

# Land Administration and Management Project

DRAFT

## PROJECT COMPLETION REPORT

October 2004

### **Lead Executing Agency**

Department of Environment and Natural Resources

### **Funding Partners**

The Australian Agency for International Development (AusAID)

The World Bank

### **Partner Implementing Agencies**

Department of Justice/Land Registration Authority

Department of Agrarian Reform

### **Australian Managing Contractor**

Land Equity International Pty. Ltd.

**Certification by the AMC that the ACR has been completed in accordance  
with relevant guidelines/taskings.**

I certify that this ACR has been completed in accordance with the relevant guidelines  
and taskings as an integrated AMC and DENR report.

Signed:

Date:

(Team Leader and LEI Director)

## **LIST OF ACRONYMS**

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AMC	Australian Managing Contractor
AusAID	Australian Agency for International Development
BILIS	Barangay Integrated Land Information System
BLGF	Bureau of Local Government Finance
CBM&E	Community-Based Monitoring and Evaluation
CENRO	Community Environment and Natural Resources Offices/Officers
CIM	Cadastral Index Map
CRS	Community/Customer Relations (and) Services
DAR	Department of Agrarian Reform
DBM	Department of Budget Management
DENR	Department of Environment and Natural Resources
DOF	Department of Finance
DOJ	Department of Justice
FASPO	Foreign-Assisted and Special Projects Office
FP	Free Patent
FV	Field Validation
GOP	Government of the Philippines
IACC	Inter-Agency Coordinating Committee
ICC-CC	Investment Coordination Committee-Cabinet Committee
ICC-TB	Investment Coordination Committee-Technical Board
ICSI	Institute of Church and Social Issues
IEC	Information, Education, Communication
IPN	Informal Policy Note
LAA	Land Administration Authority
LAG	Local Advisory Group
LAM	Land Administration and Management
LAMP	Land Administration and Management Project
LARA	Land Administration Reform Act
LARES	Land Registration System
LGU	Local Government Unit
LEI	Land Equity International Pty. Ltd.
LIL	Learning and Innovation Loan
LRA	Land Registration Authority
M&E	Monitoring and Evaluation
MEF	Monitoring and Evaluation Framework

MOA	Memorandum of Agreement
NAMRIA	National Mapping and Resource Information Authority
NAPC	National Anti Poverty Commission
NEDA	National Economic and Development Authority
NGO	Non-government Organization
NLRMS	National Land Records Management System
OSS	One-Stop-Shop
PCC	Project Coordinating Committee
PCU	Planning and Coordination Unit
PCR	Project Completion Report
PD	Process Documentation
PDD	Project Design Document
PIO	Project Implementation Office
PME	Participatory Monitoring and Evaluation (same as PAME)
PMO	Project Management Office
PMT	Project Management Team
PO	People's Organization
QC	Quezon City
ROD	Registry of Deeds
SA	Systematic Adjudication/Adjudicator
TA	Technical Assistance/Adviser
TF	Task Force (replacing the IACC)
TWG	Technical Working Group
US/USA	United States of America
WB	World Bank

## **CONVERSION FACTORS**

Currency Unit: - Philippine Peso

At Project Design

A\$1.00 = PhP26.00

At Project Completion

A\$1.00 = PhP39.00

**Notes:**

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## BASIC PROJECT DATA

### LAND ADMINISTRATION AND MANAGEMENT PROJECT (LAMP)

Location of Project: Leyte Province (6 municipalities) and Quezon City (5 barangays)

#### Executing Agencies

Department of Environment and Natural Resources (DENR)  
Land Registration Authority (LRA), Department of Justice (DOJ),  
Department of Agrarian Reform (DAR)  
Department of Finance (DOF)

#### Australian Managing Contractor (AMC)

Land Equity International (LEI)  
Head Office: Wollongong, Australia

	Initial Contract	Amendment 1 (19 June 2003)	Amendment 2 (Apr 15 2004)	Total
<b>Technical Assistance (person months)</b>				
International Advisers	191.5	-6.0	43.5	229.0
National Advisers	247.5	5.1	76.4	329.0
<b>Total</b>	<b>439.0</b>	<b>-0.9</b>	<b>119.9</b>	<b>558.0</b>

