensive.

With Quezon City as benchmark, many of the urbanizing cities have to deal with institutionalization and professionalization of their housing program, including their Urban Poor Affairs Office (UPAO) that is tasked to assist informal settlers in accessing the CMP. It was observed that in some cities, the UPAO is not yet a regular department or unit and its existence and continuity depends on whether the current local executive officer would consider housing as the LGU’s priority concern. And even in LGUs that have already formally organized a housing department, there is still a need to strengthen and protect the program to assure its continuity.

Sustainability of benefits

As observed in the ten CMP projects studied, it is difficult to sustain the benefits of the program among the CAs, beneficiary members and host communities without post-loan approval interventions and other support. The high incidence of substitution and cases of property abandonment deserve a more in-depth study as these relates to the housing welfare of poorer members of the communities. The falling out of original member beneficiaries can be an indication of poor sustainability of the project. The sluggish pace of community development and improvement is an indication of mediocre and unsustainable program benefits.

C. End-user Financing Program (Pag-IBIG Housing Loan)

Relevance

1. *To what extent were the intended outcomes of the EFP strategically aligned with the country's development priorities as articulated in the Philippine Constitution, framework plans and other policy documents? Did the EFP take into consideration the articulated social needs of the targeted segments of the population? Supply- or demand-driven? Were the financing schemes consistent with social equity objectives of the shelter program?*

The Pag-IBIG Housing Loan Program is necessarily of limited relevance to the Government's shelter program because it is exclusive to Pag-IBIG members who are either employed or self-employed many of whom are no longer considered underprivileged. The part of the Pag-IBIG Housing Loan Program that is directly relevant to the Government's shelter program are the small loans below Php450,000 that are being availed of by the low-income members. It is estimated that borrowers with small loans belonging to the lowest 30% of the population by income accounted for only 1.7% of the borrowers.

When the Fund reformed its housing loan policies in 2012 to adjust to financial market conditions, it also started its Affordable Housing Program for low income members. The Affordable Housing Program charges only 4.5% for loans of Php450 thousand or less and 6.5% for loans over Php450 thousand but not more than Php750 thousand. This program is limited to members earning not more than Php17,000 a month for Metro Manila and Php14,000 a month for those outside Metro Manila.

With lower interest rates than the regular Pag-IBIG Housing Loan portfolio, the Fund, in effect, running a subsidy program for its low income members. But it is believed that the regular housing loan program, although strictly not for the underprivileged, also supports the government shelter program indirectly because without the program, the informal settlers' problem will be several times much worse.

It is in this context of reaching out to the lowest income members who are poor and underprivileged and the total lack of access of the under-employed non-members that the Pag-IBIG Housing Loan Program is of very limited direct relevance to the government shelter program. But in an indirect but very significant way, the Pag-IBIG housing loan programs, both the regular end-user financing program and the Affordable Housing Loan Program, are supportive of the government shelter program because the vast majority of the Pag-IBIG members, although not underprivileged relative to the poverty threshold, as they may in fact belong to the 5th to the 9th income deciles of the population, are nevertheless non-homeowners and housing poor. To the extent that they are given access to the Pag-IBIG Housing Loan Program, the program is able to ease significantly the burden of the government to provide for the housing and resettlement needs of the population.

Without the Pag-IBIG program, many of the Pag-IBIG members would not be able to afford the housing loans offered by private commercial banks and many of them would probably continue to be renters. At worst, some of them may become informal settlers in hazard-prone areas and government/private properties, thus worsening the informal settlements problem several times its present magnitude.

Information on who actually benefits from Pag-IBIG in terms of getting housing loans may also be gathered from the profile of the loan take-outs. It should be noted that the loan amount that is approved for each borrower is based on their income level or capacity to pay. Interviews with officers of NCR and regional Pag-IBIG business hubs provided indications of loan profile. According to key informants interviewed, about half of loans processed and availed in the NCR Pag-IBIG hub are socialized housing loans, with loan values ranging from Php450 thousand to Php750 thousand. In the case of Calamba Pag-IBIG business hub, the most availed loan amount is the Php750 thousand for economic housing. In the Cebu Pag-IBIG business hub, most loans are high-end with an average loan value exceeding Php1 Million. In the Cagayan de Oro Pag-IBIG business hub, most of the loans availed (at over 90%) are not for socialized housing, i.e., with loan values of more than Php750 thousand.

Housing loan data from 2007 to 2015 further reveals that 28% of all Pag-IBIG housing loan units were for socialized housing (Php450 thousand and below). In the National Capital Region (in HDMF's tabulation, region includes the provinces of Bulacan, Rizal, Cavite, Antipolo, and Laguna), only one-fourth of the loan take outs during the 9-year period were for socialized housing, accounting for 12% of the total loan value during the period. The regions with exceptionally high proportion of socialized housing loans were Central Mindanao (53%), Northern Mindanao (43%), Cagayan Valley (43%) and Eastern Visayas (41%). Central Visayas (16%) and Central Luzon (17%) have the least proportions of socialized housing loan to the total housing loan take outs during the period

Practically all of the interviewed borrowers of the 5 Pag-IBIG regional business centers did not own any house or lot before they applied for the Pag-IBIG Affordable Housing Loan. Many were either renters and/or sharers living with parents or other relatives. Some of the housing loan borrowers of the NCR Hub were previously informal settlers.

Almost all of the loan borrowers are married, and in most cases, both spouses are gainfully employed. Most of them are ordinary workers and employees with monthly incomes below Php17,000 per month, but in the case of married borrowers where both spouses are employed, the combined family income would likely exceed Php30,000 per month. A few have supplemental incomes from small businesses such as sari-sari stores.

Loan amounts were generally within the Php 300,000 to Php 450,000 range. Outside the NCR, the typical loan purpose is for the purchase of a row house unit on a lot measuring

35 square meter to as much as 60 square meter. Lot sizes tend to be bigger the farther the housing project is from the city.

In the case of the NCR, except for one private subdivision, the borrowers of Affordable Housing Loan are mostly residing in the Bistekville Housing Projects of the Quezon City Government and the acquired assets of the Pag-IBIG Fund.

Based on the information gathered, it appears that the loan amount and the borrowers' income, and not family income, is the main determinant for a Pag-IBIG loan to be categorized under the Affordable Housing Loan Program. It is noted that borrowers who are sole bread winners for the family, especially those with growing school age children tend to fall into delinquencies and financial hardships. Even in a few cases where both spouses are employed with combined incomes over Php30,000, difficulties were also experienced when children start to go to college. With these observations, it might be worthwhile to conduct a more thorough study and analysis of the current credit policies of the Affordable Housing Loan Program.

2. Were analyses of program implementation being carried out, and lessons learned being applied? Were program performance and success indicators and targets at various levels laid down well and lent themselves to measurement?

Reporting of program performance applies to the housing loan program as a whole, and there is no separate performance report for the Affordable Housing Loan Program. It is just presumed that these general performance indicators also reflect the performance of the Affordable Housing Loan Program. Performance indicators, however, are limited to the number of Pag-IBIG members, number and value of housing loans taken out, and assets. Customer satisfaction is regularly and objectively monitored and assessed by an external party. However, Pag-IBIG Fund has been deficient as far as monitoring further what happened after the loan has been taken out and the borrowers have moved to the housing units. Given the feedback gathered by the Study Team, the Fund has not been very responsible as far as ensuring the quality of the housing units and subdivision facilities, and more so, the adequacy of the loan amounts.

Efficiency

1. How were the resources of the EFP used (i.e., program implementation, implementing entities' operations, etc.)? How well has the EFP used the resources to achieve the intended outcomes (program's social benefits versus financial costs pertinent to government)?

Following the description of program, the financial resources of HDMF/Pag-IBIG are used in two basic ways: (1) for the operational cost of Pag-IBIG, and (2) for the loans provided to its members (loans which are eventually amortized or repaid to Pag-IBIG). The

operational costs of HDMF are uses of resources that can be viewed as “cost to government”. The total operational cost cover costs of implementing the tasks entailed in its EFP lending function and other tasks related to servicing Pag-IBIG members.

In 2015, the HDMF paid out 3.25 pesos in loans for every 1 peso of total operational cost, and this ratio had stayed close to 3 in the previous four years. The loans paid per peso of total operational costs have been improving in general over the years since 2002 when the ratio was only close to 1.0 indicating improving efficiency in the lending process of Pag-IBIG. Unusually high ratios were observed in the years 2008, 2009 and 2010 indicating that a higher capacity for lending activity is possible for Pag-IBIG housing fund. As the total operational cost of HDMF had steadily risen from 2002 to 2015, the number of households assisted and the loan amount in the same period had correspondingly increased but at a higher growth rate in general. The increasing pattern seen in the resulting ratios are primarily driven by the faster growth in the loan amounts over the years.

Home lending operational cost, as a share of total operational cost, had ranged from about 50 to 70 percent of the total operational cost. Thus, the parallel loan-to-home lending cost ratio was 5.37 in 2015.

2. What were the timing and other process issues encountered in the EFP implementation?

The efficacy and immediate results of undertaking the various functions, tasks or activities of the program the EFP are described as follows:

Promotion of the lending programs

Based on interviews with officers of the Pag-IBIG Fund, there are teams that regularly go out to the offices and places of work of the Pag-IBIG members to conduct information campaign to encourage members to avail of the Pag-IBIG housing loans. It is noteworthy that the Pag-IBIG maintains a website where members can get the latest information on the housing loan programs of Pag-IBIG.

Loan application process

Loans offered by Pag-IBIG Fund are of two types: *developer-assisted* and *retail* (walk-in or direct individual member loans). The difference between the two types of loans is that in the former, the loan application process is primarily handled by the developer (from whom the member intends to purchase a housing unit), and in the latter, the application process is handled directly by the member borrower. The steps and the loan application process through which the two types of loans go through within Pag-IBIG are generally similar. A loan application in Pag-IBIG goes through many steps and has many documentary requisites to be finally approved. There can be several causes of delays in completing the different steps that can lengthen the application process.

Based on reports, the Pag-IBIG housing loan program in general has achieved substantial improvements in efficiency as evidenced by shortened processing time standards for loan application processing and approval, and for release of approved loan proceeds. As mentioned above, at present the standard days for processing of application range from 9 to 17 days (depending on the “window”) and the maximum time to prepare and release the check for the approved loan is 3 days. These time standards are significant improvement from previous years when processing could take a few months. However, there can still be experiences of delays according to key informants due to some factors.

One cause of delay in many of the steps in the application process is submitting of incomplete documents. For example, if documents in a borrower’s folder received by the Loan Evaluation department are incomplete, the evaluation step does not proceed and instead, the folder is returned to the Servicing Department. The borrower, then, needs to be contacted to complete the folder. And as described earlier, after the Notice of Approval is received and the borrower fails to complete the requirements within 90 days, and even within an extension of 60 days, the borrower will have to re-apply – the total time spent for the loan application would then be lengthened.

The length of time it would take for the developer (for developer-assisted loan) and the borrower (for retail loan) to get the necessary documents from the BIR and the Registry of Deeds is also another possible factor that can delay the loan application process. Especially since, as pointed out in the interviews, there is a standard waiting period for requested documents to be released by these two agencies. Furthermore, going from one office to another can be time-consuming when the two offices are in separate locations and far apart.

For retail loan, collateral is required and usually, land title is used for this purpose. Pag-IBIG will have to check if the title of the land being used as collateral is clean. But, in an example given, one of the title owners was dead and there was then a need for an extra legal step to settle the issue, and this required more time in getting the necessary legal documents.

For borrowers who are self-employed or individual payers, there is added time spent for the loan processing because Pag-IBIG staff would need to personally visit them particularly at their place of work. The validation of their sources of income would also require more time.

Developers, as it was pointed out, could also be confronted with difficulties securing different permits from the LGU where the housing project is located. This developer concern is likely to affect the operations of Pag-IBIG because there would be delays in the processing of loans for the housing units in the specific development or subdivision project.

Pag-IBIG loan approval and repayment

Most of the interviewees reported that their decision to borrow a housing loan was at their own initiative. Most of the borrowers reported that they learned of the Pag-IBIG Housing Loan Program through word of mouth from friends and relatives.

All borrowers are generally satisfied with the loan application and approval process although some, particularly those who borrowed before 2010, experienced months of processing time and back-tracking due to incomplete requirements.

As regards loan repayment, there were some who experienced difficulty in repayment and have received collection notices from Pag-IBIG. All borrowers interviewed, however, are well aware that penalties are imposed for delays in repayment and there is a possibility of foreclosure if they become delinquent. There were some who were unable to keep up with repayments when they were hit by a severe typhoon. Apparently, Pag-IBIG Fund did not grant a moratorium on loan repayments for these typhoon victims.

One borrower reported inconvenience in having to go to the Pag-IBIG branch office to pay. The borrower pays every two months and opted to bear the penalty for the one month payment delay every time that he pays.

One borrower, who claimed that she herself is updated in repayments, related to the Study Team that some of her neighbors who are also Pag-IBIG borrowers are experiencing difficulties in repayments and are already delinquent but cannot do anything because of inadequate incomes.

Sustainability

1. *What are the facilitating factors to be maintained and sustained, and the risk factors to be avoided or mitigated (e.g., political, economic, institutional, technical, social, environmental, etc.) in order (i) to prolong the life of the EFP and, (ii) to ensure continuous access of housing loan beneficiaries to program benefits?*

Pag-IBIG Fund, with its housing loan programs including the Affordable Housing Loan Program, is a history of continuous and consistent growth over the last several years. Following its creation, all its success indicators, i.e., membership base, collection, housing loan values, investments, incomes, and assets, have been consistently growing. As a mandatory program, this growth is expected to be at pace with the population, particularly the working population, and the economy.

Pag-IBIG Fund's membership has grown from 4.86 million in 2001 to 17.2 million members in 2016. Considering that since 2001, Pag-IBIG Fund has already had regular maturing and retiring members and has been paying provident benefits, the sustained growth in membership only shows that the maturing memberships are being replaced at a much

faster rate by new members. This also shows that Pag-IBIG Fund is growing at pace, if not faster, than the expanding economy and work force. With the growing membership base, all else has grown proportionately. Collections in 2001 amounted to Php31 Billion. This amount included basic savings contributions from members as well as returns and repayments from housing loans and other investments. In 2016, collections reached Php132 Billion.

Even as a mandatory program, system development and maintenance for a very large system involving millions of accounts does not automatically happen. Enforcement, monitoring, benefit administration, prudent investment management require a high level of competence and integrity.

As regards the loan servicing, the main indicator of performance and of sustainability of the fund is the performing loans ratio, or the ratio of the updated loan accounts to the total loan accounts. The higher the ratios, the more likely that the funds revolve and continue to serve even more borrowers in the future. Based on reports, the Pag-IBIG Housing Loan Programs have consistently shown improvements over the last few years. The performing loans ratio of the Housing Loan Programs, which was at the level of 78.42% in 2013 has steadily improved over the years and has reached 89.07% in 2016.

The marked improvements in the performing loan ratio can be attributed to improvements and reforms undertaken by the Fund as follows:

- a. Improvements in the information systems, in particular the accounts data base (ledgers) that is updated regularly and generates timely and accurate information for monitoring, billing collection and management of delinquent accounts;
- b. Improved procedures and policies for the handling of delinquent accounts, starting with simple notices and calibrated increasing severity of legal demand letters and ultimately ending in foreclosure for the really stubborn and problematic accounts;
- c. Opening up of more branches and payment centers for the convenience of borrowers;
- d. Outsourcing of collection of delinquent accounts to collection partners; and,
- e. Prompt payment discounts for borrowers who pay in time.

There is absolutely no doubt that the Pag-IBIG Fund could sustain its financial capacity to provide for the Affordable Housing Program. The Fund's record of growth in the last several years in membership, collections, loans and investments matched with the organizational and systems improvement, provides confidence and assurance that growth can be sustained.

But the housing supply situation should really be a cause for concern. Affordable Housing Loan Program will only have meaning if there are enough housing inventories that would match the requirements of the intended beneficiaries. With the increasing cost of land, not only in Metro Manila, but in almost all urbanizing centers in the Philippines where workers' housing are in demand, it will be more difficult, if not impossible, for the program to help the low income. Based on interviews with the officers of the Quezon City Housing Department, the difficulty in sustaining the Bistekville Program is in the supply of suitably priced land. The Affordable Housing Loan Program can only be sustainable if there are suitable inventories to match the demand.

Based on the interviews with selected borrowers, many are able to keep up with the loan repayment but only with extreme difficulty for various reasons:

1. Practically almost all interviewed borrowers reported that they need to spend substantial amounts for improvements before they could move in, and many had to borrow from other sources to be able to improve their housing units.
2. Many borrowers reported that they had to pay equity and other out-of-pocket costs such as fees for utility connections.
3. Borrowers with growing children find their expenses growing faster than their incomes.
4. Some borrowers have been temporarily unemployed.
5. Some borrowers have to bear with higher transportation costs given the location of their housing units.
6. Some borrowers' families have been victims of typhoons and needed to undertake housing repairs.

It was observed that a single borrower tends to have more difficulty in coping with the repayments than husband-and-wife tandem as co-borrowers. But even married couples also tend to suffer difficulty when their children start college education. On the other hand, there are also the entrepreneurial types of borrowers who are able to augment their regular incomes by putting up small house-based income-generating activities, including sari-sari store and the like.

The interviews tend to indicate that the Affordable Housing Program for the low income segment of the population, although liberal, tends to be a high-risk program and may eventually have higher delinquencies and foreclosures.

Objective #3: Design a standard impact evaluation methodology for NSP sub-programs and implement this using the Resettlement Program as a case study.

The methodology for assessing the impacts of the NSP sub-programs varied depending on the available resources and readily accessible data. As required by the project and given the partially available quantitative baseline data, the RP Case Study employs a mixed method of data collection (quantitative and qualitative) and analysis of both primary and secondary data. The rapid appraisal of CMP and EFP, on the other hand, utilizes both quantitative and qualitative information from secondary sources, and qualitative data from primary sources. As such, the RP case study is a more comprehensive assessment compared to the rapid appraisal. But just the same, outcome and impact indicators for the CMP and EFP have been determined, and the data collected and analyzed to the extent possible given their nature and limitations.

Evaluation design, approaches and methodologies for data collection and analysis used in the case study and rapid appraisal are discussed in detail in volumes 1 and 2 of the report.

For the RP case study, a more detailed impact evaluation framework has been formulated as follows:

Impact Evaluation Framework for RP

Assessment of outcomes and impacts such as household income, school attendance, health status, social vulnerability and others which are assumed to be attributable to the shelter program involves comparison of the *current situation* of beneficiaries in the resettlement sites with their *baseline conditions* before they were resettled or while they were in their previous habitation. For purposes of examining and measuring such changes and impacts brought about by the resettlement program to the beneficiary households, a *simple one group pre-test post-test design* has been adopted in the study. The impact evaluation of RP was not able to adopt an experimental design, specifically the Randomized Controlled Trial (use of both experimental/treatment group and a counterfactual/control Group), because of the nature of the program and limitations in the baseline data. RP is being implemented by NHA in such a way that all ISFs in a particular area for clearing are being relocated to designated resettlement projects/sites. Other ISFs that are not eligible for resettlement vacate the areas and voluntary move somewhere else, while others that opt for *Balik Probinsya* are given some cash to finance moving out and start-up in the province of destination. Hence, there was no way that the study could trace and follow-up those ISFs which were not relocated or those ISFs who could possibly comprise the counterfactual or control group.

