

## ANNEX 22

### Detailed List of Lessons Learned

A summary of lessons learned are in Chapter 1 of the main PDD. This new annex provides a detailed list of local approaches on socialised housing, resettlement, and dealing with the political institutional dynamics.

**1. *The role of the local government is critical to building resilient communities. Strong support by local executives enables the impact of any development intervention to be transformative.***

- In Albay Province, located in the highly vulnerable Bicol Region, the provincial government institutionalized the Albay Public Safety and Emergency Management Office (APSEMO) in 1995. An exemplary community-based disaster risk management was implemented garnering them a Galing Pook award in 2008. APSEMO usedd what they termed as geostrategic intervention (GUICADALE). It identified communities and areas that were prone to disasters through risk mapping, and consequently identified safe areas. The program entails the relocation of 10,076 households in eight resettlement sites. It also involves the construction of a new airport and road network. Communities were involved in planning and implementation so the families willingly rendered labor as their counterpart in the construction of relocation homes. With the CLUP, Albay managed to integrate disaster preparedness with economic development and has enticed more entrepreneurs to invest in the area. To date, the spatial and economic development of the province is trending away from hazard-prone areas. Other local government units are constantly seeking technical assistance from Albay to replicate this program in their own areas.
- In Taguig City, the local government won a Galing Pook award in 2008 for its socialised housing program dubbed as *Condo Living for the Urban Poor*. The local government partnered with NGOs such as GK, Habitat for Humanity, and the Coalitions for the Homeless. The LGU provided the land through a usufruct arrangement which meant that ownership still rested with Taguig City but beneficiaries will have Condominium Certificates of Titles. This usufruct arrangement has brought down the costs of the housing. Beneficiaries need to amortise their housing units from SHFC and Pag-Ibig. Medium-Rise Buildings were constructed to “house more beneficiaries with one land title.”
- The city government of the country's highest income earner among LGUs, Quezon City, prepared a shelter development framework plan in 2001 leading to the creation of the Housing and Urban Renewal Authority (HURA), a public corporation. HURA was about facilitating urban renewal activities such as slum upgrading, construction of resettlement sites, and developing affordable socialised housing for informal settlers and other low-income families. The Quezon City local government subscribed Php400 million from HURA's authorized capitalization of Php 1 billion.

- Las Piñas City won the Galing Pook award in 2007 for its initiative to improve the living conditions of the City's informal settlers. It initiated its Land and Shelter for the Homeless Program. The Las Pinas city government elicited the participation of project beneficiaries in building a database for its urban poor population, developing and validating the list of beneficiaries, provided trainings and organized the beneficiaries for the housing program. The City government also helped the ISFs negotiate with private sector land owners for the acquisition of the squatted lands through the Community Mortgage Program. NGOs, private sector donors and volunteers worked alongside project beneficiaries to build the housing units. The Las Piñas housing program demonstrates how strong participatory local governance can make it work. To date Las Pinas City has provided safe and secure housing for 23,000 informal settler families.

***2. Look at informal settlers as part of the solution rather than just an urban development problem. Community consultations are often reduced to a formalistic process, disconnected from real decision making. Good programs insist on local governments recognising the urban citizenship of all residents.***

- Some level of resistance can be expected from the affected households of projects requiring relocation of households. In Colombo, Sri Lanka, a flood control and drainage improvement project showcased that investing in participatory resettlement results in less resistance and builds a strong cordial working relationship between the local authorities, donors, partner NGOs, and the affected families.<sup>1</sup> The success of the project's resettlement activities relied on the treatment of the affected persons as key stakeholders in the decision-making process especially on working out the entitlement package, time investment during preparatory phase for building goodwill and trust among the impacted populace, the use of an NGO for social marketing, and establishment of a grievance redress mechanism and Community Information Center to address complaints and queries about the project.
- In Naga City, under former Mayor Jessie Robredo, now DILG Secretary, it was compulsory to work with civil society organisations on the strength of a city ordinance mandating the creation of the Naga City People's Council composed of multi-sectoral representatives. The partnership has contributed to Naga's success in urban renewal. It engaged the informal settlers to solve their problems. The City Government was clear that first, the government will not help the urban poor unless they actively participate in solving their own problems. Second, ISFs must organize themselves into urban poor federations, settle their own boundary disputes among neighbors, negotiate with landowners, and make down payments for their home lots with the city as supporting agent. By institutionalizing a mechanism for settling land disputes between land owners and land occupants, elevating living conditions of the urban poor through on site area upgrading projects for blighted communities,

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<sup>1</sup> UN- HABITAT and JICA, 2009. Innovative Approaches for Involuntary Resettlement, Lunawa Environmental Improvement and Community Development Project, Ministry of Urban Development and Sacred Area Development, Democratic Socialist Republic of Sri Lanka.

establishing intra city relocation sites for difficult cases e.g victims involving eviction and demolition, and providing livelihood opportunities the Naga Kaantabay sa Kauswagan sa Kaunlaran was able to empower the urban poor.<sup>2</sup>