#### Key Project Data (\$,000)

	Initial Contract	Amendment 1 (19 June 2003)	Amendment 2 (Apr 15, 2004)	Total
<b>Planned</b>				
AusAID Contribution (AUS\$)	10,784,489	0	2,895,806	13,680,295
GOP Contribution (US\$)				
World Bank Contribution (US\$)	Million			
<b>Actual</b>				
AusAID Contribution (AUS\$) <sup>1</sup>				11,482,543
GOP Contribution (US\$)	1,420,000	1,480,000		2,900,000
World Bank Contribution (US\$)	4,790,000	4,705,000		9,495,000
<b>Total Cost (US\$)</b>				

#### Key Dates

Project Design (World Bank) Oct '99 – Feb '00  
Loan Effectiveness 09 Jan '01  
TA Mobilization 22 Oct '01

<sup>1</sup> Based on invoices to 15 October 2004

AusAID Project Extension No. May 2003  
1  
Mid-Term Review (World  
Bank)  
AusAID Project Extension No. April 2004  
2  
Project completion December  
31, 2004

Forms of assistance:

1. Bilateral technical assistance project (AusAID grant aid) delivered by an AMC in support of a World Bank loan project to implement GoP Land Administration and Management Program.
2. Learning and Innovation Loan (LIL)



## **EXPLANATORY NOTE**

This Report represents Volume 2 of the Land Administration and Management Project's Composite Project Completion Report (PCR) to stakeholders. While this document basically follows the AusGUIDE format and requirements, consideration was made on the requirements of LAMP's other partners, mainly the World Bank and the oversight agencies of the Government of the Philippines (GOP)—the National Economic and Development Authority (NEDA) and the DENR through its Foreign-assisted and Special Projects Office (FASPO)<sup>2</sup>. Additional performance areas were also rated as these were considered relevant to the Project, and to include the interest of other parties. Some modifications were made on the parameters under each performance area where necessary. These are discussed in the explanations preceding the rating, as well as the considerations made in making the rating for each performance area.

The preparation of the PCR was preceded by a Stakeholders' Workshop conducted on September 2-3, 2004 at the SEAMEO Innotech in Quezon City. Participants to the workshop included agency partners from all Project sites, representatives from national government agencies, beneficiary groups, civil society representatives, project officers, DENR and AusAID officials.

The workshop had the following objectives:

- ❖ To consider implementation performance information and rate implementation performance in key areas;
- ❖ To identify requirements for handover arrangements/exit strategy, and sustainability as appropriate;
- ❖ To identify the impacts (benefits and costs, if any) of the project; and
- ❖ To validate key lessons identified during project implementation/evaluation (and identify any additional lessons).

The workshop provided background information to participants on the considerations in rating Project performance in each of the key areas. These considerations were reviewed and discussed by the different groups before the ratings were made. The Project made sure that key project staff and/or advisers were included in the workshop groups to clarify any questions, make further explanations when requested, and provide any additional information required by the stakeholders. In the workshops that required validation of impacts and lessons, the Project prepared a listing of expected impacts and key lessons for the groups to consider.

The workshop, therefore, produced ratings and key considerations in the ratings given on the different performance areas. Some limitations of the workshop outputs, however, were recognized. First, a number of key participants were not able to attend the workshop. This affected the quality of discussions in some sessions where

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<sup>2</sup> Ausguidelines 13. Preparing Completion Reports. (as of 15 September, 2003). The term Project Completion Report (PCR), rather than Activity Completion Report, has been used as the activity was a project (not a program or facility). Furthermore, PCR preparation has been undertaken to meet the needs not only of AusAID but also FASPO and the World Bank where the term Project Completion Report is more widely understood.

significant contributions had been expected from stakeholders who were not in attendance. Related to this, some participants were sent as representatives of agencies and had limited direct project experience. Second, given the large number of performance areas and stakeholders participating, up to five workshop sessions were conducted concurrently. It was therefore difficult to ensure that appropriately selected stakeholders were able to participate in all relevant sessions. Third, time limitations in the two-day workshop prevented extensive plenary presentations and plenary discussions of workshop outputs. Members of other groups were only able to give inputs to a group's output through a "gallery walk," which allowed them to post comments. It was deemed more effective to devote more time to small working group sessions with the most relevant stakeholders. The workshop results therefore reflect more the outputs of the working groups rather than a consensus among the participants present.