Any change in post-relocation characteristics of the resettled families are assumed to be influenced by the housing program intervention, although the study has been hindered to readily draw causal inferences. Hence, the study likewise included the *exogenous*

variables, which were the factors outside the control of the program including risks (economic, social, political, environmental, etc.) that might affect its outcomes and compromise project outputs/benefits/impacts and the performance of the institutions involved in the implementation. Both primary and secondary data were sourced out by the study to be able to account for these factors and access relevant information.

Focusing on the Resettlement Program implemented to resettle families from (i) danger areas, and (ii) areas affected by an infrastructure project, the impact assessment examines the impacts of selected resettlement projects at the *community and household levels*, and to some extent, at the *institutional level*. The study conducted a *beneficiary assessment* at the outset to be able to collect and analyze the program beneficiaries' personal accounts of change and determine which changes are being valued most by relocated individuals and groups. These perceived or actual derived benefits and impacts as identified by housing beneficiaries themselves were used as inputs in the determination of potential cause-and-effect relationships between and among housing inputs, outputs and outcomes. Existing housing plans and various evaluation studies served as sources of information on the potential impacts of the RP as well as the CMP and EFP, to some extent.

The most critical step in crafting the impact evaluation framework and eventually conducting the impact assessment of the Resettlement Program was the preparation of the results matrix or the *Theories of Change (ToC) Diagram*, which was done by the Study Team following the review and approval of the Over-all Evaluation Framework by the concerned end-users of the study (NEDA-SDS) and representatives of KSAs. The ToC is a logic model that visually illustrates the relationships and flow of program elements (inputs, outputs, processes, outcomes and impacts) and shows how complex programs lead to changes in outcomes and create impacts. The evaluation of impacts of the RP employs a thorough investigation as it involves a quantification of its impacts among beneficiary households, and qualitative assessment of impacts to the communities of origin and destination of relocated households as well as to the concerned institutions. The assumptions of causal relationships among program elements of the RP are based on existing evaluation studies and primary data collected thru key informant interviews and ocular observations in one of the largest resettlement sites (Southville 7 in Calauan, Laguna). The Impact Evaluation Framework (IEF) was then developed by the Study Team based on the ToC Diagram. The IEF is a matrix illustrating the indicators of outputs, immediate outcomes and impacts of the Resettlement Program, with the corresponding data sources and methods of data collection. See **Annexes 2 and 3**.

Effectiveness and Impact Evaluation of the Resettlement Program: Quantitative and Qualitative Results

1. Have the goals and objectives of RP been achieved?

The effectiveness of the RP can be assessed by determining how well its goals and objectives have been achieved. In the absence of adequate project profiles, much less of project logical framework and monitoring data for the sample resettlement projects visited by the Study Team, it is difficult to ascertain what the specific objectives of each project are. For purposes of determining the success of the RP samples in this evaluation the study posits general objectives of resettlement, which no doubt may have been at the back of the minds of the project designers.

Resettlement, by its very nature and by whatever cause, is disruptive of the lives and livelihood of affected people. Yet, whatever the cause of displacement, the objective of resettlement is the same -- that is, *to maintain social cohesion in an improved environment with increased livelihood opportunities* (Reddy et al, 2015). This three-fold objective is echoed in former President Benigno Aquino's "Social Contract with the Filipino People" wherein the rationale for his *Oplan LIKAS* is articulated: "To undertake inclusive urban development where people of varying income levels are integrated (social cohesion) in productive (increased livelihood opportunities), healthy, and safe (improved environment) communities." This may well be the objective of all resettlement programs undertaken by the government from past administrations to the present albeit unarticulated in project documents. To what extent have the cases reviewed in this study adhered to this three-fold objectives?

On social cohesion. Location of the resettlement project has much to do with the ease or difficulty of getting the resettled families to integrate among themselves and with the host communities. In-city relocation involves moving people who already are familiar with one another to a different place in the same town or city. Off-city resettlement brings together strangers to live in an equally strange environment. Interviews with key informants indicate that social cohesion among the resettled families is much easier to attain in in-city relocation than in off-city relocation. The rate of integration of the resettled families into the host community however varies on a case to case basis. A major factor seems to be the socio-economic status of the host community. If the host community is of similar status as the newcomers, the host population is generally hospitable. Moreover, when the receiving community is less urbanized, they will have a hard time adjusting to the starkly different lifestyle of the resettlers who are mostly informal settlers in urban areas. The more urbanized the host community, the more accepting they are of newcomers because the relocatees also come from urban areas. Perhaps, *real social cohesion* which this study defines as *integration not only among the settlers themselves but also integration of the relocatees into the social, economic, and*

political life of the host community and incorporation of the resettlement site into the urban fabric as if it were an organic part of the host town or city, is possible after the lapse of two to three generations (1 generation = 20 years) when the traces, if not stigma, of the resettlers' origin will have been erased. This assertion seems to be confirmed by a visit by the Study Team to two of the oldest off-city resettlements, Sapang Palay in San Jose del Monte City in Bulacan and Gen. Mariano Alvarez in Cavite. At any rate, the team hereby submits the observation as a hypothesis that deserves further validation.

On increased livelihood opportunities. Lack of livelihood opportunities in the resettlement site is a common complaint of resettled families in all the sites visited by the Study Team, whether in-city or off-city. This is due to the difficulty of finding a new job which is generally in short supply all over the country to start with, and also due to the considerable time lag that it takes private firms to respond with on-site investments and provide the needed jobs in the resettlement sites. Thus, on the short term, some relocatees hold down their jobs in their place of origin. Others find odd jobs in the informal economy.

To meet the objective of providing better livelihood opportunities, NHA usually includes "Livelihood Centers" among the basic facilities in the resettlement sites. Such centers take the form of training facilities where agencies such as TESDA, DSWD, TLRC, etc., conduct skills training usually in partnership with development NGOs, LGUs, and foreign donors. However, statistics covering the last five years (2013-2017) obtained from the Community Support Services Department (CSSD) of NHA show that less than one-fourth (23%) of those given livelihood assistance of various types, were successful in getting employment or starting their own businesses. In older resettlement areas such as those in the Mt. Pinatubo affected areas, productivity centers in the form of standard factory buildings were provided within or close to the resettlement sites by the then Mt. Pinatubo Commission. The standard industrial buildings were provided at the outset and were so designed that prospective locators could simply plug in and just as easily start their business. The resettlers were expected to readily find jobs as soon as they moved in. This design concept hews closely to the "new towns" concept which assumes that by providing industrial facilities along with the housing units in a resettlement site, investors will be attracted to locate therein and provide jobs for the relocatees.

The Study Team attempted to determine how investors responded to such liberal incentive, if there are any, and how long it did take them to actually locate their business in the resettlement site. The team visited three sites in Central Luzon, O'Donnell in Capas and Dapdap in Bamban, both in Tarlac, and Biabas in Mabalacat City, Pampanga and interviewed municipal and barangay officials of the host localities. The site in Capas was provided with 12 industrial buildings while the Bamban and Mabalacat sites had two productivity centers each. The team found that the ones in Bamban and Mabalacat never

attracted any locators at all and had not been used for the purpose for which the facilities were built since 1992. The Capas productivity centers were more successful in attracting locators including some foreign firms. According to informants, hundreds of relocatees did find employment during the first few years of operation. However, most of the industries were seasonal such as manufacture of Christmas lights and décor, and garments. Soon the investors were gone. At the time of the visit (3 October 2018), the Study Team did not find any manufacturing activity going on. All 12 buildings are now being used as warehouse by one feed milling company under lease terms. Apparently, the mere provision of ready-to-occupy industrial buildings is not a sufficient incentive for locators. But this is another hypothesis that needs further investigation.

Perhaps, the experience of Biñan City is instructive as far as availability of jobs near the resettlement site is concerned. Biñan is the only place among the eight sample sites studied where the problem of lack of jobs is not felt as much as in the other sites. To start with, Biñan is host to two industrial estates where it is relatively easy to find employment. To improve the chances of relocatees getting employed, the city offers scholarships to its residents from grade school up to college. The city also supports skills training programs that are matched to the requirements of specific industrial firms to ensure placement after training. The Biñan experience should be a strong argument for locating future resettlements in areas where jobs are already available.

On improved environment. This is a definite advantage of the resettlement site over the former places of residence of the relocatees. Whatever displeasure the new movers feel about the new site, it is still a much better place compared to their former residence in terms of health, sanitation and safety standards. The very reason why they are being moved is that their former place of residence poses some form of environmental risk to their lives and property.

2. *What were the positive and negative, intended and unintended, direct and indirect, primary and secondary effects/impacts produced by the RP? What were the immediate benefits and long-term outcomes or impacts to households, communities and institutions?*

Intermediate Outcomes at the Household Level

Security of land/housing tenure. Clearly, the immediate effect of the resettlement on the awardees is basically security of tenure or freedom from being evicted. Having been relocated to the resettlement sites, beneficiary families now hold rights (in the form of *entry pass* document, and receipts if already paying) to occupy the 24-28 square meter housing units. The title shall be awarded to the families as soon as they have fully paid the total cost of the housing unit. Most of the relocated ISFs used to own their dwelling units in their communities of origin (45% of the relocated families from the waterways, and

60% of those from the railways), and most likely, they were renting out portions of those units to other ISFs to augment their income. Rent-free occupants, who were probably relatives of the house owners, as well as renters, likewise benefited as second priority beneficiaries under the housing programs. During the conduct of follow-up surveys in the resettlement sites, the Study Team uncovered the fraudulent practices by the beneficiaries themselves. Many have already “sold” and a lot more are renting out their housing units. Benefits of the housing project are apparently reaped by the buyers and renters of the housing units, who eventually become vulnerable to scams.

In many cases, according to an informant, buyers or renters in the resettlement sites utilize the housing units as commercial spaces for various services (beauty parlor, dental and diagnostic clinics, computer shops, etc.) and selling of basic goods (mini groceries, hardware and construction supplies, purified water, food stalls, etc.). Accordingly, those who have bigger houses and/or bigger businesses (e.g., bakery, grocery stores, community clinic, etc.) are mostly non-awardee families who were able to purchase rights to at least one housing unit at around Php100,000 per unit. To a significant extent, they can be contributory factors to the sustainability of the housing program considering that they can generate employment, and represent availability of services directly, thus, generating economic activity in the community.

Most of those who sold/mortgaged or are renting out their units are accordingly staying in the housing units of their relatives within the neighborhood, renting or squatting in the vicinities of the resettlement sites close to their relatives or work place. This explains why some of the households visited and interviewed have grown bigger after having been relocated. This results in the congestion in the 24 to 28-sq. m. housing unit that is supposed to accommodate 4 persons at most. The Study Team noted that housing units in off-site resettlement projects, currently being inhabited by more than five persons, are more likely to be more jam-packed than those in the in-city resettlements in Metro Manila. In a few housing units covered by the follow-up survey, there are currently around 10-12 occupants.

Asset formation. Asset formation, within the context of improved living standard, refers to the acquisition and growth of both tangible and non-tangible assets across time. Material assets or valuables (in the form of cash, equipment, tools, etc.) can be acquired, controlled and utilized to produce financial returns (money) and other material assets. Assets such as household savings may be invested in small businesses that can improve the income levels of the resettled families. Non-tangible assets, on the other hand, include skills and education acquired that can give the owner some kind of advantage in the work place and professional market. This study assumes that acquisition of assets is one intermediate outcome of having ownership over the occupied dwellings. Generally, as the data suggests, there is a weakening propensity to save among the resettled ISFs. The

proportion of those who are able to retain some amount of monthly savings has declined after having been relocated regardless of whether movement was in-city or off-city. In the case of ISFs from the waterways resettled outside the metropolis, the proportion of those who have accumulated savings of at least Php1,000 has considerably dropped. The reverse is true, however, among those who have availed of in-city resettlement although the increase is very modest at 1%. The accumulated savings of families relocated to far off communities (Cavite and Bulacan) have been admittedly used either in improving their awarded housing units, as capital for small business, or in acquiring home conveniences.

The baseline and follow-up surveys among the resettled ISFs from the waterways produced comparisons of ownership of various conveniences before and after relocation. Results clearly show well-defined and sharp increases in ownership of conveniences among ISFs from the waterways, which include, in particular, television set, radio, refrigerator, washing machine and stove.

Changes in housing condition and amenities. While it is assumed that the awarded housing units in the resettlement sites may be located in safer locations and probably with better physical condition, the previous quality of housing and access to utilities were probed by the study in order to ascertain the improvement, if any, in the living conditions of the resettled ISFs. Generally, the benefit of the resettlement was substantial in terms of providing relatively more durable shelter because the program has significantly improved the housing quality of the resettled ISFs. Majority of the resettled ISFs from the waterways already had access to piped water connection in their previous place of residence, so that only 11-17% of the previously unserved reaped the benefit as a result of resettlement. The effect of relocation is more pronounced among the ISFs from the railways, as many of them used to get their water for domestic use from costly and inconvenient sources such as water vendors, public faucet and deep/shallow wells. Currently, practically all of these families have their own piped water connection. There are complaints raised, however, by many survey respondents about the costly water bills being charged by local water cooperatives or small private utility providers. Having direct access to legal electric connection that is likely to prevent accident and loss of lives and/or properties is another clear manifestation of the immediate effect of resettlement among the majority of the relocated households.

Majority of the respondents perceive either significant or slight improvement in their housing condition. The perception of slight improvement among considerable proportions of respondents is due to the many complaints raised about the sub-standard quality of the housing materials used for constructing row houses in the resettlement sites.

Access to basic urban services and facilities. Urban services and facilities generally include those that promote and maintain better health, education, mobility, safety and recreation, among others. They all contribute to physical comfort and improved well-being. Although they are existent and available, distance and financial resources are key constraints to accessing such services and facilities. In this discussion, distance between the resettled households' residences and various facilities is seen as an expected intermediate effect of resettlement. Time and money saved while travelling to and from various facilities provides opportunities for other useful and productive activities, i.e., gainful work, socialization, child care, etc. The impacts of having these basic facilities and services available and/or physically accessible are discussed in more detail in the next sub-sections of this report.

Except for elementary schools, all other facilities in both off-city and in-city resettlement sites generally proved to be farther away from the residences of the housing beneficiaries from the waterways of Metro Manila. On the contrary, more relocatees from the railways are now occupying dwellings which are within walking distance from facilities such as "talipapa", health center, elementary school and day care centers. Barangay hall, police station, public jeepney and playground, however, have become physically distant to more relocatees.

Among ISFs from the waterways transferred to off-city resettlement, travel times from residence have lessened (from more than 10 minutes to less than 10 minutes) among considerable proportions of households to the nearest elementary school, high school, and health center. Other facilities have gotten farther for many relocatees, with considerable reductions in the proportions of clients who can reach them in less than 10 minutes.

Considerable proportions of ISFs from the railways transferred to off-city resettlements have experienced reduction in their travel time in accessing facilities such as elementary school, public market, day care center, health center, high school, and playground. Many in-city relocatees have also reduced access time for the following facilities from their respective residences: high school, elementary school, health center, and police station. Travel time, however, has increased for many of these former railways residents in accessing the nearest public jeepney stop, bus stop/station, hospital, city/municipal hall and barangay hall.

Data indicates a decline in the proportion of resettled families who have availed of government assistance and services. These services are generally provided by LGUs, thus, the decline may also be associated with the disparities in the welfare programs between the sending and receiving LGUs. ISFs from the City of Makati, for instance, claim to have enjoyed better health and welfare services prior to relocation. Educational scholarships,

on the other hand, have been availed of by more relocatees in the resettlement sites, especially those who were relocated earlier (from the railways) and who are now more adjusted in their current place of residence and are better informed about the available benefits offered both by their host LGUs and local NGOs. Improvement in the availment of skills and livelihood training was observed among transferees from the railway, regardless of the resettlement type, and among in-city resettlers from the waterways. This highlights the inadequate or even lack of skills and livelihood training initiatives in the resettlement projects in Trece Martires, Cavite and Pandi, Bulacan.

Access to employment and livelihood opportunities. Access to employment and livelihood opportunities is one of the most critical and lingering concerns in all resettlement projects. It has been widely known and accepted fact that the main reason of most “returnees”, or those who went back to being an ISF, is the lack of livelihood opportunity in the relocation site. Data shows that there is a decline in the proportion of workers who can reach their workplace on foot, and this is true for both in-city and off-city resettlement sites.

While the data on travel time to work is not sufficient proof of the scarcity of livelihood opportunities in relocation sites per se, it could also indicate the lack of jobs that match the available skills, capabilities and interests of the relocatees which are within easy reach from the relocation sites.

Impacts on Resettled Households

The results of the inquiry on the household respondents’ views regarding the various gains or changes a household can get by moving into a resettlement site indicate that freedom from eviction, increased access to urban utilities such as water, electricity, and solid waste disposal, reduced vulnerability to natural and man-made hazards, improvement in toilet and environmental sanitation practices, and increased school participation are the gains that are generally being given a higher premium by the relocatees regardless of resettlement type. Additionally, earlier relocatees who came from the railways and transferred to in-city resettlements are also likely to give more importance to the following: increased access to employment and livelihood opportunities as well as health and educational facilities and services, safety and security from crimes, improved health care utilization, and reduced incidence of illnesses. Least in importance, however, is given among the following potential changes: increased access to credit and loans, potential for acquiring or investing in assets and conveniences, increased proximity and access to residences of relatives and friends, and increased participation of female household members in the decision to let relatives/friends or other persons to stay in the house.

Freedom and security from being evicted from current residence. Beneficiaries of housing units in the resettlement sites now hold rights in the form of *entry pass* documents, and

those who have started paying their monthly amortizations hold on to their receipts. Although the property titles shall be awarded to the beneficiaries as soon as they have fully paid the total amortization, the entry pass and amortization payment receipts entitle the housing beneficiaries to security from being evicted.

Increase/Decrease in space for domestic activities. Regardless of resettlement type, sizes of households resettled from the waterways have generally increased after having been transferred into their current residence. For instance, the proportion of more than 5 member-households has considerably increased after having been transferred to their awarded housing units.

Data shows a declining household size among relocatees in both off-city and in-city resettlements from the railways -- that is, there appears to be an increasing proportion of 3 or less-member households and a decreasing proportion of more than 3-member households. The shrinking household size may be attributed to the breaking up of households within each dwelling unit as influenced by various reasons (e.g., congestion, marrying of members, improved financial capacity to buy a property, etc.). Having stayed in the resettlement for 9-10 years it is highly probable that some of the relocatees may have acquired adequate financial resources to access another place of abode.

Half of the families used to live in dwellings of less than 10 square meters of floor area. Currently, they occupy housing units with floor area ranging from 24 to 28 square meters, which is an improved living situation which may also mean reduced vulnerability to specific illnesses, and environmental (flooding, earthquake) and man-made risks (fire, house robbery, etc.). However, given the number of occupants of the awarded housing units with such floor area, a household with 5 or more members may not have enough room to move around.

Access to credit and loans. Real property ownership is hypothesized to enable the owner to access loans or credits that can be utilized for various productive, income-generating and profitable activities. The property title can be used as collateral to avail of loans from formal sources, including banks and micro-finance institutions. At this stage, however, when the titles have not been awarded to the housing beneficiaries, the "entry pass" serves as collateral for informal loan deals with persons who provide loans with interest. There are reported cases, however, of some unscrupulous buyers of "entry pass or right" who are taking over the use of the awarded housing units for renting out to other families. The mortgaged housing units are actually being used for income generation at a rental rate of Php2,000 or more.