- The Tondo Foreshoreland upgrading was guided by the principles of “as is, where is” and “maximum retention and minimum displacement”.<sup>3</sup> The reblocking was carefully planned in order to cause minimal dislocation to existing houses in a given block and always done in close participation of the affected residents. Structures that had to be dismantled were reconstructed through “bayanihan” or community self-help. Footpaths and access roads were then constructed. No building materials assistance was provided from the government and the lots were sold to the residents at a very affordable amortization scheme.
- Beneficiaries of the Taguig City Townhomes Program are given a strong sense of pride and ownership over the housing program because of their sweat equity contribution and the minimal amortization that they are required to pay. It also revives the traditional Filipino “bayanihan” culture wherein beneficiaries work together not just to build the housing structures but also collaborate towards creating a safer and more cohesive community. The GK-Pinagsama community in Western Bicutan, Taguig was one of the pilot projects of the City’s social housing program. It has provided homes to 118 former informal settler families and has attracted support from the Global Partnership for Output Based Aid (GPOBA) global fund. The GPOBA through Manila Water Company help connect less privileged and low-income households to basic water and sanitation facilities. The integration of the two programs has effectively ensured that the poor receiving housing development can also access basic WATSAN services.
- In India following the 2004 tsunami, the selection of the relocation site underwent several negotiations with the community. There were delays due but it ensured that beneficiaries were satisfied with their decisions.
- NGO-led programs highlight the need for ‘social sustainability’ by introducing clear policies on non-payment of amortization, community-based estate management, and values formation. For instance, Habitat for Humanity projects views communities as partners and not as beneficiaries per se. This has worked well in Taguig City. Gawad Kalinga, is funded through contributions from national/donor governments, private firms and individuals. GK funds construction materials while beneficiaries provide sweat-equity to build their houses and those of their neighbours. Professionals, like architects and engineers volunteer their

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<sup>2</sup> <http://www.galingpook.org/awardees/1994>

<sup>3</sup> The largest slum colony in Asia during the “70s. It was also the first ISFs’ settlement where the first on-site development and in-city relocation was implemented as a result of strong socio-political pressures from the peoples’ organization (PO). The PO’s demand for an on-site development and in-city relocation gained multi-sectoral support from local and international groups, including international funding agencies.

services. Target beneficiaries tend to be the poorest of the poor since houses are given for free.

- In Muntinlupa, southwestern part of Metro Manila, the Muntinlupa Development Foundation, an NGO working on behalf of the urban poor in Muntinlupa works with SHoPCom, a multisectoral organization created by the Mayor in 2001 to help the local government address the housing needs of Muntinlupa's urban poor. Resettled families were mostly from danger areas particularly those living along the railroad tracks. SHoPCom established a cooperative relationship among the City government, NGOs, and people's organizations in both sending and receiving municipalities to avoid dislocation among settlers. The project has also provided livelihood opportunities, including access to their jobs in the city, new job opportunities at the relocation site, and access to credit. Muntinlupa Development Foundation in partnership with Muntinlupa City's Socialized Housing Program Committee (SHoPCom), provided bridge financing for off-site land purchase under the Government's Community Mortgage Program for the affected families and basic services such as water supply, sanitation and roads.<sup>4</sup>
- A settlement in transformation might manifest slumlike conditions but it is on an upward trajectory, where communities are organised and working in partnership with local government to maximise the value of the limited resources available. – A key lesson in monitoring and evaluation – indicators should not always be about the construction of homes but also on how the communities are empowered.

### **3. Favor in-city relocation**

- The Cities Alliance notes that relocating the poor to the urban periphery (out-city) destroys livelihoods, embitters residents, and merely displaces the problem.
- One of the biggest relocation programs in the Philippines was the North and South Rail Resettlement Program undertaken by the previous administration. Relocation was done to make way for the Rail Linkage Project that would revive the rail system connecting the southern and northern provinces of Manila. An estimated 40,000 families in the north rail alone were targeted for relocation outside Manila. From HUDCC's perspective, an incremental and beneficiary-led approach was used. Basic infrastructure was provided and livelihood programs were implemented. GoP noted that the problems were mainly constrained GoP funding for resettlement, tight timeframes, and some beneficiaries who eventually sell or rent out the property to others. On the other hand, the international human rights NGO Centre on Housing Rights and Evictions (COHRE) and other urban poor associations had a contrary view of how resettlement was made to work in the Northrail program. Resettlement costs were deliberately kept low to deflect the bloated project cost. Livelihood opportunities were lacking in the relocation site that were far from their original homes. Corruption and connivance among local officials and private developers were

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<sup>4</sup> <http://www.adb.org/Documents/News/2001/>

rampant. The common constraint in out-city is apparently the availability of livelihood and economic opportunities.