While the report primarily considered the workshop results, further review was made by the Project of the outcomes, comments and considerations on the different performance areas, as well as the ratings given. In some cases, additional information was given in areas where the Project felt that the considerations were quite limited as basis for giving an objective rating. Thus, while the PCR workshop served as an important venue for LAMP stakeholders to contribute to the project evaluation and in the PCR preparation, the report should be considered a Project report, informed through the workshop with stakeholders. LAMP therefore assumes full responsibility for its contents. Finally, the report is more than the required number of pages as prescribed in AusGUIDE. This was because the report also documented the workshop results.

### MAP OF PROJECT LOCATION



## **EXECUTIVE SUMMARY**

The Land Administration and Management Project represents the pilot phase of the long term land administration and management (LAM) program so that its overall viability can be determined and necessary structural changes identified and better procedures developed. Operating under the existing policy and institutional environment, it carried out policy studies and built consensus on the policy recommendations, tested titling and land records management procedures, and developed capacity for LAM functions among project staff and selected key stakeholders. The project lessons and experiences were documented and served as a basis for the design of the first phase of long term program implementation, namely LAMP2.

This report analyzed the project performance in key areas: management and contracting, achievement of objectives, likelihood of development impact and impact upon poverty, cost benefit analysis, value for money, monitoring and risk management. It also examined the effectiveness of technical assistance, procurement arrangements, financial management, and activity management. As a project which involved many agencies and stakeholders, the performance in terms of fulfillment of roles and responsibilities in implementation were likewise rated, the Australian Managing Contractor and the involvement of beneficiaries included. Sustainability issues were examined and issues related to financial, technical and institutional sustainability of benefits in the project's key areas were identified. Conclusions on the assessment are presented, and recommendations for AusAID and key stakeholders on moving forward are offered. Finally, major lessons are discussed, as they may be useful for the design and implementation of the subsequent phases of the program.

The preparation of this PCR was preceded by a workshop with stakeholders, in keeping with AusAID guidelines to enhance participation and engender ownership. The performance rating given during the workshop was reviewed by the project, and given further inputs, the report was finalized. While the report is not exactly a documentation of workshop results, the workshop did provide the basis for the final report.

The project's overall performance was rated satisfactory, with strong points on activity objectives, and environmental and gender impacts. Areas where satisfactory rating were achieved are in the: (i) management and contracting arrangements; (ii) achievements; (iii) cost benefit analysis; (iv) value for money; (v) activity monitoring; (vi) technical assistance; and (vii) risk monitoring. The management arrangements were deemed suitable for the LIL nature of the project, with sufficient coordination achieved between the development partners namely, World Bank and AusAID on joint supervision and design/appraisal. Despite difficulties and bottlenecks in implementation and securing agency cooperation, the objectives were mainly achieved, demonstrating slight underachievement in effectively demonstrating the benefits of One Stop Shops (OSSs) and mainstreaming of innovations introduced in LAMP. These are linked to the inherent defects in the institutional set up for land administration, something which is the focus of the priority reform proposal so that subsequent gains in the next phases will have high likelihood of sustainability. As a pilot phase, the role of technical assistance, training and capacity building support was strongly recognized as critical to the success of the Project. The technical assistance

broadened the perspective of analysis in the sector, and provided sufficient inputs upon which to analyze the options for addressing the constraints in the LAM sector.

As can be expected from a LIL project, the performance in terms of likelihood of achievement of development impacts and contribution to poverty reduction were not rated as satisfactory at this time. It was strongly acknowledged that the main purpose of the LIL was to identify the constraints and issues, understand better the situation so that cost effective solutions can be brought to bear in the design and implementation of the next phase. There is an expectation that a follow on program would be required, so that the outcomes from the current phase will result in the implementation of a sustainable long-term program. Moreover, unless implementation of the recommended actions is made, there is very little prospect for the development impacts to be felt by the intended beneficiary groups. The report highlighted urgency of supporting the next phase, so that the constraints to the achievement of the potential impacts can be removed.

The Project generally enjoyed the support of agencies and stakeholders, which is one of the strengths of the project's management performance. Among the agencies, there was variable performance in the fulfillment of responsibilities. On balance, however, the Project was able to manage associated agency participation issues to achieve its objectives. Critical to this success was the leadership demonstrated by the Task Force and the DENR as lead implementing agency, and the zeal of project staff and other stakeholders who remained committed to the LAM vision. Among its partners, the AusAID and Department of Finance (DOF) were rated as highly satisfactory in terms of management performance.