To some extent, owning a property (house and/or lot) provides some form of assurance of the borrower's paying capacity to both the borrower and the informal loan source. However, this only pertains to small amounts of loans, which are usually spent for

purchasing food (from *sari-sari* stores within the resettlement sites), capital for small businesses (from *five-six* lenders and micro-finance institutions), school tuition fees and medical expenses (from relatives/friends/neighbors, *five-six*, employer). Borrowing money to defray daily living expenses is a common practice in poor communities. In the resettlement sites covered by the study, around 4 out of 5 households have experienced borrowing money after having been relocated, majority of whom used the money to buy food. Most of them borrowed from relatives, friends and neighbors. According to some informants in the resettlement communities, collaterals being used are mostly household appliances and conveniences such as television sets, electric fans, stereo/radios, mobile phones, etc. Lending services of formal lending institutions, such as banks, SSS/GSIS/Pag-IBIG and cooperatives, were sought by only a few of the housing awardees.

Investment in housing improvement and assets/conveniences. With the DSWD's Php18,000 and other cash incentives or *pabaon* provided by their sending LGUs (e.g., Php15,000 from Pasay City Government), a good number of relocated families from the waterways were able to invest either in the improvement of their houses, put up small businesses within the community, thus, upgrading their economic status and living conditions. Based on ocular assessment, however, a significant proportion of the relocated families remain extremely poor as indicated by the condition of their dwelling units. Data indicates that improvement in one's housing unit is more common among waterways relocatees in the off-city resettlement sites. Having stayed longer in the resettlement sites, relocatees from railways have made more alterations and/or improvements in their awarded housing units.

Capital for operating and/or expanding business. Overall, data shows that the proportion of households who operate a small business, regardless of resettlement type, has not changed. Business is mostly carried out inside the housing unit. In Golden Horizon Homes in Trece Martires, many of those engaged in scavenging of recyclable garbage and food vending in their original place of residence have brought with them the same kind of business, although they complain of reduced profits because of smaller market/customers consisting of low-income families.

Large households (7 members or more) were beneficiaries of more than one housing unit, given the size of the housing units available in the resettlement sites (24 to 36 square meters) that can conveniently accommodate only 4-5 persons. Large size households that opted to apply for two units, and have proven their capacities to pay, were treated as two families. As they get relocated in the resettlement sites, one of the housing units was either sold or rented out (at Php1,500-2,000 monthly). All the household members now live together in the remaining unit. In some cases, the money they get from selling or renting out the second housing unit is being used as capital to operate or expand their business.

Among the waterways relocatees, the likelihood of continuing their small business operations after having been transferred is higher in off-city resettlement sites. Initial capital used for business did not exceed Php10,000 for most of the households engaged in business in the resettlement sites. Accumulated savings, salaries and remittances from relatives working abroad, and loans were the major sources of the capital invested in their businesses. Some of those who came from the waterways (not more than 5%), however, made use of the Php18,000 assistance provided by DSWD.

Human capital investment. Education is the most common form of human capital investment and is seen as a way out of poverty. Through education, people have greater chances to be employed, receive better pay, work in better environment, and get promoted. Thus, educated family members are usually given high regard and becomes the primary provider of the family. When they get married, they continue to provide financial support to other family members for as long as they could.

Data shows that the number of families relocated from the waterways with at least one member who is schooling has significantly increased among off-city and in-city relocatees. Main reasons may not only be the availability/accessibility of educational facilities within the resettlement sites and the vicinities but may also be due to the changing age structure of the household members, such that young children have reached the schooling ages during the 3-4 years after the transfer to the resettlement sites. In contrast, families with 4 members or more who are attending school decreased.

Vulnerability to both natural and man-made hazards. A primary indicator of impact to safety and security is the degree of vulnerability to both natural and man-made hazards. Data shows that experiences of earthquake have increased tremendously for both in-city and off-city relocation sites for those who came from Metro Manila waterways, while the experience decreased among those from the railways. Experience of earthquake, however, is practically related to its timing of occurrence – such that, earthquakes have occurred more often during the recent years when the housing awardees have already moved into the resettlements. It should be remembered that waterways ISFs have relocated only in 2013-2014, and those from the railways in 2008-2009. Experience of flooding have dramatically decreased from 98.6% and 96.0% to as low as 5.1% and 0% for those who came from the waterways. The proportion of those who came from the North-South railways that experienced flooding likewise indicated a significant decrease. The decline in the proportion of relocatees who had their homes and immediate surroundings being flooded is noteworthy considering that there has been an increase in the number of families who have been exposed to typhoons in the relocation sites. Incidence of fire has also decreased tremendously for both in-city and off city relocation sites. On the whole, the relocated households have been spared from the onslaught of flooding and fire that they chronically experienced in their previous residential locations.

The usual level of flooding being experienced by the relocated ISFs during monsoon rains has also decreased. For those who came from the waterways, the percentage of families who experienced low level or no flooding at all has markedly increased especially among those who moved to off-city resettlement sites. Despite the lack of baseline data for those who came from the railways, it is worth noting that 90% or more have experienced flooding that is less than 1 foot in their relocation site and only a few have experienced floodwater level of more than 3 feet high.

Additionally, the percentage of families whose structure were affected by the worst flooding/typhoon experienced has decreased tremendously for both in-city and off-city relocation sites. Data shows that more families experienced flood level that was less than 1 foot in the resettlement sites compared to their previous location and the percentage decreases as the floodwater level increases which shows a positive change in safety and security conditions among families in the resettlement sites.

The poor quality of housing units in resettlement areas is widely known. Complaints about the size, durability and safety of the housing units have tainted the image of key shelter agencies making it more difficult to encourage ISFs to relocate amenably and voluntarily. Taking aside their generally negative views on the quality and location of the awarded housing units, the study probed further on the awardees' perceptions on the physical condition and location of their housing units as related specifically to safety during calamities such as flooding and earthquake. ISFs from waterways feel that their current housing unit and its location are safer from flood and earthquake compared to their dwelling in previous residence. More ISFs from railways, on the other hand, believe that their previous housing units along the railways are more secure in times of flooding and earthquake than their current housing units, although they generally agree that their current residential location is more secure during flooding and earthquake than their previous location.

Changes in social connections and support systems. Physical displacement normally disrupts the everyday routine, communication pattern and social interaction that existed in the place of origin. Family members may become physically separated from each other because the primary provider needs to stay in the place of origin close to his/her workplace while the rest of the family moves to the relocation site. Family members may be complete only on weekends or twice a month. In some inopportune cases, couples get estranged from each other and children are left on their own, as shown by the many such cases in Calauan Laguna resettlement project. This has been emphasized again by the study findings based on the perceptions of the housing awardees – that is, more respondents in off-city resettlement sites than those in in-city sites believe that relationships within the family have worsened.

Data generally shows that more respondents in in-city relocation sites believe that relationships within the family have significantly improved. Moreover, many respondents in in-city resettlement sites compared to their off-city counterparts perceive that their relationships with neighbors have worsened.

Giving and receiving of both financial support and non-material assistance among neighbors and friends in their communities of residence have not changed significantly, although the proportion of households who ever provided support to other relatives and friends in times of financial need declined modestly for off-city relocation sites especially.

Safety and security from crimes. Another key indicator of resettlement impact on safety and security of families is exposure to, and experience of various crimes and accidents. There is a general pattern of improved security among the relocated households from the waterways regardless of resettlement type as shown by the marked reductions in crime and accident experiences after having been transferred to the relocation sites. For instance, the proportion of households with any member who ever experienced bullying, home robbery, holdup, physical injury and accidents in off-city and in-city relocation sites has decreased significantly. Although there is a seeming improvement of security among relocatees from the railways, significant proportions of them have been more exposed to bullying and robbery in the off-city relocation sites.

Safety of the community of residence for different vulnerable population groups has been generally perceived to be greater in relocation sites than in their previous location. This is more pronounced among ISFs from the waterways who tend to view off-city resettlement site as a safer place for all vulnerable groups especially for the children and infants, pregnant women, and the elderly and disabled persons.

Exposure to specific illnesses. Inadequate access to safe water and exposure to pathogens through the poor treatment of solid waste lead to adverse health consequences, particularly diarrheal diseases. Improved water supply and sanitation provide a wide range of benefits: longer lifespan, reduced morbidity and mortality from various diseases, higher school attendance and lower health costs.

Data shows that in-city relocation sites generally have lesser incidences of illnesses associated with sanitation and exposure to pathogens compared to off-city relocation sites, regardless of the season. Diarrhea, skin itchiness, dengue, and respiratory illnesses were more common in off-city relocation sites than in-city relocation sites. On the other hand, there were more cases of leptospirosis in in-city relocation sites than off-city relocation sites. The proportion of households who were spared from any type of illness was greater in in-city than in off-city resettlement sites, regardless of season.

More respondents believe that the health and nutritional status of their household members have improved (slightly and significantly) in their current residence than in their previous location for both in-city and off-city relocation sites, although considerable proportions perceive no change at all.

Changes in health care utilization. Data shows a general decline in health facility visit and services utilization among ISFs from the waterways after having been transferred from their original places of residences into the resettlement sites. On the other hand, visits and utilization of health services among those relocated from the railways to in-city resettlement sites have increased. One obvious reason for this is the ease of accessing medical/dental facilities in the metropolis. This may also be due to the fact that the latter group, having been in their current locations for 9-10 years are now more familiar with the facility locations and available health and dental services cum costing within the vicinities of the resettlement sites.

Changes in toilet and environmental sanitation practices. The proportion of households using own water-sealed or non-water sealed toilet increased tremendously for both in-city and off city relocation sites. The proportion of households whose solid wastes are being collected regularly by LGU waste collectors also increased for both in-city and off-city relocation sites. Consistently, the improper waste disposal practice of ISFs has been a thing of the past with the dramatic reduction in the proportion of households dumping their solid wastes into street garbage and/or waterways.

School participation and incidence of school dropping out. School participation across all groups of relocatees, regardless of the type of resettlement, has increased. The positive change, however, may not necessarily be attributed solely to increased access to educational facilities. The changing age composition of the relocated households may have greatly influenced such increase in school participation, such that younger children before relocation have already reached the schooling ages by this time. Conversely, persons of schooling age at the time that they were still in their previous places of residences are now in adult years and may have already finished their schooling and/or are currently working. These are indicated by the increased proportion of households with at least 3 schooling members among the relocatees from the waterways, and the reduced proportion of such group among the relocatees from the railways. Nevertheless, the reported increased physical access to elementary and high schools in the relocation sites and the vicinities may have significantly propelled the households to invest on children's education.

Post-relocation school dropping out is more prevalent among households from waterways in in-city resettlements and households from the railways in off-city resettlements. While financial difficulty is the most common reason for school dropping

out, a significant proportion of transferee households from the waterways in off-city resettlements indicated the inaccessibility of schools nearby as their main reason. Apparently, these household respondents were referring to tertiary schools that have become distant from their current locations, thus, requiring longer travel time and costs.

Around three-fourths of the household respondents believe that change is nil or slight with regards to the education of their children from previous to current residence. Considerable proportions across all groups of relocated households perceived significant improvement in the education of their children. Context-wise, the improvement refers to the access of children to educational facilities and availability of funds for their schooling.

Changes in the amount of household income and savings. One of the more sought after benefits that resettlement is expected to provide is increased income, in addition to freedom from eviction and environmental safety. One interesting finding of the study is the increased income from regular employment among all relocated families except for those ISFs from the waterways transferred to off-city sites. Given the location of the off-city resettlement sites (Pandi, Bulacan and Trece Martires, Cavite), the employment decision and dynamics within the relocated households follow a pattern whereby the wives and other female spouses have to stop working and attend to the household chores and needs of the children and elderly members. One reason given, in addition to increased travel time to workplace, is the increased transport expenses in going to work which reduces the take home pay or income of these secondary earners of the households. In effect, the number of members contributing to the household income has decreased.

For households that opted for an arrangement whereby their female members quit from city-based work and stay at home, operating a small business within the confines of their homes or the vicinities is an alternative solution for maintaining the household income level. For those who brought their pre-relocation business to the resettlement sites, there are considerable reductions in the business income as indicated by the marked reduction in the proportions of households that generate at least a monthly income of Php10,000. Conversely, there are considerable increases in the proportion of those earning below Php10,000.

Consistent with the overall increases in the proportions of households with increased incomes are the households' perceived changes in income levels after relocation. Sizeable proportions of households from the railways, both in-city and off-city relocatees, perceive positive change in their income level. On the other hand, there is a significantly lesser proportion among off-city relocatees from the waterways compared to their in-city counterparts who declared that their household income level has improved significantly or slightly.

The proportion of relocated households with at least a monthly savings of Php1,000 significantly decreased except for those transferred from the waterways to in-city resettlement sites. Given the rising cost of basic commodities, however, the transfer of residence may not be the primary cause of the receding propensity to save among households.

The proportions of households without accumulated savings significantly increased among relocatees from the waterways. The proportion of households with accumulated savings of Php1,000-10,000 decreased among those transferred to off-city resettlements, but increased among those in in-city resettlements. The current savings situation of households from the railways shows very limited proportions of those who were able to reserve some amount of money for emergency and future needs.

Shift in household source(s) of income. Physical displacement normally triggers economic displacement among the affected families. Availability of and access to livelihood opportunities change. Skills requirements and nature of work in the receiving community may be different from those of the sending community. For those who are operating their own businesses, profile and buying behavior of the market may also vary significantly. Thus, the shift in household sources of income is one of the primary considerations in assessing the impact of resettlement.

Many of the relocated households' main breadwinners have been compelled to stay behind close to their workplace in Metro Manila because of the increased travel cost. The other working members who have to manage the household's day-to-day activities were likely to stop working or find work in their current residential location. Findings corroborate with the popular views that household dependence on income from regular employment has been decreasing regardless of the type of resettlement as more households generate income from small business operation, and remittances from working members either working abroad or locally. This trend is particularly true among those from the waterways or the relatively new relocatees. Relocatees from the railways, who have been in the resettlement longer than their waterways counterparts, have been getting more reliant on other income sources. Data supports the inference made on the declining reliance of relocated households on regular employment as shown by the increased proportion of households with currently unemployed member. The number of households with one working or employed household member declined generally for both in-city and off-city relocation sites. However, households from waterways with 2 and 3 working or employed members increased while households from the railways with 3 working or employed members also increased. This may be due to the fact that some family members who were previously studying in the place of origin may have grown up and are now part of the productive age group. Majority of the household respondents believe that work status of employable household members did not change whatsoever

or have changed slightly, but considerable proportions of them admitted that their work status and conditions have even worsened.

Level of participation of female household(s) in income generation, enterprise development and household decision making. Data indicates that the number of working female members of households has generally increased, more particularly among households relocated from the railways. The number of households with only one working or employed female household member declined generally for both in-city and off-city relocation sites. Conversely, households with 2-3 working or employed female members increased, and remarkable growths in female work participation are indicated among households from railways. This may be due to the fact that some family members who were previously studying in the place of origin may have grown up and are now part of the productive age group.

Headship within the household or family generally indicates who is the main breadwinner, and the main decision maker on various economic and domestic matters. In many instances, however, the head is designated by other members of the household based on age, gender and other qualifications other than the propensity to earn. For instance, the most senior or the educated member is groomed by the other members as their head or leader to represent the household in various social and legal matters. In the context of property rights or ownership, household headship is an important matter to deal with especially if it pertains to whose name a real property will be titled. Conjugal ownership is not an issue among legally married couples, but not in the cases of cohabiting couples or common law arrangements which puts the woman at a disadvantaged situation especially when she is not capable of being economically productive. Large proportion of households within the poorest segments of the urban population (especially in informal settlements) are composed of men and women in consensual unions. Eventually, although the incidence rate may be insignificant at present, NHA may encounter various problems in the awarding of property titles when the time comes.

Female headship of households, in any case, creates better position for women within the household and more bargaining power in household decision matters. Data generally indicates dominance of the males on household headship. However, female headship is more common among relocated households from the railways. By type of resettlement, there are slightly more female-headed households in off-city resettlement than in in-city resettlement.

In most households, various household concerns are being decided jointly by male and female members of the family. This decision pattern has slightly increased in matters concerning purchase of household equipment, renovation of the house, and allowing other relatives/friends to live or move in with the family. However, joint decision on

matters pertaining to changing of residence of the family, economic activity, and giving assistance to relatives/friends in need proved to be slightly waning. Concurrently, female members are gaining grounds in deciding on many concerns of the entire household.

Arrangements in doing household chores have not changed significantly among the relocated households from the waterways. The female members of the household are mostly responsible for all the major household tasks such as budgeting, supervision and nurturing of children, house cleaning, disposal of garbage, and meal preparation. There is an increase in task delegation related to child rearing, however, to the female household members, which stems from the fact that the working male members, particularly the main breadwinners, spend most of their time at work in distant locations.

Changes in household spending pattern. The weekly household expenses on food of relocated households have not changed significantly. Most families still spend between Php1,000 and Php2,499 on food per week. Estimated weekly household expense on water changed dramatically among ISFs from the waterways. Families spending between Php100 and Php299 on water increased tremendously among those relocated to off-city sites, while the number of families spending at least Php300 on water decreased significantly. Conversely, households relocated to in-city relocation sites spending between Php100 and Php299 on water per week decreased dramatically while those spending Php300 or more increased considerably. Among the ISFs from railways, weekly expenses on water also increased in both off-city and in-city relocation sites.

Monthly expenses of households on electricity increased regardless of the type of resettlement. The increases in electric bills can be associated with the increase of conveniences that the families have acquired while in their current location, e.g., television, washing machine and electric fan.

Average weekly expenses on transportation generally increased for households relocated from waterways and railways, both in-city and off-city resettlement sites. Specifically, households spending Php500 or more on transportation increased significantly. Increased distance from workplace has generally caused the upsurge of transport expenses of relocated households. The locations of resettlement sites, especially in off-city housing projects, have amplified the income deficits of resettled households. For instance, they need to take a tricycle or *pedicab* from the terminal or from their door step to be able to reach the village entrance. This added travel expense, especially among households with working and studying members who have to go daily to work and school, weakens the households' propensity to save and accumulate more assets.

Impacts on Host Communities and Institutions

The existence and expansion of resettlement sites in the host communities are likely to result to the development of infrastructure within the communities and their vicinities, increased labor and manpower supplies, improved productivity and commercial development, improved knowledge and information exchanges/ dissemination, strengthened community values and leadership skills, and changes in environmental quality. These community-level intermediate outcomes, being interrelated and reinforcing of each other, can altogether (or individually) shape the household-level outcomes listed above.

Mobilization of relevant national and local institutions and utilization of their resources for RP implementation and provision of key services are likely to result in improvement in the (i) capacity of LGUs in shelter planning, estate management and provision of urban services, (ii) coordination and synergy of efforts among various national and local stakeholders, and (iii) social accountability and responsiveness among public and private institutions.

In-city and off-city resettlement projects have different impacts on their host communities because of their different nature. In in-city resettlement the sending and the host LGUs are the same – i.e., segments of a city’s population are taken from informal settlements of the city and moved to housing projects also located within the same city. The most important impact of in-city resettlement is the reduction in the number of ISFs in the “host” city and the reduction of the city’s population who have no security of tenure for their housing and who are living in locations exposed to hazards.