**4. Innovative and sustainable financing and cost recovery schemes, including PPPs and housing microfinance, are essential to scaling-up the efforts.**

- The supply and availability of land for the poor is restricted by rising land prices in cities. There may have been some successes by few poor communities who acquired privately-owned lands for housing purposes using the bridge financing facility provided by the local government but these need to be upscaled. Complementary policies could also be adopted such as the provision of incentives to landowners who offer their land for socialized housing.<sup>5</sup>
- Under an urban renewal project with PHILSSA and the World Bank, Naga City placed the financial responsibility for slum improvement squarely on its shoulders. Their view is that it's the government's job to allocate resources with minimal cost-recovery since it is a public good. They see it as an investment since they expect a potential rise in property market values after the slum upgrading activities which would ultimately benefit the city. To Naga, sustainability is not about cost-recovery for public goods but to enact activities that would widen its resource base to expand its urban renewal operations.
- There has been a wide gap between the demand for and supply of socialised housing because the public sector, with its heavy reliance on indirect subsidies, has managed to crowd out the private sector. Entering into PPP contracts in the delivery of socialised housing is gaining recognition because of three major reasons. Firstly, it provides local governments with mechanism to share project risks with private sector partners. Secondly, it allows resource-constrained local governments to access information and technology applications from the private sector. The third reason is that it leads to the reduction of transaction costs associated with the design and implementation of socialised housing. Qualified private sector enterprises usually have the resources to plan and implement the projects at a faster pace resulting in significant cost benefits. Local governments, on the other hand, have more incentives to reduce bureaucratic procedures which usually delay projects implemented by the private sector.
- Cross subsidies through mixed use development to produce both residential and commercial plots can help to ensure sustainability and replicability. Proceeds from the sale or lease of commercial properties can be used to offset the potential losses from subsidizing the housing units to be sold or leased to selected households, particularly those with severely restricted capacity to pay. For PPPs, generating positive net profits through mixed development and other innovative financing schemes will be a precondition to the private sector's participation.

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<sup>5</sup> <http://www.bing.com/search?setmkt=en-US&q=Munitnlupa+shopcom>

- Under the ADB-funded urban communities project, one PPP transaction involving the LGU Grant of Rights to a Private Sector Developer was exemplified by the Province of Cavite in partnerships with R-II Builders (commercial developer) to develop the Pamayanang Maliksi Cavite Mass Housing Project. The Cavite Province tapped R-II Builders to design, finance, and develop its 53-hectare property into a mass housing project for its eligible informal dwellers and low-salaried government and private sector employees. The partnership between the Cavite Province and R-II Builders was made official through a Memorandum of Agreement (MOA) which was signed on November 26, 2007. Target beneficiaries were those who can afford to pay. Under this first of a kind PPP subproject, Pamayanang Maliksi was developed to showcase a fully integrated community divided into five clusters, each with its own clubhouse-type village center, transport system and livelihood center. The community in each cluster will have a main village center and commercial area, a market, a daycare center, elementary and secondary schools, parks and playgrounds, waste material recovery facility, as well as 15-meter wide primary roads, 10-meter wide secondary roads and 6.5-meter wide tertiary roads. At this early stage, the subproject is gaining popularity and recognition among LGUs encouraged to develop their own pro-poor and low-income housing project through PPPs.
- In Iloilo, a relocation program implemented by the Homeless People's Federation Philippines (HPFP) was successful. Beneficiaries had a choice among three models with prices varying from Php 88,500 to Php 188,000. Source of financing was low-interest loans (between 3 to 6 per cent) from an Urban Poor Development Fund. A key factor in its success was that community was organised into savings groups. These groups are now purchasing the land and each family will get individual land titles only after the loan is paid back. Those who cannot manage loan payments can provide sweat equity during construction.

### **5. Political Economy Lessons**

- The Asia Foundation notes that conventional, project-type approaches to reform have limited effectiveness. Reform is also about the players and the coalitions who make up the status quo and who can be drivers for change. This requires having a solid analysis of the political dynamics in the sector including an understanding who the actors are in the reform process and their various interests.
- Lessons from previous resettlement activities underscored the importance of a good communication strategy to avoid misconceptions about the activity. Some well-meaning relocation activities have been unfairly criticized or blown out of proportion due to irresponsible media coverage. Transparency and a common understanding of the program among the different stakeholders, including the media will ensure that the information that will be made available to the general public are kept as accurate as possible. Being upfront and transparent with the media, especially on sensitive issues like relocation, diffuses any risk of misinformation.

### **6. Cities Alliance Lessons**

- Isolated projects disconnected to a broader city development strategy too frequently result in the poor displaced, often through economic displacement.
- Mass delivery of public housing appears impressive but that there are actually very few examples of success. The way forward is through incremental production of housing or an approach that provides sufficient land available for poor people to settle and progressively build their homes, and where services can be provided incrementally. Caveats: to make this work requires good leaderships and strong dialogue among community stakeholders and service providers on the strategic vision. This dialogue is established and strengthened through regular and structured mechanisms.
- In the Tondo housing project, the escalating construction method was adopted by the ISFs. The community almost always started by building comparatively strong foundations that can accommodate future expansion, either vertically or horizontally. Families with lesser financial resources started with makeshift dwellings on a portion of their allotted lot. No government building materials assistance was provided. A German religious organization provided building materials assistance to Dagat-dagatan relocatees. This on-site development or upgrading approach with the incremental construction component has been replicated by the NHA in several of its project areas.
- Build on what is working locally. Local residents and entrepreneurs know best and success indicators are more reliable if they come from markets and beneficiary opinions rather than project evaluations.