Key lessons from LAMP are the following:

The success of policy reform initiatives hinges largely on the commitment of top level stakeholders. There is, therefore, a continuing challenge to generate their support and ownership to the policy recommendations through effective communication and advocacy.

When proposing changes to land administration institutions and legislation, it needs to be recognized that these will take considerable time, require wide consultation and the engagement of key stakeholders.

The consensus building effort between LAMP and the National Anti-Poverty Commission (NAPC) Basic Sectors has been a valuable exercise in terms of ensuring support for the LAMP policy framework.

Policy studies need to be effectively integrated so that lessons can be drawn and applied in relation to legislation, institutional and organizational reform, capacity building and future policy development

The reform of the valuation system requires a definite commitment to change and the creation of a National Appraisal Authority (NAA) to implement reform. The priorities are the removal of political influence on the valuation base and capacity building across all functions and at all levels of the valuation activity.

Mass titling is superior to sporadic titling and the system should be greatly improved by the abolition of the Judicial processes associated with the issue and registration of title to land in favor of simple Administrative processes.

Tenure security through titling must be linked to broader development programs for the envisioned social, economic and financial outcomes to be fully realized. An

emphasis on post-titling activities is needed to facilitate linkages between government LAM agencies to exploit the benefits of titling and to offer the beneficiaries access to services and finances to develop the land.

Little improvement can be achieved in land records quality, security and access efficiency without the strong support of all agencies acting within the framework of a national strategy for the management of spatial data.

A proper balance between accuracy and efficacy is essential and alternate approaches, which offer significant potential for efficiency without compromising the adequacy of boundary definition and Cadastral Index Map (CIM) production, must be introduced to complete the titling of the country in a reasonable time frame and at acceptable unit costs.

Practitioners must be educated in modern cadastral survey and mapping techniques and trained in the application of modern technology.

Industry economic viability must be strengthened to allow investment in modern technology and methods.

Without wide ranging reforms in policy and institutions any technical and administrative interventions will only provide limited benefits and are not sustainable

Interagency coordination will generate a certain degree of efficiency however this will be achieved at great cost and effort and be at risk when agency heads change. In this sector there is strong turf protection. Consistent with other successful models the creation of a single agency is expected to provide the better option to enable government to respond to public service demands and bring about meaningful reform.

## **1. BACKGROUND**

### **1.1 Request**

In early 1998 the World Bank, in conjunction with the Government of Philippines (GoP), prepared an Informal Policy Note (IPN) on land issues impacting on the government's growth with equity program. With the IPN providing the impetus, a program concept for a long-term Land Administration and Management Program was prepared towards the end of 1998.

In July 1999, the World Bank and AusAID commissioned a Project Preparation Team to assist the GOP in spelling out the details of the LAM Program and Project. By December 1999, the GOP through the NEDA Board had confirmed the Investment Coordination Committee's (ICC) approval of the Project including the policy statement to guide Program implementation.

The Government requested the World Bank to provide a Learning and Innovation Loan to finance the Project. The LIL was deemed appropriate for this Project as it allows for the experimentation and piloting of possible development activities prior to implementation of a scaled-up program. The LIL agreement was signed for the amount of US\$4.79 million in September 2000. The project formally commenced in January 2001.

AusAID was also requested to support the Project and after the procurement process, a contract was let to Land Equity International to provide technical support to the Project for a period of 3 years. The TA formally commenced soon after the signing of the contract in early October 2001. During the period January–October 2001, bridging TA was provided by AusAID.

### **1.2 Context and rationale**

Prior to LAMP, land administration in the Philippines was characterized by an uncertain and inconsistent framework of policies, laws, regulations and institutional arrangements. The present system has been studied for more than a decade and there is overwhelming consensus on the main problems and the urgent need for an integrated reform program.

LAMP was designed to promote reform in land administration through the development of an improved policy, legislative and institutional framework, and to develop and test procedural improvements in systematic land titling and records and information management. It was envisaged that the proposed reforms, its tested systems and procedures, and its recommendations and lessons would provide the foundations for the longer-term LAM Program.