Impacts of a resettlement project on the host community (barangay and municipality/city) are generally to be observed and are more evident in the case of off-city resettlements. Off-city resettlements involve introducing a significant size of population (and number of households) into a host community – population that has come from outside the host community. The immediate impact of such a resettlement on the host community is to increase the size of its resident population and such an increase in resident population, in turn, has implications on local government finance, local level of economic and business activity and the pressure on local services and infrastructure. Moreover, the resettlement project in itself is accompanied by various infrastructure/facilities development and other programs that can benefit not only the relocated households but also the original residents of the host community. Impacts of off-city resettlement on the host community can be positive or negative. Some of these impacts include the following:

Positive impacts

- a. Increase in IRA share being the most conspicuous benefit of host barangays and host cities or municipalities;

- b. Potential to increase real estate tax collection because of change in land use (generally from agricultural to residential) and increase in land values in and around the resettlement sites;
- c. Other budgetary assistance to RP host LGUs such as that from “Oplan LIKAS” Fund of the national government;
- d. Social services and facilities provided in the resettlement site that may be availed of by the host communities;
- e. Access roads to the resettlement site developed as part of the resettlement project producing benefits to the local communities through extension of the reach of the local road network;
- f. A percentage of the housing units being allotted to the host LGUs for the resettlement of their own ISFs; and,
- g. The sudden increase in population representing a bigger market or more customers for local business, thus perking up the local economy of the host community.

Negative impacts

- a. The increase in population implies increased demand for public services and facilities. There is increase in the annual expenditure budget of the LGU especially for programs such as that for senior citizens.
- b. Increased volume of travel because of the bigger population with no accompanying expansion of local road network capacity resulting in heavier and slower-moving traffic.
- c. Sudden spike in the demand for domestic water supply has caused a lowering of water pressure within the service area of the local water district.
- d. Septic vaults used in the resettlement are reportedly of sub-standard quality resulting in incidents of inadequately treated sewage finding its way into rivers and creeks.
- e. The new comers have disturbed the laid back lifestyle of the rural villagers with rampant cases of petty theft/robbery and petty quarrels, with poor health and sanitation habits, and even picking fruits and vegetables from private yards without permission.

CMP and EFP Effectiveness and Impact Evaluation: Qualitative Results

a. Community Mortgage Program

Program impacts on the beneficiaries

The UPPAF study done in 2013, that focused on 8 randomly selected CMP projects, evaluated the impacts of the CMP approach on low income loan beneficiaries in terms of changes in income, employment, housing consolidation, savings and consumption, access to urban services, structure of the family, health and social and community participation, as well as on the host communities in terms of community stability, solidarity, peace and order, environmental cleanliness and health condition, provision of basic social services and facilities. The study revealed that investing in the improvement of the housing units, as assumed to be encouraged by secured tenure to land, was the most mentioned benefit of the program. Likewise gathered from the beneficiaries' perspectives, the important benefits of the program were ranked as follows: having a peaceful life in their community, good relationships among neighbors, reduced incidence of diseases, and increased access to health services and other basic facilities/utilities. The CMP accordingly spurred the provision of basic utilities, such as water and electricity, in the communities studied since the residents having permanent and recognized addresses could already access metered connections. Last in the rank is the opportunity to earn income, which was regarded by a relatively few beneficiaries as a benefit from having a secured land tenure. These results accordingly corroborated with the program benefits cited by UN Habitat (2009) and Rebullida (1998) as follows: (i) boosting beneficiaries' confidence in investing in house improvements; (ii) enabling the use of land as a capital or collateral; (iii) enhanced community members' self-esteem motivating them to hope and work for better lives; and (iv) improved sense of responsibility on both finances and obligations among communities.

The results of this current study further confirms the conclusion of earlier studies on the viability of CMP in helping low income families to acquire land for their homes and secure their tenure on the property. The expected outcome of the CMP is that all the member beneficiaries listed in the original master list will actually stay in their assigned lots and eventually build or improve their homes. The percentage of members in the original master list that stayed in the community could be the indicator of CMP effectiveness. Of the ten projects visited by the Study Team, only two can be considered highly effective, while one project can be considered a total failure. The rest are a mix of fair to poor in varying degrees, marked by a significant number of absentee or missing original beneficiaries, substitutions and poor physical development.

Most of the CMP projects visited are currently accessible to health and educational facilities as deemed by the beneficiaries. However, it must be noted that most forced on-site CMPs have poor access to these services at the beginning. On the average, it took five

to seven years before access to these services were improved. In some projects, there were children who complain due to the distance that they had to walk daily in going to school. The increased accessibility that the beneficiaries currently enjoy is brought about by the rapid progress in the host barangays resulting to increased transport services within the areas. The concept of “accessibility” in the discussion, however, is subjective and thereby varies in every project area. For example, beneficiaries of St. Hannibal HOA in Pasay City perceive that health service is accessible because the barangay health center is located just outside their compound and transport service is available 24/7, while beneficiaries of Dreamland HOA in Barangay Taysan, Legaspi City believe that health service is accessible despite the 2-kilometer walk to the barangay health center and 15-kilometer ride to the nearest hospital with limited transport service.

While most residents have already adjusted themselves to their current lifestyle, accessibility still varies depending on their point of comparison. Beneficiaries who came from informal settlement communities in the city center feel that their location is very distant (*napakalayo*) from social and commercial services, while those who came from a more remote area (mountain/forested area, another municipality) feel that their current location have better access (*malapit*) to these services. Generally, beneficiaries perceive that they have better access to social services now compared to their first three years in the CMP project.

It was observed that the CMP project organized by a religious group showed a strong sense of community and spiritual connection. Although this is not sufficient to say that the same is true for all CMPs organized by religious groups, what is notable is the strong community organizing that have started several years before the CMP project. The community and the religious organization (mobilizer) had already established a remarkable strong partnership before the housing project was conceptualized and the religious organization vetted out members of the community who could be responsible to be partners in initiating the project. Although the project prioritized those who lived along the danger areas, only those who exemplified genuine interest in the housing project were given opportunity out of over a thousand potential beneficiaries. Various training and seminars on livelihood, skills development, spiritual growth and family/home management were conducted by the mobilizer even after take-out.

While there is a strong sense of connection among the members of HOA organized by a religious group, other CMP projects lack a *sense of community*. This is specifically true among *forced on-site* or *off-site* CPMs where some beneficiaries opted to establish residence close to their workplace during weekdays, and visit their houses in the CMP only during weekends or holidays. There are also significant cases whereby beneficiaries have settled in their CMP properties only recently after their permanent retirement from work. Their relatives and married children were the occupants of their houses in the CMP.

While these differences cannot be linked solely to the mobilizer, there are some observable patterns that can be drawn from the characteristics of these communities.

	In-City or On-Site (St. Hannibal, Upper Banlat and Little Tokyo HOAs)	Forced On-site or Off-site (Virgen de los Remedios, Rancho, Dreamland, Angelo Heights, Villa Cinco)
Leadership	<ul style="list-style-type: none"> • With recognized leaders • With defined rules • With regular meeting 	<ul style="list-style-type: none"> • Some members do not know the HOA Officers • Unknown rules • No definite schedule of meeting
Occupancy rate	<ul style="list-style-type: none"> • 95% to 100% 	<ul style="list-style-type: none"> • 20% to 50%
Sense of community	<ul style="list-style-type: none"> • Strong 	<ul style="list-style-type: none"> • Weak connection, some do not even know other beneficiaries
Collection efficiency	<ul style="list-style-type: none"> • 40-50% fully paid • 70-80% updated 	<ul style="list-style-type: none"> • 0-40% CER
Substitution rate	<ul style="list-style-type: none"> • 5-10% substitution rate 	<ul style="list-style-type: none"> • 50-95% substitution rate
Housing condition	<ul style="list-style-type: none"> • 40-50% blighted • Except for St. Hannibal which is an in-city, off site project 	<ul style="list-style-type: none"> • 30-40% blighted • Poor road condition
Accessibility	<ul style="list-style-type: none"> • Very accessible 	<ul style="list-style-type: none"> • Becomes accessible over time

While there is a general upward trend of income among on-site CMPs and a downward trend in forced-on site (off-site) CMPs, it is more accurate to say that *change in income* is still highly correlated to the location of the CMP and the previous location of residence of the beneficiaries, rather than its type. Take for example the case of St. Hannibal HOA in Pasay and Angelo Heights HOA in Cauayan, Isabela. Both are located in the city but HOA members have different assessments on their income. In St. Hannibal HOA, members are from the same city while members of Angelo Heights are from remote areas of Isabela who moved into the city. During the FGD, members of St. Hannibal HOA reported that their income did not change, while members of Angelo Heights HOA admitted that their income has increased. If we are to disregard the observation of the Study Team on the assets and valuable items owned (i.e., cars, appliances, etc.) by these people, due to lack of baseline information, change in income of the members of Angelo Heights HOA is definitely significant than that of St. Hannibal HOA.

In general, housing condition has slightly improved although bigger and luxurious houses can sometimes be seen in off-site projects. Many of these big houses are owned by the substitute members or those who bought out the right from the original awardee. In most

projects, HOAs are involved in the process of formal substitution. However, there are also few cases when HOAs are not even informed of the buy-out.

Generally, houses in both off-site and on-site projects are concrete with unpolished brick walls. Nevertheless, houses in on-site projects are commonly fire-hazard due to (i) lack of firewall and spaces between structures, (ii) presence of blighted structures in between, (iii) entangled electric wires, and (iv) very narrow alleys.

With very few exceptions, residents in the 10 CMPs (both original beneficiaries and substitutes) appear to be satisfied with the program. There are those who claim that their lives have not improved much after the approval of their CMP, nevertheless, they are satisfied because the program has provided them hope that someday they will also be able to build a better home on the lot they are paying for. There are also those who have already improved their homes and their lives. The present residents, original or substitutes, appear to be satisfied with CMP because of the hope and the expectation that eventually they can also improve their lot.

Despite the imperfections of the program, it was able to serve the *housing poor*, many of whom have better lives now. At least 95% of the beneficiaries who were interviewed were landless or did not own any other real property aside from their CMP acquired lot. Although they do not agree that such better life is attributable to the program, they admit that the program gave them a sense of security and pride.

Program impacts on the host community

The concept of “community transformative scorecard” has been introduced in the study conducted by Ballesteros et al (PIDS, 2015, 2016, 2017) to assess the overall improvement in the 8 CMP projects (existent for about 10 years at the time of the interview with more than 10 non-officer member beneficiaries) using physical, social and institutional indicators. The results revealed that only half of the 8 subject CMPs were considered transformed communities with major improvements in the physical environment, mobility and community governance. The study further noted that while some CAs may have an approved subdivision plan and titled subdivided lots, they have not been fully transformed. In some cases, the approved subdivision plans have not been implemented even after take out. Hence, the host LGU may not be expected to provide assistance in the form of infrastructure development and social services, which are key to the overall improvement of the community.

The study done by UPPAF, on the other hand, highlighted the role of the CMP as a catalyst in the provision of basic services such as piped water and electricity connections within the sites.

The findings of this current study are consistent with the impacts of the CMP projects to the host communities observed by Ballesteros et al (PIDS 2015, 2016 and 2017) and the UPPAF study (2013).

In some cases, i.e., Ranchero HOA and Dreamland HOA, wherein the host barangay was chosen as the off-site CMP project or resettlement site, the impact is evident. There have been increased economic activities in the host barangay because of increased population and consequent increase in the demand for consumer goods and services, and social services and infrastructure (e.g., medical/health and educational facilities, market, etc.). These positive changes, in turn, benefitted the CMP beneficiaries in terms of better access to services, improved transportation service and increased opportunities for livelihood. In exceptionally few cases, local and international donor agencies provided schools which also cater to the schooling population of the rest of barangay and adjoining ones.

The impact of most CMPs on their host communities is very minimal particularly those that are on-site projects since the beneficiaries are already in the area for quite a time. In cases like this, the community where the CMP is located no longer considered host community and the beneficiaries are not treated as new residents. Evidently, this is also the scenario in forced on-site (off-site) CMPs where beneficiaries are gradually settling in. Since there is no sudden increase in population, the host community could hardly feel the impact of the housing project.

b. End-user Finance Program (Pag-IBIG Housing Loan)

The Socialized Housing Loan (Php 450,000 and below) and the more recently introduced Pag-IBIG Affordable Housing Loan Program (Php750,000 and below) for low income members are the programs that relate directly to the government shelter program to provide decent housing for the homeless and underprivileged. A total of Php42.5 Billion in loans was released to finance about 140 thousand socialized housing units from 2007-2015. This volume of socialized housing units constituted 28% of the total 501,079 housing units worth Php326 Billion that were financed by Pag-IBIG during the 9-year period. Although there have been no specific target volumes for the Socialized Housing or the Affordable Housing Program, being demand-driven, nor geographic breakdown of target (Metro Manila versus Areas outside Metro Manila), the absolute numbers and growth figures appear sufficient to indicate program effectiveness.

The Affordable Housing Loan Program for the Pag-IBIG's low income members, with its lower interest rates and perhaps higher risks, may be prejudicial to the Fund, it being owned by all the members and is, in fact, private in character, notwithstanding whatever guarantees and tax incentives it may enjoy from the government. The 4.5% and 6.5% interest rates are not really that low nowadays or in the last few years because of the generally lowering of interest rates in the aftermath of the 2008 financial crises. But this

seemingly liquid conditions in the financial markets are not normal and if we take the cue from the US Federal Reserves, the era of cheap money is about to end and interest rates will begin to rise. If interest rates would rise, at what interest level in the financial markets would the Affordable Housing Program be considered highly prejudicial to the Fund?

Satisfaction of borrowers. Practically all of the interviewees expressed general satisfaction with the Pag-IBIG Housing Loan Program. Most, if not all of them, believe that the program is the only means for them to get out of their previous status of being homeless. Hence, based on this very positive feedback, the program has been highly effective.

The not so favorable feedback is on the quality of the housing units and the subdivisions they have moved into, and possibly on the adequacy of the loan amounts and to a limited extent (quite inconsistently) the affordability of the loan.

Some of the interviewees who bought from developers, especially those before 2012, expressed dissatisfaction with the developers who failed to completely deliver the promised amenities and common facilities such as club house, street lights, water connection and adequate drainage. The housing units are very small and needing major improvements before they can move in.

Many of the interviewees reported that they paid substantial amounts as equity and for many other incidental expenses. Connection fees to the local utilities were also a major expense.

But overall, the expectation for quality was not so high, and they just assumed the responsibility of undertaking improvements to the housing units on their own.

The other possible indicator of program effectiveness would be the rate of delinquencies and foreclosures. It would be interesting to find out how the Affordable Housing Loan Program is performing as compared to the regular end-user financing program and the socialized housing programs such as the CMP of SHFC and the resettlement program of NHA. Unfortunately, the Study Team failed to secure a disaggregated data on loan performance for the Affordable Housing Loan Program.

From the perspective of the borrowers, the program provided them the only means to own a house. Based on random interviews of small housing loan borrowers from five regional hubs of Pag-IBIG, the borrowers were all non-homeowners (either renters or living with relatives) before they availed of their housing loan privilege, there is generally good satisfaction with the program although many claim to be having difficulties coping with the repayment. Dissatisfaction is mostly with the developers' performance as they failed to deliver completely their development commitments and the poor quality of construction.

CONCLUSION AND RECOMMENDATIONS

Objective #4: Recommend policy and program reforms to improve the NSP implementation.

This section of the report discusses in detail the recommendations of the study as far as improving the programs through policy reforms and enhancement of program processes and strategies. These are, however, summarized and categorized by NSP component (housing production, regulation, and finance) in the Executive Summary of this report.

A. Resettlement Program

Generally, the over-all policy on housing provision throughout the period under review is one that seeks to broaden participation by various sectors of society including the national government, the market, civil society, local governments and local communities. To enable the other sectors to have a substantial participation in housing provision the government limits its role in direct housing provision to socialized housing targeted at the lower half of the income distribution, or some segment thereof. In the case of the other components of housing provision, the government's participation is through indirect modalities like making available loans and guarantees to individual own-home builders or private groups engaged in the business of housing production and distribution. If government were to get actively involved at all in direct housing provision greater responsibility will be devolved to local governments.

As a result of this long-running policy, the backlog in housing, particularly for the lower and middle income households, remains enormous. At the same time, market-provided housing seems to be targeting the higher income brackets so that there is, reportedly, a glut in the supply of housing units in the commercial formal sector especially of high-rise condominiums.

In light of the fact that there is still a big number of households in need of decent and affordable housing but who cannot as yet effectively participate in the market and who look up to the government to provide socialized housing, among several other social services (as borne out by an SWS report cited in the main report) the government, both national and local, should intensify its effort and increase its share in direct housing provision.

Recommendations of the study have been categorized as (i) those pertaining to reforms in the current policy, and (ii) strategies for improving the program.

Policy reforms

The following policy recommendations pertain to alternative approaches to resettlement and to socialized housing in general categorized by NSP component (regulation, production and finance):

REGULATION

a. Minimizing off-city resettlement

Off-city resettlement should be minimized and should be resorted to only when there are pre-existing employment opportunities in the receiving community. One possibility is to link all resettlement plans of NHA with national plans for identified economic growth areas such as the Special Economic Zone Master Plans for the planners and designers to seriously consider and include a housing component that caters to the housing need not only of locator firms/industries but also of informal settler families, and thereby ensure a steady supply of human resources for the locating firms.

b. Giving priority to in-city relocation

In-city relocation should be given higher priority. As much as possible in-city relocation should be undertaken in the context of slum upgrading, sites and services, re-blocking and other tried and tested forms of urban renewal of which NHA is thoroughly familiar. This is to situate resettlements and similar types of communities within the overall framework of urban development which, by the way, is the ultimate objective of the UDHA. Perhaps, NHA could upgrade and widen its expertise in re-blocking to include the more sophisticated techniques like land re-adjustment, a popular method of urban renewal adopted in East Asia. In intermediate cities outside Metro Manila, slum upgrading through land re-adjustment could be pilot tested.

c. Trying out alternatives to resettlement

One alternative to resettlement is the “expanded town” approach. NHA’s traditional approach to resettlement is patterned after the new towns concept, which is pioneered and perfected by the British, where the new site is located at a considerable distance from city centers. Necessarily, the isolated resettlements have to be provided with a complete set of services and utilities in order to be as self-contained as possible. This turns out to be extremely expensive. Under the “expanded town” approach, which incidentally is also a British concept as a complementary approach to new towns, the resettlement will be accommodated within the urban centers of existing small towns. The scheme will be an arrangement between a big city as the sending LGU and a small town as the receiving LGU. The big city will assist the small town to strengthen the capacity of

the latter's urban services to be able to accommodate additional population from the big city. The big city assistance may include inducing some establishments operating in the city to open branch offices or factories in the small town. Then the two LGUs can agree on the phased relocation of the decanted city population according to the absorptive capacity of the small town. For a start, the scheme may be tried out on pilot basis, perhaps among LGUs that have an existing "sister city" relationship.

REGULATION AND PRODUCTION

d. *Promoting and adopting Public Rental Housing*

One possible way to quickly increase the inventory of decent housing is to promote rental housing among government agencies and local governments. Public rental housing is not yet as widespread as private rental housing which is quite popular among the low-income groups including most ISFs. One reason for this is that it is not an explicit mandate of NHA. However, public rental housing is listed in the UDHA as one of the modes of providing secure tenure. If available as an option, public rental may serve as transitory accommodation, a sort of half-way house, for some households who are in the process of saving up to be able to eventually join the commercial housing market eventually. At the moment, two component cities of Metro Manila, Valenzuela City and Quezon City, are implementing the rental housing scheme on experimental basis. If proven feasible, further studies can be done and the scheme replicated in other areas.

e. *Improving LGU capacity in shelter provision*

A review of the shelter plans of a few LGUs evinced that although they were able to identify the locations and determine the magnitude of informal settlements in their localities, the resettlement processes including approaches and strategies in social preparation, actual relocation, estate management, project monitoring, and mobilizing local stakeholders to be actively involved in the resettlement process have not been explicitly discussed in the plans. HUDCC and NHA can further capacitate the LGUs, especially those outside of Metro Manila, in formulating their shelter plans, and eventually implementing them following the prescribed processes and strategies. Through technical, financial and other forms of assistance enable local governments to undertake their own socialized housing programs either on their own or in partnership with the private sector, civil society organizations, and their constituents. It is about time that the responsibility for shelter provision for lower income groups is shared with local governments which are the direct stakeholders to start with. Having acquired the most extensive experience in all aspects of resettlements, NHA should initiate the process of mentoring LGUs through co-management arrangements of pilot project with the

objective of NHA phasing out will have learned the ropes, as it were. HUDCC and NHA can further capacitate the host LGUs on how to run their own socialized housing programs. Well-off LGUs such as the cities do not only support the resettlements; they have their own socialized housing schemes for their own informal settlers. Land-short Manila, for example, intends to replicate the LRBs of Paradise Heights in BASECO and other areas of the city, also adopting the usufruct tenure on land.

f. *Clarifying the authority of the LGUs (City and Barangay) in informal settlements*

The LGUs are the lowest levels of government for the delivery of basic services to their constituents. For a more strategic, orderly and efficient performance of this mandate, LGUs are required to prepare local development plans and sectoral and thematic master plans to guide them in fulfilling their mandates. Basic components of these plans are the land use and zoning plans, the physical framework and infrastructure plans, the social services development plans and for many highly urbanized and urbanizing LGUs, a resettlement program for informal settlers.

Informal settlements impact the LGUs directly in terms of demands for physical infrastructure and social services such as basic education, health and sanitation services, as well as security services and maintenance of peace and order. Although the Local Government Code and the UDHA provide the uniform legal framework for the LGUs, it is observed that there appears to be differences among LGUs as regards the extent of integration and coordination of the resettlement (and housing) program into the local development and master planning processes. Perhaps, one reason for such differences could be the differences in the magnitude of the informal settlers' problems. Nevertheless, there may be a need to look at the practices of the LGUs in dealing and/or coping with the problem of informal settlers, assess their effectiveness and efficiency and draw lessons, both good and bad, towards the development and institutionalization of approaches in dealing with the problem.

The barangays (local authorities and communities) should be made more aware of their role in controlling the growth of informal settlements. The maintenance of waterways and easements, for example, should be a primary concern of the barangay. The authority and power of the barangay to keep waterways clean and safe for the environment should be clarified. Their participation and accountability in resettlement should also be clarified.

FINANCE

g. Expanding, not reducing, government exposure in socialized housing programs

The socialized housing component of housing provision should be expanded to fully cover the Constitutional mandate of the lower half and not just the lowest deciles of the income distribution. Increased budget allocation to socialized housing should be put into programs of direct housing production to beef up the stock of low-cost housing to cater to various segments of the urban poor.

h. Assisting LGUs in inventory and acquisition of land for socialized housing

One of the responsibilities of LGUs under the UDHA is to take inventory of their land resources. While the law mandates LGUs to conduct land inventories for socialized housing as part of their land use planning function, for some reason, the law failed to require them to acquire the identified lands for such purpose. The law simply authorizes them to undertake land banking but LGUs are seen not to give it priority, or it is simply beyond their financial capacity. Is there a possibility of downloading some portion of the national government budget to certain LGUs that propose to undertake land banking for socialized housing schemes? Such a national aid could preempt private sector speculators who are observed to be aggressively engaged in their own land banking.

i. Finding alternative sources of financing for housing

The Community Mortgage Program of SHFC is just one of the available options for LGUs in financing their resettlement and housing programs. As observed, some LGUs were able to fund their resettlement program directly from their annual budget. In some LGUs, the resettlement program is given as outright grant (without cost recovery) to the beneficiaries, while in some cases some degree of cost recovery is being implemented. There is a need to review these practices by the LGUs, whereby lessons can be drawn towards the development of effective policies. The Quezon City Government, as an example, has recently ventured on in-house financing of some smaller housing projects. Sources of funds are from revenues from the (1) Socialized Housing tax. Section 42-43, Article XI of RA 7279 states that funds for urban development and housing programs may come from the proceeds of the Socialized Housing Tax: "Consistent with the constitutional principle that the ownership and enjoyment of property bear a social function and to raise funds for the Program, all local government units are hereby authorized to impose an additional one-half percent tax on the assessed value of the lands in urban areas in excess of Php 50,000"); the (2) Idle Land tax as provided in Section 236 of the Local Government Code of 1991; and (3) its collections from direct sale of housing units (Quezon City Shelter Plan, 2018).

In addition to outright budgetary allocation, other financing tools may be explored by the LGUs to fund their socialized housing program. The Local Government Code further allows the LGU to borrow from banks or float local bonds for self-liquidating projects. This authority is commonly used by LGUs for commercial enterprises such as public markets. However, LGUs should also explore how this mode of generating funds can be used for their housing program.

Resettlement Program Reforms

The following recommendations focus on how resettlement projects can be further improved:

- a. *Further refinement in the formula used in estimating “housing need” which starts with an in-depth review of assumptions currently being used*

The assumptions behind some of the components of housing need in the HUDCC definition need to be reviewed. For example, the determination of doubled-up household should be limited to involuntary cases (as in the UN definition). Secondly, the component of the housing need due to increase in new households should be refined to take into consideration the apparent time lag it takes for the newly married children to move to a separate dwelling and live on their own. Further study is strongly recommended to test the initial finding of this project about the preferences of households in matters of living arrangement as influenced by financial capacity, as well as cultural and moral standards, among broader segments of the population, especially among higher income households in the formal housing sector. Another component in the UN definition which is absent from the Philippine definition is “allowance for unoccupied or vacant dwelling units”. This component, if adopted, could have an impact on the estimate of existing housing stock.

- b. *Social preparation that effectively considers the preferences and affordability of housing beneficiaries*

In actual practice, while the census and master listing of potential relocatees includes questions on their preferred type and location of housing and their willingness-to-pay, there is really no serious attempt at proper segmentation of preferences and affordability that can be the basis of variations in housing prices and standards. As evinced by survey results, not all ISFs are living below the poverty threshold and some of them may be able to afford amortizing a housing unit that is much bigger than those being currently offered under the program. In any case, this points to the possibility of introducing multiple variants in housing types, materials and amenities within a resettlement site. With finer segmentation of the potential beneficiaries’ preferences and capacities, the whole range of

services within the socialized housing program and not solely resettlement can be deployed to address their specific needs.

c. Regular monitoring and evaluation of Resettlement Program and project-level implementation

Monitoring and evaluation is one missing function within NHA. Program-level and project-level M&E should be installed within NHA to track input, output and intermediate outcome indicators for immediate feedback to project design and implementation. The baseline information plus the details of implementation of each resettlement project will then be used as the take-off point for the evaluation of outcomes and impacts which is the function of social policy planning agencies such as NEDA, HUDCC, DILG, the Legislature, and the like, for future planning and policy making.

Furthermore, one important aspect of the National Shelter Program that should be monitored is the link between the developer's compliance on the Balanced Housing provision of UDHA and the housing stock, or the housing units produced under the NHA's resettlement projects. Given the five modalities of compliance available for the developers to choose from, it would be wise to properly document the volume of housing units (directly produced by the developers, and built using the cash equivalent collected in lieu of housing units) generated by the Act. In effect, the policy can be evaluated in terms of its effectiveness and the extent of its contribution to the achievement of the shelter program's overall objectives and targets. Specifically, M & E should be able to determine how much has the balanced housing compliance contributed to the different sub-components of the socialized housing component of the NSP.

This study recommends a system of monitoring and evaluation for the NSP covering the RP, CMP and EFP that utilizes a framework presented in **Annex 4** of this report.

d. Integrating and harmonizing resettlement projects with local development plans

In many highly urbanized cities, it is very difficult to undertake the more preferred in-city relocation because of lack of suitable relocation sites. Hence, it is unavoidable that a resettlement site has to be found in another LGU that is possibly less urbanized and with more developable vacant land. In the case of NHA-initiated relocation and resettlement, there may be a need to review existing authorities, policies and practices of NHA as regards the need for coordination with the potential host LGUs. It is observed that NHA may not have adequately coordinated with the host LGUs in the selection, acquisition and development of resettlement sites. And it is not clear if the NHA development plans harmonize

with the local development plans, land use plans and other local plans. The resettlement of people to another LGU has serious direct impacts on the demand for services and it is only fair that the host LGUs be consulted on NHA plans.

While the focus of the RP when planning and implementing a specific resettlement project is on the families to be relocated, the possible impacts on the host communities should also be considered especially at the planning stage to ensure their preparedness to absorb the added population and to reduce any negative impact. As gathered from key informant interviews, some host barangays experienced heavier traffic, reduced water pressure and higher incidence of petty crimes after the introduction of relocated families into the community.

As regards LGU-initiated resettlement programs, it is observed that some sending LGUs have developed practices and policies on helping the receiving LGUs cope with the burden of hosting a resettlement community. However, practices and policies vary and are far from standard. There may be a need to review these practices to evolve a standard equitable approach that is fair to the host LGU as well as the sending LGU. HUDCC may have already initiated some studies on these issues, and it should revive such studies and develop a more uniform approach for dealing with host LGUs.

e. Budgeting of NHA (timing and amount) synchronized with the budgeting of other NGAs providing service in the resettlement sites

Agencies implementing projects that involve resettlement of affected families should coordinate with NHA to guide the latter in its programming and budgeting. If this is not possible, HUDCC given its coordinating function, should be able to inform the agencies concerned (e.g., DepEd, DPWH, DSWD, DOH, etc.) about the planned resettlement projects, especially the locations and implementation schedules, ahead of time. Regarding the agency's budget, quite a number of site managers and other officials have expressed the wish that NHA were given additional funds to enable them to get a better handle of their livelihood and employment assistance programs in the resettlement sites. At present, this service is not considered as one of the functions of NHA. And yet this is the aspect of resettlement where NHA receives the most flak from the uninformed public. The site managers have not been able to hire personnel dedicated to handle various aspects of livelihood and employment assistance and are largely dependent on the generosity and facilities of service providers and on the initiative, resourcefulness and personal contacts of the site managers.

f. Ensuring sustained support from both sending and receiving LGUs

In the case of off-city resettlement receiving LGUs are put at a disadvantage. Often host LGUs have to single-handedly provide the most basic infrastructure and support services to the new settlers. This puts their financial resources under stress especially when they have to rely on their IRA share as their budget source. In as much as the IRA share is based on the latest census of population provided by PSA, the LGU's IRA does not get re-adjusted and updated until the results of the national population census which is conducted every 10 years (or five years if a mid-decade census is held) are available. Until then, the impact of the population increase represented by the newly resettled households on the receiving LGU's fiscal resources will not be immediately felt. Meanwhile, some of the sending LGUs have not been mindful of the burden that the receiving LGUs have been going through. A few sending LGUs have given their one-time support, in cash or in kind, for the initial needs of the relocatees. Based on interviews, receiving LGUs strongly suggest that sending LGUs give more substantial and sustained assistance. Accordingly, an agreement is needed to make the arrangement binding between the sending and receiving LGUs. Perhaps, this sending-receiving LGU relationship can take the form of the "expanded town" approach discussed above.

g. Disengagement of NHA in estate management

After NHA has been disengaged from the housing projects, either the host LGU, the Homeowners' Association, or an attached agency to NHA should assume the task of estate management. Recent developments show that some big developers, notably Ayala Land, are embarking on post-relocation assistance. For one, the Bistekville 2 of Quezon City, was given technical assistance by the developer (PHINMA Properties), on estate management which apparently started with the organizing of the community of resettled families. Thus, in the case of Quezon City Government, estate management has been made an integral part of the post development stage of all Bistekville housing projects in its all-out effort to maintain livability of these communities through cooperation, monitoring, regulations, extension of basic services and proper maintenance.

The same developer firm has likewise provided seminars on estate management among the homeowner associations of a few resettlement and socialized housing projects, one of which is the "people planned" LRB housing for resettled ISF communities from the Manggahan Floodway in Pasig City. It is suggested that a review on PHINMA's experiences on this initiative, and best practices be explored and tried out in ensuing resettlement projects.

B. Community Mortgage Program

CMP is a good program to help informal settlers, but not an easily accessible program that all informal settlers can avail of. Only those that truly satisfy all the due diligence tests will eventually achieve good results in terms of community development and better life for the beneficiaries. Ensuring the positive outcomes of the program in terms of *improved neighborhood and homes* necessitates revisiting and ultimately improving the CMP processes and strategies. In this light, the following policy and program reforms (all focusing on the finance component) are being recommended by the study:

a. Clarifying the responsibilities of CMP mobilizers

After 28 years of implementing CMP in partnership with private NGO mobilizers, the latter's capabilities, effectiveness, accountability should be re-examined. Work among the poor is a missionary undertaking that is not suitable for rent seekers. Mobilizers should have the independent means and resources to support their missionary work among the poor and should not be dependent on the processing fees and other benefits they collect from the poor beneficiaries. The work of a mobilizer in CMP should continue even after the CMP loan has been approved and the site has been acquired. Community organizing and community development assistance must continue even after the CMP loan has been approved.

The LGUs are the natural partners of SHFC in CMP. LGUs have the legal mandate to help the homeless and underprivileged. They are responsible for land use and zoning, they provide basic social services, and they have resources. Most importantly, the LGUs are permanent institutions that can provide continuing support. There is a need, however, to insulate the UPAO and the LGU housing agencies from politics, to institutionalize and professionalize these offices, and to regularize their budgets.

b. Developing alternative assistance programs for those who do not qualify for CMP

For many informal settlers families and communities who could not qualify, CMP may not be the appropriate and easy means to address their homelessness. An alternative program, not necessarily requiring immediate community organization as a pre-requisite, not necessarily aiming for full cost recovery, and not necessarily aimed at land ownership, must be developed. As already mentioned, community organizing is not very easy in many informal settlements which are typically inhabited by renters, sharers and absentee house owners. If a site is already congested and sub-dividing the property among all the residents would only result in very small lots that are not compliant with the standards set by law, the place will likely stay as a slum and blighted community. Over time, the more needy

residents will be eased out by the more well-to-do ones, and only then, will there be improvements in physical structures but at the price of easing out the poor.

c. Developing and/or strengthening partnerships with and support mechanisms for LGUs

Some sites are inherently unsuitable because they are expensive or have many technical issues that a truly poor community will find difficult to resolve even after many years. For the unqualified informal settlers and informal settler communities, SHFC should develop alternative assistance programs in partnership with LGUs. Many LGUs visited by the team have their own resettlement and assistance programs in addition to CMP. SHFC should study these programs for possible harmonization and complementation.

As observed by the study, the rapid pace of urbanization and increase in property values will make it increasingly more difficult to undertake CMP projects. SHFC should consider assuming financial advisory functions for LGUs and offer them new financial assistance programs that will allow LGUs to undertake land banking and site planning on a higher scale that is consistent with their master development plans and land use plans. SHFC, as a financial intermediary, could provide the means by which LGUs will be able to access the financial markets for long-term low interest bonds. SHFC, however, needs to build up its organizational capacity as a financial intermediary. Sadly, NHMFC's expertise and skills in financial markets intermediation was lost after EO 90 in 1986 and was never restored. SHFC, as a subsidiary of NHMFC, has always been dependent on the CISFA budget and never had to reckon with the need for funds generation for new activities.

d. Phasing out of CMP in highly urbanized LGUs

Given the many issues that make CMP difficult in highly urbanized areas such as Metro Manila, SHFC should already consider a phase out strategy for CMP in these areas.

SHFC, in cooperation with LGUs, should develop alternative solutions to the informal settlers' problems. The National Urban Development and Housing Framework (NUDHF) should be carefully reviewed and taken into consideration in the development of those alternatives. With rapid urbanization, the NUDHF has become even more relevant. The LGUs and the SHFC should study and understand the policy directions recommended in the framework and try to adapt their land use planning and CMP projects along those directions. There may be a need to translate the NUDHF into a practical guide mainstreamed in urban planning standards and processes.

The following discussions highlight specific recommendations to reform the CMP process.

a. Program promotion and corporate communication

SHFC should be more conscious of the need to proactively promote CMP to raise awareness level among the potential beneficiaries, and to counter the misinformation being peddled by unscrupulous persons who take advantage of the unknowing informal settlers and landowners.

The SHFC President/CEO should assume direct responsibility for program promotions and provide specific direction for the Public Affairs Department. While the study does not recommend an expensive and heavy multi-media advertising campaign, the expertise and experience of the Public Affairs Department can be harnessed to produce standard IEC materials (i.e., audio-visual presentations, simple concise printed materials, etc.) that explain and clarify the CMP. The production of communication materials may also be outsourced to achieve better quality and effectiveness. The availability of these materials will facilitate program promotions and will enable even low level officers to help in program promotion. In addition to the basic laws, existing policies and program rules, the wealth of program experience should be harnessed and serve as inputs in IEC materials development. The Corporate Planning Department could help in providing inputs for these undertaking.

b. NGOs as mobilizers

SHFC should consider utilizing mobilizers, especially NGO mobilizers, optional. Community associations that are already organized and registered with the HLURB should be given the option to apply for CMP loan with SHFC directly. SHFC should organize its own community development assistance unit to help those applicant community associations that need assistance and serve as their in-house advocate. This unit should be independent of the due diligence process units but should be adversarial to the due diligence process.

Nevertheless, NGOs opting to serve as mobilizers should meet higher standards for competence and financial capacity. Their engagement as mobilizers should strictly be the option of the community and should be governed by a formal and standard Memorandum of Agreement that clearly spells out their obligations and accountabilities.

Landowners, on the other hand, who are willing to sell their land to the informal settlers should be encouraged to go to SHFC for direct assistance. For its part, SHFC should develop a transparent due diligence process to assess the suitability of the

land, as well as the eligibility and willingness of the informal settlers to apply for CMP Loan.

c. LGU participation/involvement in CMP

As stated earlier, the LGUs are the natural partners in CMP because they are mandated by law to attend to the needs of their informal settlers. They are mandated to regulate land use and zoning, and to provide basic services to the people. While CMP is supposed to be demand-driven, SHFC should be committed in coordinating and working jointly with LGUs in the identification of informal settler communities where the CMP strategy would be most viable. This way, targeting and prioritization of CMP projects at the LGU level will be improved.

Moreover, even for NGO-mobilized CMPs, the role of LGUs should be optimized – such that, LGU should be given responsibility in the provision of basic facilities in the CMP sites. The zoning ordinance should likewise be enforced strictly within the premises of the CMP project, particularly the regulations on road right-of-way, setbacks, open space, floor area ratio, building design, etc.

Further on, SHFC should coordinate with the host barangay and give them a role in the evaluation of CMP application.

d. Policy on cost recovery and interest rate

There is a need for a more in depth study on CMP cost recovery policies particularly those that impinge on the rights of the poorer members of the community association. Temporary subsidies similar to the *Abot-Kaya Pabahay* Fund and other safety nets should be considered. Moreover, SHFC should be given more flexibility and authority in the management of delinquencies and condonation of penalties. Coordination with the Department of Social Welfare and Development (DSWD) as regards the coverage of Conditional Cash Transfer (CCT or 4Ps) should be explored. Dumas (2013), in his CMP Portfolio Review, recommended a community savings scheme among CAs, or a small amount of mandatory contribution by member beneficiaries to be collected by SHFC serving some kind of an insurance premium to be deposited as an escrow account. In both schemes, the proceeds can be used to defray unpaid amortization dues of members in distress situation such as temporary unemployment, sickness or disability.