The World Bank LIL provided the flexibility for the project to develop and test improved land titling and administration procedures under existing policies, legislation and institutional arrangements before recommending their broader adoption under the long-term program. At the same time, LAMP aimed to identify the required reforms to address fundamental problems facing land administration in the Philippines:

- ❖ duplication and overlap in the roles, functions and activities of land administration agencies;
- ❖ inconsistency in the legislation regulating land administration;
- ❖ two competing processes for titling land (administrative and judicial processes);
- ❖ multiplicity in forms of ownership rights in land;
- ❖ multiplicity of property taxes and related disincentives to formalization of land transactions; and
- ❖ multiplicity in land valuation methods.

The strategy for reform rested on progressive engagement of a wide range of stakeholders and building their understanding and trust in order to promote continuity of stakeholder interest in the push for reform.

LAMP's support for the development of improved systematic land titling procedures was built on a strategy to provide security of tenure for land holders, thereby enabling greater access to credit and increased investment in land, ultimately resulting in increased land productivity and incomes.

The strategy for land records and information management was to provide complete and up-to-date information on land parcels in pilot areas, to develop mechanisms for exchange of land information among key agencies, and to improve public access to land transactions and land information. The combined outcomes of these improvements would remove confusion and conflicting information on the status of land, facilitate land transactions, stimulate the land market, and improve government collection of land-related revenues.

LAMP is the first step towards the implementation of a proposed long-term Land Administration and Management Program. The goal of the long-term program is *to alleviate poverty and enhance economic growth by improving the security of land tenure and efficiency of land markets through the development of an efficient system of land titling and administration that is based on clear and consistent policies and laws, gender-responsive and supported by an appropriate institutional structure.*

### 1.3 Preparation arrangements

LAMP is an inter-agency project of the Government of the Philippines through the Department of Environment and Natural Resources and its partner agencies, the Department of Justice/Land Registration Authority and the Department of Agrarian Reform.

The main start-up and pre-start-up milestones are shown in the table below:

<b>Project Milestone</b>	<b>Time</b>
Project Identification (IPN)	May 1998
Project Preparation	Oct 1999-Feb 2000
Project Appraisal	March 2000
Signing of LIL between WB and GOP	October 2000
LIL Effectiveness Date	9 January 2001
Executive Order Establishing the IACC (EO 129)	24 July 1999



AusAID TA design team visit (PDD)	Nov – Dec 2000
Memorandum of Subsidiary Agreement	October 2001
AusAID Contracted the AMC	5 October 2001
TA Mobilized	22 October 2001
Executive Order replacing the IACC by a Task Force	13 March 2002
Agreement Between Secretaries of DENR and DOJ	17 February 2003
Amendment 1 to AusAID – AMC Contract	May 2003
Amendment 2 to AusAID – AMC Contract	April 2004

The proliferation of agencies involved in the lands sector is a major obstacle to streamlining government services. However, the engagement of all relevant agencies in consensus building has been a feature of the operation of the Project. These agencies are formally a part of LAMP and the key agencies were assigned lead roles in various aspects of Project implementation as tabled below:

<b>Agency</b>	<b>Lead Role</b>
DENR	Main executing agency, leader of forest boundary delineation study and lead implementer of Prototype 1 (Leyte) and provided geodetic survey and mapping services through NAMRIA
LRA	Lead implementer of Prototype 2
ROD	Partner Agency in both prototypes
LGU / Tax Assessor	Major input into prototype 2
DAR	Major input into prototype 1
DOJ	Lead agency for laws study
DOF	Lead agency for finance and fees and the valuation studies
DBM	Lead agency for organization study
NEDA	Lead agency for the land development study

In addition to the above, other agencies, such as the Bureau of Internal Revenue (BIR) and National Government Center Housing Program (NGCHP) participated through various ways as specified in relevant Memorandum of Agreements (MOAs).

## **2. IMPLEMENTATION PERFORMANCE<sup>3</sup>**

### **2.1 Management and Contracting Arrangements**

Based on implementation experience, the design of the management arrangements was generally satisfactory.

LAMP is managed by the Project Management Office (PMO) established within the DENR. Headed by a senior DENR Official, the PMO is also composed of staff seconded from other participating agencies (DAR and DOJ/LRA/Registry of Deeds [ROD]) to perform designated roles. While the Prototypes report to the PMO, permanent staff seconded from the agencies have been appointed to manage the day to day operations of these offices. Prototype Implementation Office 1 (PIO 1) is led by the DENR while PIO 2 is led by the LRA.