The 6% interest rate should be re-examined in relation to the government's cost of borrowings as reflected in the long term T-notes.

e. Improved due diligence process

The due diligence process should be improved and simplified. All the information being asked and gathered through direct interviews with the community and its members during background investigation and all information gathered during site technical investigation should be translated into a formal application form and information sheet of the community and its members. This application form and information sheets should be in the form of a sworn statement by the officers and the respective member beneficiaries and attested to by a responsible barangay official. With this sworn statement, the background investigation process and site technical investigation process can be reduced to a random independent validation process of the declared information. A sworn statement independently validated is better than information gathered during a community meeting where the members are coached by the officers and mobilizers. Necessarily, this change will require a great amount of communication and guides and manuals but the resultant information gathered will be more comprehensive and will have more integrity. It must be emphasized in the communication process that gross errors and deliberate misinformation by the officers and beneficiaries that will be discovered during the random validation may result in disapproval or delays in the application process.

The application form/information sheets will start the computer-based community data base from where simplified reports as well as the loan documents can easily be generated. The background and investigation report will be a very simple statement of confirmation without the usual narratives.

Substitution of beneficiaries while the application is in process should be discouraged and should be made rigorous requiring a separate process that needing approval of SHFC top management, and not just the processing officers of the due diligence units. Substitutions should undergo a thorough due diligence process that clearly establishes the causes and justification for the substitution.

In the technical aspects of site suitability, policies should be set and clarified and standards be clearly defined. For example, it should be explicitly stated that the subdivision plan should pass BP 220 standards so that those who cannot pass the standards should no longer apply.

Policy on appraisal and property value limits should be reviewed and clarified so that properties that are inherently expensive should no longer be considered for CMP.

f. On account management

The task force on remedial accounts should be converted/regularized into a department with regular and adequate plantilla positions. This is an item that the organizational development study failed to address. But more than regularizing the function with the creation of a department and positions, the policy framework on remedial management should be established. The task force's current approach of reviving a defunct HOA where many original members can no longer be found is too open-ended and tedious process. Although the task force has exerted great efforts and has achieved some results, the approach is very inefficient and ineffective. Several years after its creation, the task force was able to attend to only a few of the hundreds of accounts assigned to it. That of the Virgen de los Remedios CMP is just one of the many remedial accounts that have not been attended to by the task force since its creation.

A remedial account management system should follow a project management approach with well-defined critical activity paths and time standards and with a definite outcome: either a reconstituted HOA or a formal foreclosure on the property. A remedial account should be transferred back to regular account management if the HOA is reconstituted within a specified time period, otherwise, it should be transferred to the Legal Department for foreclosure.

g. On delinquency management

SHFC should follow through the loan restructuring and penalty condonation program a few years ago. In particular, SHFC should go after some 20,000 accounts that did not respond to the demand letters and offers of restructuring and condonation. These accounts may be like the absentee beneficiaries in the 10 projects visited by the team. In addition to writing demand letters, the account officers should try to meet the delinquent beneficiaries and determine the real causes of delinquencies. For lots that have been abandoned, SHFC should assess their options in the Deed of Assignment of lease purchase agreement that the HOA signed with SHFC.

On the other hand, those member beneficiaries who pay on time or in advance may be provided with the incentive or option for loan restructuring that will accelerate the individualization of the land titles.

As a social assistance program for the homeless and underprivileged, CMP management should go beyond merely monitoring of collections and the sending of notices and demand letters to delinquent beneficiaries. The CMP as an assistance program for the underprivileged should also be concerned with community development and assistance in livelihood development as provided for

in the CMP Circular No. 001. There should be more in-depth study on the causes of delinquency and possibly more intervention and counseling to help those beneficiaries who experience difficulties in keeping up with amortization payments. CMP account management should also concern itself with the development of the CAs as a dynamic organization that provides leadership in community development.

The CA is, in fact, the basic collection unit or agent of the SHFC for collection of amortization from beneficiary members. SHFC has a formal collection agreement with the CAs. SHFC therefore should develop and provide systems, forms and manuals for the CAs and train them in the use of these systems and manuals. Training and capacity development should go beyond financial systems and records keeping. As observed and reported in the 10 sample projects visited by the Study Team, the CAs are faced with problems and challenges that go beyond mere amortization collection or financial matters. CMP account management should also concern itself with the development and improvement of community governance through the association.

C. End-user Financing Program

Pag-IBIG Fund, based on its record of growth and performance, is likely to continue to fulfill its legal mandate to be the major stable source of housing finance in the country. Nevertheless, a few suggestions for policy reforms (all focusing on financing aspects) are given by the study as follows:

a. Increasing the Fund's capacity to support the housing finance needs

Although the Pag-IBIG Fund takes pride with the fact that its growth did not require increasing the savings contribution rate and the maximum Fund base salary for savings contribution, its management should consider starting its advocacy for higher savings to further increase the Fund's capacity to support the housing finance needs of the country's growing population, particularly the socialized housing sector directed at the lower income brackets of the society. Increasing the savings rate will also improve the provident savings benefits of members upon retirement. The Php100 monthly contribution rate has already become insignificant particularly to the higher income professionals. In the case of government employees, the series of phased implementation of the salary standardization law has immensely increased the capacity for increased savings. The adjustments in income brackets for tax exemptions has also favored the higher income earners. Lately though, the modified provident savings program has been introduced lately to offer this upper income class the opportunity to keep their savings in a coffer that earns higher interests than what the banks can give.

The Pag-IBIG Fund should, however, develop a good communication plan for its advocacy. Resistance to salary deduction, no matter how small or insignificant, tends to be automatic and borders on the irrational. But Pag-IBIG Fund is a very good savings system and reason will be on its side.

b. Providing relief assistance to temporarily distressed low income borrowers

The Affordable Housing Loan Program should be studied in depth and evaluated. While the interest rates are lower and appear to match the capacity of low income members, there may be a need to install additional safety nets to assist temporarily distressed member borrowers and prevent delinquencies and foreclosures. Pag-IBIG Fund should consider a credit insurance pool, or arrange with the Home Guarantee Corporation (HGC), to provide temporary relief in amortization payments for distressed low income member. Such arrangement tends to protect both the Fund and the borrowers.

Pag-IBIG Fund may also opt to revisit the *Abot-Kaya Pabahay* Fund and explore how the National Government can set up a fund to provide temporary relief for distressed borrowers. Such fund may be administered by the HGC.

c. Indirect mode of supporting low income Fund members for their housing needs

Alternatively, as mentioned earlier, the Pag-IBIG Fund may shift its Affordable Housing Loan budget to the National Government (or even some local government units) in exchange for long-term risk-free bonds with yields that match its regular housing loan portfolio. The possible gradual increase in interest rates in the financial markets would tend to increase the interest subsidy given to the program. Investment in bonds dedicated for socialized housing will be advantageous to both the Pag-IBIG Fund and the National Government. Some of the advantages and benefits of this indirect mode of supporting low income housing are:

- i. Higher effective yield of the bond compared to the present interest rates of the Affordable Housing Program;
- ii. Totally risk-free as compared to direct lending;
- iii. Simplified Pag-IBIG investment and investment management; and,
- iv. Costs saving in administering the Affordable Housing Program together with all the burdens of managing a very large organization.

The mandate of the Pag-IBIG Fund is to raise long-term funds for housing finance, and it is not obligated to provide subsidies for low-income housing loans. Subsidy programs should be the function of National Government. On the part of the

government, a special series bond issuance impressed for Pag-IBIG Fund will enable the expansion of the socialized housing program without adding pressure to the regular T-notes auctions and the borrowing program of government. Pag-IBIG Fund does not need to trade these bonds in the financial markets so that there will be no adverse impact on the financial markets. However, implementing such improved, expanded and more responsive socialized housing program necessitates review and enhancement of the absorptive capacity and organizational capability of the government and its social housing agencies.

Future studies that may serve to validate and substantiate the findings of this current study are recommended as follows:

1. Countrywide inventory of unserved Informal Settler Families by location (e.g., danger areas, slum areas, government properties earmarked for future infrastructure development, private lands);
2. Further study on the preferences of households in matters of living arrangement (as influenced by financial capacity, as well as cultural and moral standards, among broader segments of the population especially among higher income households in the formal housing sector) as inputs in the refinement in the estimation of *housing needs* that considers the time lag in doubling up of households;
3. Review and assessment of the *public rental housing* taking the experience of Quezon City and Valenzuela City in the implementation of rental housing scheme on experimental basis;
4. Study which will test the hypothesis that the provision of ready-to-occupy industrial buildings within the resettlement sites is a sufficient incentive for establishments to locate and provide jobs for the relocatees;
5. Study on the current living arrangement and marital status within informal settlements and resettlement communities in relation to property rights and conjugal ownership;
6. Review and harmonization of all shelter and urban development policies, guidelines and standards at the national and local levels (particularly in highly urbanized LGUs);
7. Study on the feasibility of extending the assistance provided to other equally poor families who are in need of decent housing but not covered by specific resettlement projects of NHA and proposal for guidelines;
8. Study that will probe on the values attached to real property (land and housing) and validate the hypothesis that people, including the poor, are not so much

- interested in the house as a place to live in as they are in the titled property as a tradable asset;
9. Study on the effectiveness of the Community Initiative Approach as a way of not only ensuring that people's housing preferences are considered, but likewise their participation in community planning and development in their respective communities within the resettlement, and integration with the host community;
 10. Review of the different practices of the LGUs in dealing and/or coping with the problem of informal settlements, assessment of their effectiveness and efficiency to draw lessons towards the development and institutionalization of approaches in dealing with the problem;
 11. Study that will probe on the link between the developer's compliance on the Balanced Housing provision of UDHA and the housing stock, or the housing units produced under the NHA's resettlement projects (e.g., volume of housing units directly produced by the developers, built using the cash equivalent collected in lieu of housing units, etc.);
 12. Review of existing authorities, policies and practices of NHA as regards coordination with host LGUs in case of NHA-initiated relocation and resettlement;
 13. Review of current practices and policies on the assistance given to the receiving LGUs hosting a resettlement community towards developing a standard equitable approach that is fair to both the host and the sending LGUs;
 14. Review of the current and best practices on post-relocation estate management including those of NHA and socialized housing developers (e.g., PHINMA for Bistekville 2 of Quezon City, and LRB housing for resettled ISF communities from the Manggahan Floodway in Pasig City);
 15. Inventory of all CMPs in terms of occupancy rates, substitution rates and overall conditions of existing CMP communities in terms of infrastructure, as well economic and social services;
 16. Study on the existing resettlement and housing assistance programs solely being implemented by LGUs for possible harmonization and complementation with CMP, and towards developing alternative assistance programs of SHFC in partnership with LGUs for the unqualified informal settler families and communities;
 17. In-depth study on CMP cost recovery policies particularly those that impinge on the rights of the poorer members of the community association;

18. Probing or re-assessment of the implications of a 6% interest rate on CMP loans to the government's cost of borrowings reflected in the long term Treasury Bill notes;
19. Review of the various policies, processes and systems of SHFC such as the: (i) due diligence process, (ii) policy on appraisal and property value limits, and (iii) causes of delinquency and possible interventions to help keep up with amortization payments; and,
20. Assessment of the current credit policies of the Affordable Housing Loan Program, its coverage, the borrowers' profile and their coping mechanisms for loan repayment towards developing additional safety nets for temporarily distressed member borrowers and prevention of delinquencies and foreclosures.

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ANNEXES

ANNEX 1

OVERALL EVALUATION FRAMEWORK

Over-all Evaluation Framework (Matrix A)

PERIOD	CONTEXT					NSP IMPLEMENTATION (Inputs, Processes and Outputs)			EVALUATION CRITERIA & QUESTIONS			
	Political	Policy/ Planning	Economic	Environmental	Social	Housing Sector Outcome	Intermediate Outcomes	Impacts	Relevance	Efficiency	Effectiveness/Impacts	Sustainability
2001-2004						Access to decent shelter provided to bottom 40% of households	1. Efficiency of the housing market <u>improved</u>		1) To what extent were the intended outcomes of the shelter programs (RP, CMP and EFP) strategically aligned with the country's development priorities as articulated in the Philippine Constitution, Local Government Code, NUDHF, etc.? 2) Did the shelter programs (RP, CMP and EFP) take into consideration the articulated social needs of the targeted segments of the population? Supply- or demand-driven? 3) Were analyses of program implementation being carried out, and lessons learned being applied? Were program performance and success indicators and targets at various levels laid down well and lent themselves to measurement? 4) Were the financing schemes consistent with social equity objectives of each specific program (RP, CMP and EFP)?	1) How were the resources of the shelter programs (RP, CMP and EFP) used (i.e., program implementation, implementing entities' operations, etc.)? 2) How well have the shelter programs used the resources to achieve the intended outcomes (program's social benefits versus financial costs pertinent to government)? 3) What were the timing and other process issues encountered in the shelter program implementation?	1) Have the program goals and objectives (RP, CMP and EFP) been achieved? 2) What were the positive and negative, intended and unintended, direct and indirect, primary and secondary effects/impacts produced by the shelter programs (RP, CMP and EFP)? What were the immediate benefits and long-term outcomes or impacts to households, communities and institutions? 3) Have the programs (RP and CMP) made important contributions to the observed results or changes in the host communities (e.g., facilities, infrastructure and utilities, social services, peace and order, etc.) and vice versa? In what way?	1) What are the facilitating factors to be maintained and sustained, and the risk factors to be avoided or mitigated (e.g., political, economic, institutional, technical, social, environmental, etc.) in order to: (a) prolong the life of the programs (e.g., flow of resource inputs, qualified human resources, finance, equipment and other inputs, suitability of organizational arrangements and processes, governance structures, institutional incentives, and capacity to assume roles and mandates)? (b) ensure continuous access of program beneficiaries to program benefits (i.e., livelihood sources, facilities and services, and meaningful participation in public affairs, etc.)? 2) Are innovations and transformative effects being given attention (e.g., People's Planning versus Government-initiated resettlement)?
							2. A sustainable housing finance system <u>created</u>					
							3. Assistance and provision of security of tenure for informal sector <u>accelerated</u>					
							4. Housing loan <u>made available and affordable</u> to low-salaried members of the formal sector					
							5. Shelter delivery system and localization of housing and development efforts <u>strengthened</u>					
2004-2010						Jobs <u>generated</u> , shelter security of the different housing market segments <u>ensured</u> , and MDGs of improving the lives of slum dwellers <u>achieved</u>	1. Private sector participation in socialized housing finance and construction <u>expanded</u>					
							2. Housing requirements of the formal & informal sectors, particularly the socialized and low-cost housing categories <u>continuously addressed</u>					
							3. Institutional capacity of the housing agencies <u>strengthened</u>					
							4. Capacity of LGUs in urban development, planning, finance, implementation & management in the delivery of housing and urban services <u>enhanced</u>					
2010-2016						Access to secure shelter expanded	1. Mass housing programs with alternative housing technologies & approaches <u>accelerated</u> to ensure decent and affordable houses especially for the poor and marginalized					
							2. Basic infrastructure support (e.g., provision of potable water, safe & sufficient electricity, access to roads to the nearest commercial centers, ICT, etc.) <u>integrated</u> to resettlement sites and regional sustainable communities					
							3. Relocation and resettlement requirements of affected families <u>integrated</u> in all government infrastructure projects					
							4. A financing framework for relocation & resettlement, including workable PPP schemes for socialized housing, <u>developed</u>					
							5. LGU efforts to develop a system of land inventory to better identify areas for urban growth & planned areas for human settlements through their CLUPs <u>supported</u>					

Over-all Evaluation Framework (Matrix B)

KEY EVALUATION QUESTIONS	DATA/INFORMATION TO BE COLLECTED (Quantitative and Qualitative)	DATA SOURCES	DATA/INFO COLLECTION METHOD
Relevance Assessment			
1. To what extent were the intended outcomes of the shelter programs (RP, CMP and EFP) strategically aligned with the country's development priorities as articulated in the Philippine Constitution, Local Government Code, National Urban Development and Housing Framework (NUDHF), etc.?	Program Goals, Objectives, Targets and Strategies from 2000-2015 by period for each housing program; Different components under each program; Targets per component; Performance (achieved targets) per component; Distribution of households by income bracket (lowest 30%);	Policies and slogans of each administration (Estrada, Arroyo and Aquino); NUDHF 1999-2004 and 2009-2016; Family Income & Expenditure Survey; Official population projections 2000-2015 of PSA; Philippine Development Plan (2001-2004, 2004-2010, 2010-2016)	Desk Review
2. Did the shelter programs (RP, CMP and EFP) take into consideration the articulated social needs of the targeted segments of the population? Supply or demand driven?			
3. Were analyses of program implementation being carried out, and lessons learned being applied? Were program performance and success indicators and targets at various levels laid down well and lent themselves to measurement?	<u>Program Processes:</u> Monitoring and Evaluation System	NSP reports; Information generated through Key Informant Interviews	Desk Review; Key Informant Interviews with KSAs
4. Were the financing schemes consistent with social equity objectives of each specific program (RP, CMP and EFP)?	<u>Program Inputs and Processes:</u> Financial statement 2000-2105 of SHFC, PAG-IBIG (HDMF) and NHA Budget	Financial Reports of SHFC, Pag-IBIG (HDMF); NHA Budget	Desk Review; Key Informant Interviews
Efficiency Assessment			
1. How were the resources of the shelter programs (RP, CMP and EFP) used (i.e., program implementation, implementing entities' operations, etc.)?	<u>Program Inputs, Processes and Outputs:</u> (1) Resettlement Projects with NHA-LGU partnership and NHA projects only: loan amount, location, take-out date, number of beneficiary families, host LGU, sending LGU (2) Pag-IBIG Loans: Number of persons given loans, value of loans between 2000-2015; interest rate; classification of members (employed, government, self-employed); types/categories of loans and value of loans for each category; premium scheme; features of the housing unit	Financial Statements 2000-2015 of NHA, SHFC and HDMF/Pag-IBIG; Information provided by Key Informants and generated from the Household Survey; Any assessment conducted by HDMF/Pag-IBIG	Desk review; Key Informant Interviews; Household Survey Question (features of the housing unit; transport cost from house to various points of destination)
2. How well have the shelter programs used the resources to achieve the intended outcomes? * Program's social benefits vs. Financial costs pertinent to government (National Government and LGU)	<u>Program Inputs and Outcomes:</u> Estimate of outcomes/benefits for every 1 peso of cost to the Government (national and local); Costs incurred at all stages of shelter/housing programs (including LGU and in-kind)	Specific Housing Project Reports (NHA, SHFC and HDMF/Pag-IBIG); Information provided by Key Informants and generated from the Household Survey	Desk Review; Key Informant Interviews; Household Survey (benefits of housing to the beneficiary households, estimated rental value if the housing unit will be rented out)
3. What were the timing and other process issues encountered in the shelter program implementation?	<u>Program Inputs, Outputs and Processes:</u> Stages/Processes of Resettlement; payback rate; collection efficiency (SHFC); Collection Rate in CMP	Specific Housing Project Reports (NHA, SHFC and HDMF/Pag-IBIG); Information provided by Key Informants and generated from the Household Survey	Desk Review; Interviews with Pag-IBIG loan and CMP beneficiaries; Key Informant Interview with NHA, SHFC and HDMF/Pag-IBIG; Household Survey (households' experiences during resettlement stages/processes)
Effectiveness and Impact Assessment			
1. Have the program goals and objectives (RP, CMP and EFP) been achieved?	Goals, objectives and targets from 2000-2015; Achieved goals, objectives and targets from 2000-2015	Results Matrix (for indicators); NSP reports on performance and achievements (2000-2015)	Household Survey, Key Informant Interviews; Ocular Observation; Focus Group Discussions
2. What were the positive and negative, intended and unintended, direct and indirect, primary and secondary effects/impacts produced by the shelter programs (RP, CMP and EFP)? What were the immediate benefits and long-term outcomes or impacts to households, communities and institutions?	<u>Program Outcomes and Impacts:</u> Quantitative and Qualitative data (primary and secondary)	Results Matrix (for indicators); Collected primary (community, institutional and household levels) and secondary data (project-level reports)	Resettlement Program: Household Survey, Key Informant Interviews, Ocular Observation, and Focus Group Discussions CMP and EFP: Key Informant Interviews, Ocular Observation, Focus Group Discussions
3. Have the programs (RP and CMP) made important contributions to the observed results or changes in the host communities (e.g., facilities, infrastructure and utilities, social services, peace and order, etc.) and vice versa? In what way?	<u>Program Outcomes:</u> Primary qualitative data and secondary quantitative data; 2-way impacts (resettlement to host community and vice versa)	Results Matrix (for indicators); Collected primary (community, institutional and household levels) and secondary data (project-level reports)	Resettlement Program: Household Survey, Key Informant Interviews, Ocular Observation, and Focus Group Discussions CMP: Key Informant Interviews, Ocular Observation, Focus Group Discussions