AusAID technical assistance is managed through a contract between the AusAID and an Australian Managing Contractor, Land Equity International. The TA Team provided a team of long-term and short-term International and National Advisers working with counterparts and other stakeholders in each of the four main sites, PMO, PIO1, PIO2 and DOF. In addition, during the policy studies, the TA had staff located at DOJ and DBM. All TA were located in Metro Manila except the staff supporting PIO1 at Leyte.

During the Inception Study, the AMC and GOP made amendments to the AusAID design, especially for national adviser inputs, which proved very useful as during the course of the project the LIL needs arose that were satisfied from the Reserve. The GOP contracted out a number of studies (under WB guidelines) in addition to direct contracting of services to Non Government Organizations (NGOs) in each prototype. The AMC generally provided its services through advisers who were directly under the day-to-day management of the AMC. There were a few exceptions, such as; (i) research grants, while executed by formal contract between the researcher and the AMC, were administered by a third party (Institute of Church and Social Issues [ICSI] in Manila, and a consortium of academic institutions in Leyte); and (ii) hired trainers/facilitators for HRD activities.

While the WB and AusAID provided their assistance through separate project documents, the Project Logframe was unified in early 2002 to clarify objectives and outputs, and the impact indicators for the project. The Bank and AusAID fielded Joint Supervision Missions every six months to review progress and discuss issues affecting implementation and the long-term program.

A Project Coordination Committee (PCC) was created to serve as the coordinating mechanism for the actions of key stakeholders (GOP, WB and AusAID). The IACC/ Task Force (TF), meanwhile, served as the high-level government body which provided leadership in the reform, provided strategic policy direction to the project, and resolved agency participation issues. In March 2002, the IACC was replaced by the LAMP Task Force, a smaller body chaired by a senior Presidential adviser reporting to the President through the Office of Executive Secretary. A Technical Working Group (TWG) consisting of these agencies and a number of others was

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<sup>3</sup> For summary of implementation performance ratings see table 4 on page 61.

established early in the Project to level off on the project plan, coordinate activities, counterpart TA, and provide a pool of core persons for Project consensus-building.

Civil society involvement began in the project during the first 6 months of implementation, with the four AusAID-funded policy studies. In Prototype implementation, a Local Advisory Group (LAG) was established to provide stakeholder input and direction in Project implementation. The LAG includes representatives of LGUs and other relevant agencies.

The division of responsibilities among the main parties—WB, AusAID and the GOP—was adequate, with the development parties having agreed to Joint Missions and the project preparing composite reports each time. The Joint Missions proved to be effective in keeping track of overall progress and to identify key issues that require attention, although in some cases, opinions have differed in terms of the basis for assessing performance, despite clarifications made in the unified logframe.

Problems in implementation included decision lines and tasking between the PMO and PIOs and between TAs and their counterparts at the PIOs on ownership of deliverables and allocating resources on production activities versus testing activities.

The project structure proved to be functional, especially after modifications were made to make it more responsive to the emerging requirements of the project during implementation. It was based on a model structure just for the execution of the Project. The Project was not embedded with an existing organization structure,<sup>4</sup> even as the Executive Director reported to DENR management. This proved to have significant advantages and disadvantages.

However, trying to implement a LIL type project and also proposing major reform could not have worked in a normal bureaucratic organization, especially in the lands sector. While the Project was led by the DENR, it was not seen as being biased towards DENR, and this impartiality allowed links to be built with related organizations. The emphasis on learning and looking at the big picture reform was nurtured. The disadvantage was that the full sustainability of the Project is dependent on there being an immediate follow-on project to implement the Project's reform, in the short-term through existing structures, and in the longer-term through a new organization.

The AMC contract provided sufficient flexibility to respond to emerging requirements not anticipated at the beginning, so that TA support was utilized in a more effective way. For example, contract amendment 1 was in direct response to the recommendations of the Joint Supervision Mission of August 2002. It resulted in TA preparing Terms of Reference (TOR) for three studies (Social Assessment, National Training Needs Analysis, and Land Markets) and the AMC mobilizing international TA from unallocated resources to fast track the design of procedures for the newly passed Free Patent (FP) amendment Bill.