KEY EVALUATION QUESTIONS	DATA/INFORMATION TO BE COLLECTED (Quantitative and Qualitative)	DATA SOURCES	DATA/INFO COLLECTION METHOD
Sustainability Assessment			
1. What are the facilitating factors to be maintained and sustained, and the risk factors to be avoided or mitigated (e.g., political, economic, institutional, technical, social, environmental, etc.) in order to:			
a) Prolong the life of the programs (e.g., flow of resource inputs, qualified human resources, finance, equipment and other inputs, suitability of organizational arrangements and processes, governance structures, institutional incentives, and capacity to assume roles and mandates)?	<u>Program Processes</u> : Implementation issues from social preparation to estate management	Specific Project Reports and Case Studies; Information generated through Key Informant Interviews	Desk Review; Key Informant Interviews of KSAs
b) Ensure continuous access of program beneficiaries to program benefits (i.e., livelihood sources, facilities and services, and meaningful participation in public affairs, etc.)?	<u>Program Inputs, Processes, Outputs and Outcomes</u> : Sharing of resources between host LGU and/or sending LGU and resettled community; Resettled households' integration process in the host communities; benefits of the housing programs (RP and CMP)	Specific Project Reports and Case Studies; Information generated through Household Survey (benefits) and Key Informant Interviews	Key Informant Interviews; Household Survey and Key Informant Interviews (benefits, integration processes of the resettled households to the community life of the host LGU)
2. Are innovations and transformative effects being given attention (e.g., People's Planning versus Government-initiated resettlement)?	<u>Program Inputs and Processes</u> : Ability to respond to changing environment	Specific Project Reports and Case Studies (People's Planning projects), if any; Information generated through Key Informant Interviews	Key Informant Interviews (HUDCC, NHA, DILG, NGOs/POs involved in People's Planning); Review of Policy Paper on Integration of People's Planning into Local Development Planning

Annex 2

Theories of Change (ToC) Diagram of the Resettlement Program

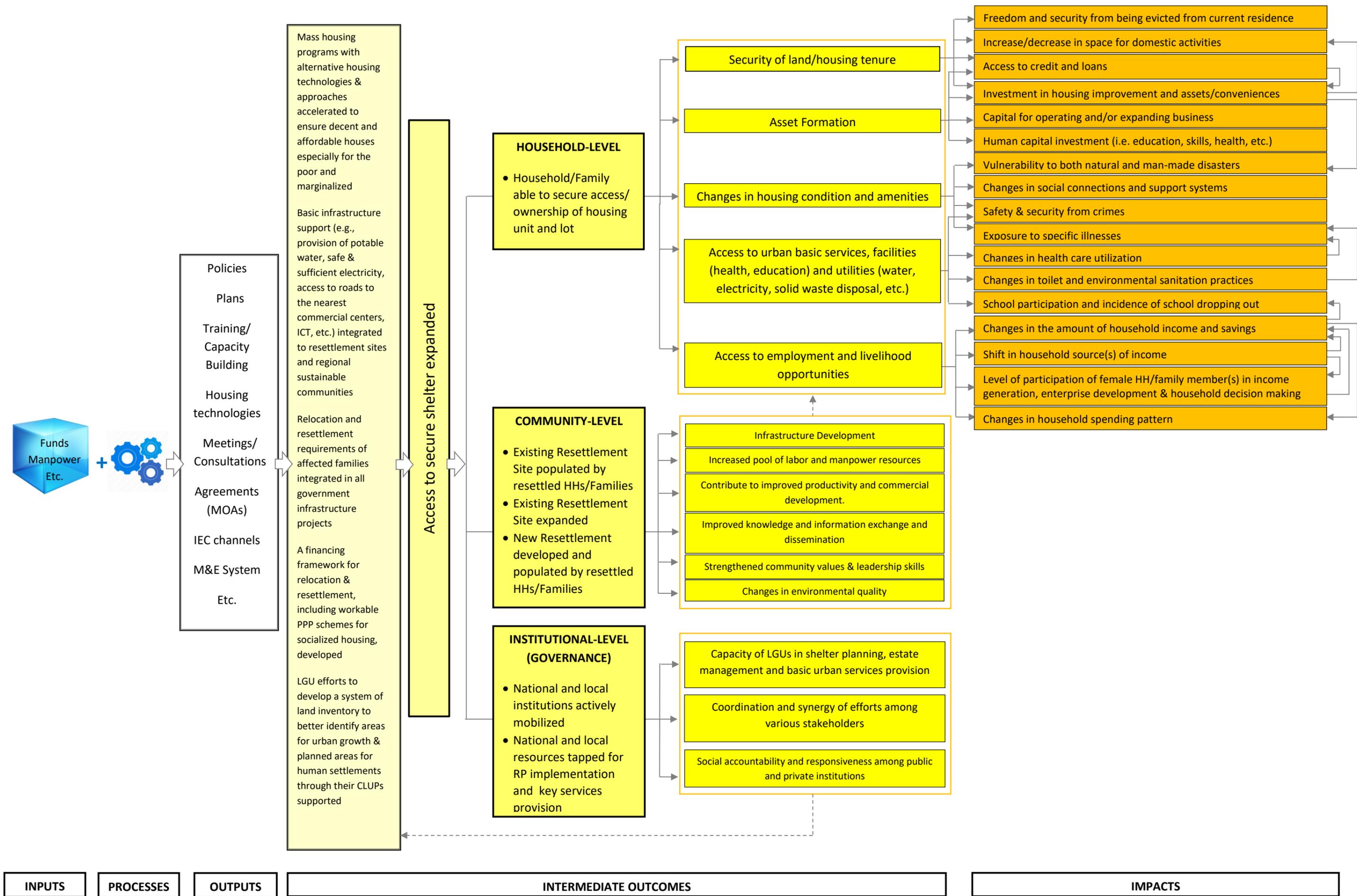


Figure 1. Theories of Change Diagram: Philippine Resettlement Program

Annex 3

Impact Evaluation Framework of the Resettlement Program

ANNEX 3. Impact Evaluation Framework: Philippine Resettlement Program

Program Elements	Indicators	Source of Data/Information	Means of Verification/Data Collection Methodology
A. Household Level			
IMPACT-1 Freedom and security from being evicted from current residence	Ownership of land and/or housing unit; Proof of ownership; Terms of Agreement on housing/lot amortization	Follow-up Survey (2017)	Review and generation of indicator values from household baseline survey data and conduct of follow-up survey (2017)
IMPACT-2 Potential to invest in housing improvement and assets/conveniences	Ownership of assets (e.g., appliances, furniture, etc.) before and after relocation; Willingness to access loan for home improvement and business ventures	Socio-economic Baseline Profile and Follow-up Survey (2017)	
IMPACT-3 Access to credit and loans	Loaning/Borrowing experience during the past year; types of credit/loan availed; purposes of loan/borrowing	Socio-economic Baseline Profile and Follow-up Survey (2017)	
IR4A.1 Security of land/housing tenure	Housing/Lot tenure of household/family before and after relocation	Socio-economic Baseline Profile and Follow-up Survey (2017)	
IMPACT-4 Capital for operating and/or expanding business	Monthly and accumulated savings; Assets	Socio-economic Baseline Profile and Follow-up Survey (2017)	
IMPACT-5 Human capital investment (i.e. education, skills, health, etc.)	Schooling of household members; investing in health, education, etc.	Socio-economic Baseline Profile and Follow-up Survey (2017)	
IR4A.2 Asset Formation	Accumulation of assets for further investment in business and human capital	Socio-economic Baseline Profile and Follow-up Survey (2017)	
IMPACT-6 Increase/Decrease in space for domestic activities	Lot size, floor area, and number of rooms of dwelling space before and after relocation	Socio-economic Baseline Profile and Follow-up Survey (2017)	Review and generation of indicator values from household baseline survey data and conduct follow-up survey (2017); Key Informant Interviews
IMPACT-7 Vulnerability to both natural and man-made disasters	Perception of safety with regards to house location and condition of structure during earthquake and flooding; types of housing materials used; experiences of calamities; coping mechanisms to disasters	Socio-economic Baseline Profile and Follow-up Survey (2017)	

Program Elements	Indicators	Source of Data/Information	Means of Verification/Data Collection Methodology
IMPACT-8 Changes in social connections and support systems	Household composition, proximity of residence to relatives and friends, sources of support, experience of discrimination, membership in community organizations before & after relocation	Socio-economic Baseline Profile and Follow-up Survey (2017); Qualitative information from key informants	
IR4A.2 Improved housing condition and amenities	Location of housing unit; Quality of housing materials (roofs, walls, flooring); Floor area of housing unit; Number of rooms in the housing unit; Available amenities in the housing units	Socio-economic Baseline Profile and Follow-up Survey (2017); Ocular inspection of housing unit and vicinities; Beneficiary assessment of own units	Review and generation of indicator values from household baseline survey data and conduct of follow-up survey (2017); Key Informant Interviews
IMPACT-9 Exposure to specific illnesses of household/family members	Illnesses experienced during rainy and dry season before and after relocation	Socio-economic Baseline Profile and Follow-up Survey (2017)	Review and generation of indicator values from household baseline survey data and conduct of follow-up survey (2017)
IMPACT-10 Changes in health care utilization of household members	Government health programs and services that household/family member(s) availed/received	Socio-economic Baseline Profile and Follow-up Survey (2017)	
IMPACT-11 Changes in toilet and environmental sanitation practices	Type of toilet facilities used by HH, source of water for domestic use, solid waste disposal practice before and after relocation	Socio-economic Baseline Profile and Follow-up Survey (2017)	
IMPACT-12 School participation and incidence of school dropping out	Enrolled number of HH/family members in elementary, high school and college levels, and location of school attended by HH member before and after relocation; Number of HH members who dropped out by reason	Socio-economic Baseline Profile and Follow-up Survey (2017)	

Program Elements		Indicators	Source of Data/Information	Means of Verification/Data Collection Methodology
IR4A.3	Increased access to urban basic services and facilities	Distance from residence (before and after relocation) to nearest market, public bus, utility jeeps and tricycle stations/stops, health center, day care center, elementary and high schools; Availability of safe water source for drinking, electricity/power, solid waste collection system in community of origin and destination	Socio-economic Baseline Profile and Follow-up Survey (2017); Observed conditions and existence of services/facilities/utilities in the resettlement site	Review and generation of indicator values from household baseline survey data and conduct of follow-up survey (2017); Key Informant Interviews; Ocular inspection
IMPACT-13	Shift in household's sources of income	Household's sources of income	Socio-economic Baseline Profile and Follow-up Survey (2017)	Review and generation of indicator values from household baseline survey data and conduct of follow-up survey (2017)
IMPACT-14	Potential in operating and/or expanding small business	Business ownership/ operation, type of business, current amount of capital, business assets owned, monthly income generated from business before and after relocation	Socio-economic Baseline Profile and Follow-up Survey (2017)	
IMPACT-15	Changes in the amount of HH income and savings	Household income by source and savings) before and after relocation	Socio-economic Baseline Profile and Follow-up Survey (2017)	
IMPACT-16	Level of participation of female HH member(s) in income generation and enterprise development	Main activities of female HH/family members, type of employment and income before and after relocation, reasons for being unemployed or out-of-job	Socio-economic Baseline Profile and Follow-up Survey (2017)	
IMPACT-17	Changes in household spending pattern	Monthly expenditures on common household expense items (food, transport, utilities) before and after relocation	Socio-economic Baseline Profile and Follow-up Survey (2017)	
IR4A.4	Increased access to employment and livelihood opportunities	Main activities of household/family members, type of employment and income before and after relocation, reasons for being unemployed or out-of-job	Socio-economic Baseline Profile and Follow-up Survey (2017)	Review and generation of indicator values from HH baseline survey data and conduct of follow-up survey (2017)
IR3-A	Households able to secure access to or ownership of housing unit and/or lot	Number of households/families given housing benefits	Listing of housing beneficiary households/ families and basic profile	Desk review of NHA records

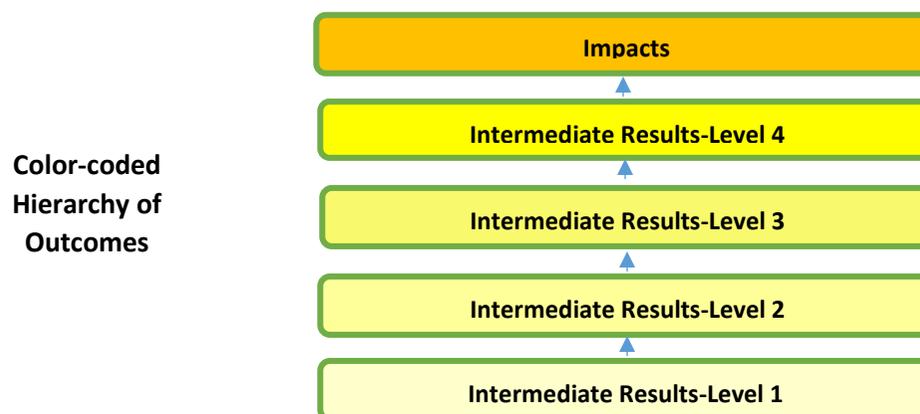
Program Elements	Indicators	Source of Data/Information	Means of Verification/Data Collection Methodology
B. Community Level			
IR4B.1 Infrastructure Development	Types of infrastructure facilities developed (transport systems, waste mgt. facility, drainage, market, etc.) and built to cater to the needs of the resettlement community, utilization and benefits among the resettled families and the host communities	LGU/Community profiles	Desk review; Key Informant Interviews (local planning officers, homeowners' association officials, Barangay Chairpersons)
IR4B.2 Increased pool of labor and manpower resources	Population trends (2000-2015): Persons 15-64 years old by sex; Labor Force Participation Rate; Percent of labor force who are employed/ underemployed	LGU/Community profiles; Community-based Monitoring System (CBMS) report, if available	Desk review of labor/ employment statistics, CBMS data; Key Informant Interviews (Public Employment Service Office, local planning office)
IR4B.3 Increased contribution to local productivity and commercial development	Volume of goods produced and total receipts from products (if available); Number of commercial and business establishments, small and medium scale industries, etc. (annual trends, 2000-2015)	LGU/Community profiles; LGU/census records	Desk review of LGU records and census data/reports
IR4B.4 Improved knowledge and information exchange/ dissemination	Knowledge about existence/purpose of resettlement program among original residents of host community; Information materials on resettlement and available/ required services	Residents of host communities, LGU staff, businessmen and service providers	Key Informant interviews
IR4B.5 Strengthened community values and leadership skills	Cooperation and community spirit, discipline and sense of responsibility manifested by the following: Community organizations formed among residents of host community and nature of projects; Annual crime statistics during the last 15 years in the host communities/LGUs; Number of crime victims	Registry of local community organizations and cooperatives; LGU Protective Services (Local Police Department); Barangay Peace and Security Office (BPSO); CBMS Report, if available	Desk review of listing and reports of local organizations and cooperatives; Police reports and CBMS report; Key informant interviews (organization/coop leaders, local police officers, Barangay officials and Tanods)

Program Elements	Indicators	Source of Data/Information	Means of Verification/Data Collection Methodology
<p>IR4B.6 Changes in environmental quality</p>	<p>Quality Indicators for air, water (surface, ground, natural waterways) and soil before and after establishment/filling-up of resettlement sites which include: Total Suspended Particulates (TSP), Total Suspended Solids (TSS), presence of E-Coli, and presence of soil contaminants. Incidence of various respiratory and pollution- related illnesses in the host communities (e.g., bronchitis, tuberculosis, diarrhea, skin diseases, dengue, etc.) before and after establishment of resettlement sites</p>	<p>Environmental Management Bureau (EMB-DENR); LGU Health and Environmental Management Offices</p>	<p>Desk review of DENR-EMB, LGU FSHIS Reports and LGU’s environmental health reports; Key Informant Interviews (LGU health and environmental management officers)</p>
<p>IR3-B Existing Resettlement Site populated by resettled HHs/Families; Existing Resettlement Site expanded; New resettlement sites developed and populated by resettled households/families</p>	<p>Number of informal settler families occupying resettlement sites/projects; Land area allocated and developed for resettlement (socialized and low-cost housing); Number and percentage of relocated informal settler families still occupying the housing units awarded through the resettlement project</p>	<p>HUDCC/NHA reports on resettlement projects; LGU’s shelter plans and reports; Verification of occupancy of housing units during the household follow-up survey</p>	<p>Desk review of HUDCC/NHA/LGU records/reports; Conduct of Household Follow-up Survey; Ocular inspection of resettlement sites</p>

Program Elements	Indicators	Source of Data/Information	Means of Verification/Data Collection Methodology
C. Institutional Level (Governance)			
IR4C.1 Enhanced capacity of LGUs in shelter planning, estate management and basic urban services provision	Formation of local housing committee/board; LGU allocation for provision of various services/utilities/assistance to resettled families; LGU staff trained on shelter planning, estate management and basic urban services provision; IEC dissemination and guidance provision among resettled families about the local ordinances/policies	Various LGU departments; Barangay officials; Homeowners' Associations in the resettlement sites	Desk review of LGU records and Key informant interviews (Local planning office and other LGU departments)
IR4C.2 Improved coordination and synergy of efforts among various public & private stakeholders	Partnership among LGUs, NGOs, business sector, religious and civic groups and other stakeholders in the provision of services & assistance to resettled families; Coordination activities among agencies in the monitoring of project implementation; Amortization collection efficiency	Local NHA offices, Local executives, LGU department heads, business sector, NGOs and civic groups	Key informant interviews (local NHA offices, local executives, representatives of business sector, NGOs and civic groups)
IR4C.3 Increased social accountability & responsiveness among local public & private institutions	Programs, projects and services provided to resettled families by local public and private institutions	Local executives, LGU department heads, business sector, NGOs and civic groups	Key informant interviews; Desk review of reports available reports
IR3-C National/Local institutions actively mobilized during program implementation at the resettlement site National/Local resources tapped for RP implementation and key services provision at the resettlement site	Tasks performed by various national and local institutions in the resettlement project implementation; Nature and costs of facilities and services provided by various institutions, organizations and volunteer groups for the resettlement site/project	HUDCC/NHA reports; various records/reports of participating agencies and volunteer groups	Desk review; Key Informant Interviews (public/private national and local institutions, organizations and volunteer groups)

Program Elements	Indicators		Source of Data/Information	Means of Verification/Data Collection Methodology
IR2 ACCESS TO SECURE SHELTER EXPANDED	Percentage of housing targets met; Share of socialized housing to housing target improved		Housing Reports of HUDCC and Key Shelter Agencies (KSAs)	Desk review; Key Informant Interviews (HUDCC and KSA officials and technical staff)
IR1.1	Mass housing programs with alternative housing technologies & approaches <u>accelerated</u> to ensure decent and affordable houses especially for the poor and marginalized			
IR1.2	Basic infrastructure support (e.g., provision of potable water, safe & sufficient electricity, access to roads to the nearest commercial centers, ICT, etc.) <u>integrated</u> to resettlement sites and regional sustainable communities			
IR1.3	Relocation and resettlement requirements of affected families <u>integrated</u> in all government infrastructure projects			
IR1.4	A financing framework for relocation & resettlement, including workable PPP schemes for socialized housing, <u>developed</u>			
IR1.5	LGU efforts to develop a system of land inventory to better identify areas for urban growth & planned areas for human settlements through their CLUPs <u>supported</u>			
OUTPUTS:	Policies Plans	Agreements (MOAs) Housing Inventory Reports	Housing technologies/modalities Training/Capacity Building Programs	IEC channels/medium of dissemination Monitoring & Evaluation System
INPUTS & PROCESSES:	Funds Manpower	Planning Management	Coordination and networking Meetings and consultations	Researches Etc.