However, the Project cost estimate of US\$ 11.31 Million made during design (US\$ 4.79 M WB loan, US\$ 5.10 M grant support and US\$ 1.42 Million GOP counterpart) proved to be inaccurate. At the end of the project, an estimate of US\$ 630,000 in loan money was left unutilized and had to be cancelled despite the project extension of 15

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<sup>4</sup> Except for the property valuation activities within NTRC of DOF, the PMO and Prototype project units were outside normal organization structures.

months. The grant funds, on the other hand, were fully utilized, with the third extension of the AMC contract in October 2004, from 36 to 38 months to support the GOP to the end of the Project.

## **2.2 Activity Objectives**

Based on implementation experience, the objectives of the activity were very satisfactory.

Given its learning and innovation nature, and brought about by the dynamic nature of the new reform environment that the Project was scanning, LAMP had to manage a very dynamic planning and implementation process. This inevitably posed challenges especially on the existing government procedures, and without a proper appreciation of the LIL nature of the project there was a tendency for some offices to impose the traditional target-driven approach in objectives-setting and progress monitoring. It was first necessary to unify the different log frames (WB and AusAID) to arrive at a framework which served as a basis for project monitoring. Even after unification, however, the project still occasionally received different signals on the key success indicators from the development partners. While no significant changes were made in the objectives during implementation, the revised logframe had to clarify the relationship of the LAMP LIL to the overall program objectives and define this as the higher level goal, rather than the immediate goal of the LAMP LIL. This was also made consistent with the clarification provided to the civil society groups that LAMP would not directly contribute to poverty reduction, but is an essential element that should go along with other programs (i.e., asset reform, rural development, livelihood provision, capacity-building, etc.) to create a positive impact on poverty. These considerations were again explicitly recognized during the PCR workshop. Another minor revision was the inclusion of the valuation activities, given the strong support provided during the extension phase. Attached as Annex A is the revised Project Logframe. Note that the Log Frame shows design of LAMP 2 as an activity; this was a DENR managed activity and did not directly involve the AMC.

Some of the underlying project assumptions were found wanting. For example the land records residing in the respective stakeholder agencies were not as easy to access as assumed owing to a combination of administrative and technical reasons. Secondly, and contrary to assumption, the beneficiary stakeholders were:

- ❖ Not a homogeneous group;
- ❖ If they are farmers they may borrow on a small scale at usurious rates, however they are risk averse when it comes to using land as collateral for credit for investment uses; and
- ❖ Significant numbers of occupants are tenants and many land claimants reside elsewhere and are not reliant on the land as a source of income. A shift in focus from titling to tenure security for tenant farmers followed.

The objectives were considered very appropriate to enable the government and its partners to carefully plan out the scale, direction and scope of further phases to achieve the objectives of the long-term program. The experience from the prototypes enabled the government to further validate the underlying activity logic, inform the designers of the next phase, and provide for more realistic expectations by stakeholders of the impacts of the activity. The unified logframe facilitated the

clarification of objectives and measurements of performance and outcomes from the activity, vis-à-vis the long-term goal.

While it was recognized during the PCR workshop that there were limitations in the direct relationship between project objectives and the program goal, there was acknowledgement nonetheless of its contribution to the long-term goal. There was also positive feedback from the field, in that the beneficiaries view the project as socially relevant. Moreover, it was noted that LAMP addresses the immediate problems on land administration.

### **2.3 Activity achievements**

Based on performance against logframe indicators (Annex E) the achievements of the activity were satisfactory.

Overall, the Project was able to achieve the objectives defined in the revised Logframe (see Table 3 below). Key achievements were made in the areas of policy development and consensus building, testing of titling approaches and development of replicable procedures, development of procedures for detection of fake and overlapping, duplicate titles, and in the design of LAMP 2. Achievements in the aspects of OSS establishment and operations were seriously hampered by agency participation issues in PIO1 and procurement issues in PIO2.