Note: Theories of Change (ToC), as shown in Figure 1 is the first step towards the preparation of this Impact Evaluation Framework. Determination of outcomes and impacts of the Resettlement Program is based on the Results Matrix of the Philippine Development Plan, 2011-2016 (Social Development).



Annex 4

Draft Proposed Monitoring and Evaluation Framework for the National Shelter Program

ANNEX 4

DRAFT PROPOSED MONITORING AND EVALUATION FRAMEWORK FOR THE NATIONAL SHELTER PROGRAM

INDICATORS	DEFINITION How is it calculated?	BASELINE What is the current number/value?	TARGET What is the target number/value?	DATA SOURCE How will it be measured?	FREQUENCY How often will it be measured?	RESPON-SIBLE PARTY Who will measure it?	REPORTING To whom or where will it be reported?		
GOAL	Access to affordable, adequate, safe and secure shelter in well-planned communities expanded								
OUTCOMES: Beneficiary Household Level	Freedom and security from being evicted from current residence	Ownership of land and/or housing unit; Proof of ownership; Terms of Agreement on housing/lot amortization	Number of housing beneficiary households by type of proof of ownership document and Terms of Agreement on housing/lot amortization Number of housing beneficiary households verified to be occupying the awarded housing units			Resettlement Project Reports (Listing of Housing Beneficiaries) Verification of occupancy of housing units during the household follow-up survey and monthly random spot-checking	Baseline – immediately after relocation Follow-up – after 3 years of relocation	NHA-RDSD and NHA Project Managers for baseline HUDCC for follow-up studies	NEDA-SDS
	Potential to invest in housing improvement and assets/conveniences	Ownership of assets (e.g., appliances, furniture, etc.) before and after relocation; Willingness to access loan for home improvement and business ventures	Number of housing beneficiary households who owned various assets Number of housing beneficiaries willing to access loan for home improvement and business ventures			Household Survey (Baseline and Follow-up)	Baseline – immediately after relocation Follow-up – after 3 years of relocation	NHA-RDSD and NHA Project Managers for baseline HUDCC for follow-up studies	NEDA-SDS

	INDICATORS	DEFINITION How is it calculated?	BASELINE What is the current number/ value?	TARGET What is the target number/ value?	DATA SOURCE How will it be measured?	FREQUENCY How often will it be measured?	RESPON-SIBLE PARTY Who will measure it?	REPORTING To whom or where will it be reported?
	Access to credit and loans	Loan/Borrowing experience during the past year; types of credit/loan availed; purposes of loan/borrowing	Number of housing beneficiary households who have borrowed money or availed of loan during the past year by type and purpose of loan		Household Survey (Baseline and Follow-up)	Baseline – immediately after relocation Follow-up – after 3 years of relocation	NHA-RDSD and NHA Project Managers for baseline HUDCC for follow-up studies	NEDA-SDS
	Capital for operating and/or expanding business	Monthly and accumulated savings; Assets			Household Survey (Baseline and Follow-up)	Baseline – immediately after relocation Follow-up – after 3 years of relocation	NHA-RDSD and NHA Project Managers for baseline HUDCC for follow-up studies	NEDA-SDS
	Human capital investment (i.e. education, skills, health, etc.)	Schooling of household members; investing in health, education, etc.			Household Survey (Baseline and Follow-up)	Baseline – immediately after relocation Follow-up – after 3 years of relocation	NHA-RDSD and NHA Project Managers for baseline HUDCC for follow-up studies	NEDA-SDS
	Increase/ Decrease in space for domestic activities	Lot size, floor area, and number of rooms of dwelling space before and after relocation			Household Survey (Baseline and Follow-up)	Baseline – immediately after relocation Follow-up – after 3 years of relocation	NHA-RDSD/ NHA Project Managers for baseline; HUDCC for follow-up studies	NEDA-SDS

	INDICATORS	DEFINITION How is it calculated?	BASELINE What is the current number/ value?	TARGET What is the target number/ value?	DATA SOURCE How will it be measured?	FREQUENCY How often will it be measured?	RESPON-SIBLE PARTY Who will measure it?	REPORTING To whom or where will it be reported?
	Vulnerability to both natural and man-made disasters	Perception of safety with regards to house location and condition of structure during earthquake and flooding; types of housing materials used; experiences of calamities; coping mechanisms to disasters			Household Survey (Baseline and Follow-up)	Baseline – immediately after relocation Follow-up – after 3 years of relocation	NHA-RDSD and NHA Project Managers for baseline HUDCC for follow-up studies	NEDA-SDS
	Changes in social connections and support systems	Household composition, proximity of residence to relatives and friends, sources of support, experience of discrimination, membership in community org before & after relocation			Household Survey (Baseline and Follow-up)	Baseline – immediately after relocation Follow-up – after 3 years of relocation	NHA-RDSD and NHA Project Managers for baseline HUDCC for follow-up studies	NEDA-SDS
	Exposure to specific illnesses of household members	Illnesses experienced during rainy and dry season before and after relocation			Household Survey (Baseline and Follow-up)	Baseline – immediately after relocation Follow-up – after 3 years of relocation	NHA-RDSD and NHA Project Managers for baseline HUDCC for follow-up studies	NEDA-SDS
	Changes in health care utilization of household members	Government health programs and services that household/family member(s) availed/received			Household Survey (Baseline and Follow-up)	Baseline – immediately after relocation	NHA-RDSD and NHA Project Managers for baseline; HUDCC for	NEDA-SDS

	INDICATORS	DEFINITION How is it calculated?	BASELINE What is the current number/ value?	TARGET What is the target number/ value?	DATA SOURCE How will it be measured?	FREQUENCY How often will it be measured?	RESPON-SIBLE PARTY Who will measure it?	REPORTING To whom or where will it be reported?
						Follow-up – after 3 years of relocation	follow-up studies	
	Changes in toilet and environmental sanitation practices	Type of toilet facilities used by HH, source of water for domestic use, solid waste disposal practice before and after relocation			Household Survey (Baseline and Follow-up)	Baseline – immediately after relocation Follow-up – after 3 years of relocation	NHA-RDSD and NHA Project Managers for baseline; HUDCC for follow-up studies	NEDA-SDS
	School participation and incidence of school dropping out	Enrolled # of HH members in elementary, high school and college levels, location of school attended by HH member before and after relocation; # of HH members who dropped out by reason			Household Survey (Baseline and Follow-up)	Baseline – immediately after relocation Follow-up – after 3 years of relocation	NHA-RDSD and NHA Project Managers for baseline; HUDCC for follow-up studies	NEDA-SDS
	Shift in household's sources of income	Household's sources of income			Household Survey (Baseline and Follow-up)	Baseline – immediately after relocation Follow-up – after 3 years of relocation	NHA-RDSD and NHA Project Managers for baseline HUDCC for follow-up studies	NEDA-SDS
	Potential in operating and/or expanding small business	Business ownership/ operation, type of business, current amount of capital, business assets owned,			Household Survey (Baseline and Follow-up)	Baseline – immediately after relocation	NHA-RDSD and NHA Project Managers for baseline	NEDA-SDS

	INDICATORS	DEFINITION How is it calculated?	BASELINE What is the current number/ value?	TARGET What is the target number/ value?	DATA SOURCE How will it be measured?	FREQUENCY How often will it be measured?	RESPONSIBLE PARTY Who will measure it?	REPORTING To whom or where will it be reported?
		monthly income generated from business before and after relocation				Follow-up – after 3 years of relocation	HUDCC for follow-up studies	
	Changes in the amount of HH income and savings	Household income by source and savings) before and after relocation			Household Survey (Baseline and Follow-up)	Baseline – immediately after relocation Follow-up – after 3 years of relocation	NHA-RDSD and NHA Project Managers for baseline HUDCC for follow-up studies	NEDA-SDS
	Level of participation of female HH member(s) in income generation and enterprise development	Main activities of female HH/family members, type of employment and income before and after relocation, reasons for being unemployed or out-of-job			Household Survey (Baseline and Follow-up)	Baseline – immediately after relocation Follow-up – after 3 years of relocation	NHA-RDSD and NHA Project Managers for baseline HUDCC for follow-up studies	NEDA-SDS
	Changes in household spending pattern	Monthly expenditures on common household expense items (food, transport, utilities) before and after relocation			Household Survey (Baseline and Follow-up)	Baseline – immediately after relocation Follow-up – after 3 years of relocation	NHA-RDSD and NHA Project Managers for baseline HUDCC for follow-up studies	NEDA-SDS
	Increased access to employment	Main activities of household/family members, type of employment and income			Household Survey (Baseline and Follow-up)	Baseline – immediately after relocation	NHA-RDSD and NHA Project Managers	NEDA-SDS

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	and livelihood opportunities	before and after relocation, reasons for being unemployed or out-of-job					Follow-up – after 3 years of relocation	for baseline HUDCC for follow-up studies	
OUTCOMES: Community-level	Infrastructure Development	Types of infrastructure facilities developed (transport systems, waste mgt. facility, drainage, market, etc.) and built to cater to the needs of the resettlement community, utilization and benefits among the resettled families and the host communities				Review of LGU/ Community profiles; Key informant interviews with LGU officials and senior staff	Baseline – immediately after relocation Follow-up – after 3 years of relocation	NHA Project Managers; Local SHFC office	NHA, SHFC, HUDCC
	Increased pool of labor and manpower resources	Population trends: Persons 15-64 years old by sex; labor force participation rate; Percent of labor force who are employed/ underemployed				Review of LGU/ Community profiles; CBMS report, if available	Baseline – immediately after relocation Follow-up – every year	NHA Project Managers; Local SHFC office	NHA, SHFC, HUDCC
	Increased contribution to local productivity and commercial development	Volume of goods produced and total receipts from products (if available); Number of commercial and business establishments, small and medium scale industries, etc. (annual trends)				Review of LGU/ Community profiles; LGU/census records; Key informant interviews with LGU officials and senior staff	Baseline – immediately after relocation Follow-up – every year	NHA Project Managers; Local SHFC office	NHA, SHFC, HUDCC

	INDICATORS	DEFINITION How is it calculated?	BASELINE What is the current number/ value?	TARGET What is the target number/ value?	DATA SOURCE How will it be measured?	FREQUENCY How often will it be measured?	RESPON-SIBLE PARTY Who will measure it?	REPORTING To whom or where will it be reported?
	Improved knowledge and information exchange/ dissemination	Knowledge about existence/purpose of resettlement program among original residents of host community; Information materials on resettlement and available/ required services			Key Informant Interviews with residents of host communities, Barangay LGU staff, businessmen and service providers	Baseline – immediately after relocation Follow-up – every year	NHA Project Managers; Local SHFC office	NHA, SHFC, HUDCC
	Strengthened community values and leadership skills	Cooperation and community spirit, discipline and sense of responsibility manifested by the following: Community organizations formed among residents of host community and nature of projects; Annual crime statistics in the host communities/ LGUs; Number of crime victims			Review of registry of local community organizations and cooperatives; LGU Protective Services (Local Police Department); Barangay Peace and Security Office (BPSO); CBMS Report, if available	Baseline – immediately after relocation Follow-up – every year	NHA Project Managers; Local SHFC office	NHA, SHFC, HUDCC
	Changes in environmental quality	Quality Indicators for air, water (surface, ground, natural waterways) and soil such as Total Suspended Particulates (TSP), Total Suspended Solids (TSS), presence of			Review of records; request for regular air and water quality testing Environmental Management	Baseline – immediately after relocation Follow-up – every year	NHA Project Managers; Local SHFC office	NHA, SHFC, HUDCC

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		E-Coli, and presence of soil contaminants Incidence of various respiratory and pollution- related illnesses in the host communities (e.g., bronchitis, TB, diarrhea, skin diseases, dengue, etc.)				Bureau (EMB-DENR); LGU Health and Environmental Management Offices			
OUTCOMES: Institutional-level	Enhanced capacity of LGUs in shelter planning, estate management and basic urban services provision	Local Shelter Plan (LSP) formulated by LGU; Integration/ Mainstreaming of Shelter Plan into CLUP, CDP, LDIP, ELA and AIP and other local plans Formation of local housing committee/ board; LGU allocation for provision of various services/ utilities/assistance to resettled families; LGU staff trained on shelter planning, estate management and basic urban services provision; IEC dissemination and guidance provision among resettled families about the local ordinances/ policies				Review of local plans including LSP, CLUP, CDP, ELA, AIP, etc.; Key informant interviews/Records review Various LGU departments; Barangay officials; Homeowners' Associations in the resettlement sites	Baseline – during the resettlement planning stage Follow-up – every year	NHA Project Managers; Local SHFC office	NHA, SHFC, HLURB, HUDCC

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	Improved coordination and synergy of efforts among various public & private stakeholders	Partnership among LGUs, NGOs, business sector, religious and civic groups and other stakeholders in the provision of services/assistance to resettled families; Coordination activities among agencies in the monitoring of project implementation; Amortization collection efficiency			Key informant interviews/Focus Group Discussions Local NHA offices, Local executives, LGU department heads, business sector, NGOs and civic groups	Baseline – during the resettlement planning stage or immediately after relocation Follow-up – every year	NHA Project Managers; Local SHFC office	NHA, SHFC, HUDCC
	Increased financial capability of LGUs in the provision of social services	Trend in local government revenues (e.g., total revenues, commercial business taxes, public market rentals/taxes, etc.			Records review Of LGU revenues	Baseline: right after relocation Follow-up: Yearly	NHA Project Managers; Local SHFC office	NHA, SHFC, HUDCC
	Increased social accountability & responsiveness among local public & private institutions	Programs, projects and services provided to resettled families by local public and private institutions			Records review; Key informant interviews of Local executives, LGU department heads, business sector, NGOs and civic groups	Baseline – during the resettlement planning stage or immediately after relocation Follow-up – every year	NHA Project Managers Local SHFC office	NHA, SHFC, HUDCC

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OUTPUTS	Number of households assisted under the NSP	Number of households provided housing thru RP, CMP, and socialized/ economic housing loans	<ul style="list-style-type: none"> Number of households resettled Number of CMP take outs and number of Community Association beneficiary members Housing loans take outs for: (i) purchase of residential lots, (ii) purchase of lots, (iii) construction or completion of residential units, and (iv) purchase of newly constructed or existing residential units 			Review of Local NHA/SHFC/ LGU offices' Accomplishment Reports (by RP project/ CMP), HDMF Housing Loan take outs, and housing projects of NGOs and other institutions	Quarterly and Annual	NHA Project Managers, SHFC, LGUs, HDMF, NGOs	NHA-CPO, HUDCC, NEDA-SDS
		Number of housing beneficiaries provided with skills training and employment/ livelihood	<ul style="list-style-type: none"> Number of housing beneficiaries trained by type of skills Number of housing beneficiaries given jobs 			Review of livelihood training/ project reports by RP Follow-up interviews with livelihood training/	Quarterly and Annual	NHA Project Managers, SHFC, DSWD, LGUs, HDMF, NGOs	NHA, HUDCC, NEDA-SDS

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			<ul style="list-style-type: none"> Number of housing beneficiaries given start-up capital 			project and employed beneficiaries under the program			
	Accessibility and affordability of housing units	Affordability and housing preferences of potential housing beneficiaries	<ul style="list-style-type: none"> Number of potential housing beneficiaries by preferred location (in-city, near-city or off-city) and type of housing unit Number of potential beneficiaries according to income level, sources, and regularity 			Census/Listing of potential housing beneficiaries before relocation	During social preparation stage of resettlement	NHA-RDSD, NHA Project Managers	HUDCC
	Compliance of private developers to the Balanced Housing provision	Number of socialized housing units built; Number of units sold by price; number and size of land parcels provided for RP and CMP projects; length of ROWs or access to roads or public transportation lines provided to RP and CMP projects; provision or upgrading of amenities, facilities or any other				Collection and review of private developers' reports	Annual	HLURB	HUDCC, NEDA-SDS

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		development in an existing RP and CMP project							
	Reliable poverty database system established and maintained as basis for identifying housing beneficiaries	Listing of households by name of HH head, income levels and sources, assets, housing conditions, tenorial status (owner, renter, etc.) in each identified danger areas, slum communities & identified public and private properties for development	Number and proportion			Listing and census of potential housing beneficiaries in all danger areas, slum communities & identified public/ private properties for development	HH listing and census every 3 years	NHA-RDSD, NAPC, PCUP, LGUs	HUDCC, NEDA-SDS
	Common framework for resettlement approaches, housing packages & entitlement developed/ reviewed regularly		Existence; Qualitative review/ assessment				Annual review and monitoring	HUDCC, NHA, SHFC, HDMF, DSWD, PCUP	NEDA-SDS
	LGUs encouraged/ capacitated in performing their roles in shelter through a					NHA, SHFC and concerned LGUs	Annual review and monitoring	NHA, SHFC	HUDCC, NEDA-SDS

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	system of incentives							
	Public-private partnership strategies developed as a key strategy to shelter provision	Existence of a PPP framework in resettlement/CMP projects: Number/location of specific PPP projects in housing			NHA, SHFC and concerned LGUs	Annual review and monitoring	NHA, SHFC	HUDCC, NEDA-SDS
	Financial health of state-owned housing finance institutions maintained	Institutions' financial assets and liabilities (annual trend)			NHA, SHFC and HDMF	Annual review and monitoring	NHA, SHFC and HDMF	HUDCC, NEDA-SDS
	Entry of housing microfinance institutions, including foreign-based micro-finance encouraged	Number of housing microfinance institutions, including foreign-based micro-finance, providing financial assistance in housing and livelihood			NHA, SHFC and concerned LGUs	Annual review and monitoring	NHA, SHFC and concerned LGUs	HUDCC, NEDA-SDS
	Community and livelihood development programs improved and expanded	Existence of the program, nature of strategies, sources and availability of funds, responsible/ accountable organizations			NHA, SHFC and concerned LGUs	Annual review and monitoring	NHA, SHFC	HUDCC, NEDA-SDS

Reference for OUTPUTS: Reforming Housing for the Poor in the Philippines, 27 March 2010, Ballesteros, PIDS

OUTCOMES: Impact Evaluation Framework for Resettlement Program, NSP Impact Assessment, October 2018, UP PLANADES.

GOAL: Philippine Development Plan, 2017-2022 (Figure 12. 1 Strategic Framework to Build Safe and Secure Communities, 2017-2022) Chapter 12 Building Safe and Secure Communities