Mainstreaming to the agencies of procedures developed under the Project was affected by the lack of capacity in the agencies to continue these, lack of budget (as these procedures entailed acquisition of equipment), and lack of trained staff. For example, the CIM could not be integrated into the ROD simply because the RODs had no mapping capabilities. Instead, the CIM and the cross index were lodged in the OSS. The systematic titling procedures on the other hand, require sufficiently trained staff in new areas such as Community Relations Services (CRS)/ Community Organizing (CO), since these functions are not currently performed as part of the sporadic titling process. In other cases, simple procedural improvements could not be mainstreamed due to lack of openness by officials and personnel to change the existing system. Finally, while the design of LAMP2 has been completed, its approval by the Cabinet Investment Coordinating Committee (ICC) has been pending in light of the non-issuance of a budget strategy by the DBM.

Clearly, the objectives of LAMP were so designed that a follow-on project is required to finance the subsequent activities and implement the recommended improved procedures. Without such support and the required changes in policy and institutions, there is the strong potential to lose the gains already made by the Project.

**Table 3: Log frame matrix structure for completion reporting**

Activity Description	Indicators	Achievement
<p><b>GOAL :</b> Improved system of land administration and titling effectively serving the needs of the clients/users which is based on clear, coherent, consistent and gender-responsive policies and laws, and is supported by an appropriate institutional structure</p>	<p>Increasing trends in the volume of formal land transactions, and drastic reduction in the volume of informal land transactions in both the urban and rural areas</p> <p>Reduced volume of land related court cases</p> <p>Net government savings from more efficient and integrated provision of land administration services</p> <p>Reduced cost to the public to register land (both original and subsequent)</p> <p>Improved access by the public (both men and women) government and other clients to land information required for effective planning and management</p> <p>Improved government revenues from land taxes and transaction fees</p> <p>Greater transparency and accountability in land transactions</p> <p>Improved satisfaction of women and men clients from land related services by the government</p>	<p>No information available yet; please refer to list of development impact indicators in Annex F</p>
<p><b>PURPOSE:</b> Government adopting agreed policy, regulatory and institutional framework required for long term LAM Program; and communities/clients within the Prototype areas have access to cost effective solutions designed to improve the protection of rights to land, and early detection, prevention of fake, double, overlapping and identification of missing titles developed through testing of alternative approaches</p>	<p>Increased number of formal land transactions and reduced volume of informal land transactions within the Prototype areas</p> <p>Reduced cost (time, money) for issuance of original titles to eligible beneficiaries within the prototype area in Leyte</p> <p>Improved efficiency in detection and prevention of fake, double and overlapping titles within the Quezon City prototype</p>	<p>Policy reform consolidated into the LARA Bill in 12<sup>th</sup> and 13<sup>th</sup> Congresses, the Free Patent Amendment submitted in September 2004 to the 13th Congress, and the draft property valuation reform Bill of DOF.</p> <p>Institutional change shown in the creation of One Stop Shops at both prototypes under MoA's.</p> <p>Documented cases in Quezon City provide</p>

	<p>Reduced cost to the public (time, effort and money) in land transactions within the prototype areas</p> <p>Increased government revenue from land taxes and transaction fees within the prototype areas</p> <p>Greater transparency and accountability in land transactions within the Leyte and Quezon City prototypes</p> <p>Improved services to the public and the users of the system within the prototype area</p> <p>Community and stakeholder support to pursue the innovations introduced within the prototypes over the long term LAM Program</p> <p>Equal access and equitable benefit from land transactions by men and women</p>	<p>evidence of potential to increase formal transactions as land records and ownership are clarified; additional 434 titles issued in Leyte (with plan to increase to 2,478 by end of December 2004), however potential to contribute to increased formal land transactions uncertain because of many constraints</p> <p>Systematic titling procedures and improved records management have demonstrated benefits of avoiding boundary conflicts in titling in Leyte prototype and in Quezon City, reducing activities of syndicates, avoiding issuance of double and overlapping titles and detection of duplicate titles. Tenure security enhanced by the improved SNS process, and overlapping titles avoided by the introduction of the CIM.</p> <p>Systematic titling procedures are less costly to clients due to: (i) reduction in time to issue titles (from average of 36 months to 16 weeks); (ii) back taxes as requirement for titling has been waived; (iii) documentary evidence have been reduced; (iv) base camps enable on site processing of titles; (v) reduced cost of litigation as potential for conflicts have been reduced.</p> <p>Cost of subsequent transfers in Quezon City and other related transactions now less costly through OSS; mainly through reduction in time to complete transactions in single location</p>
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		<p>General public now have greater access to land information through the use of CIM and cross index in Quezon City OSS, and in Barangay Holy Spirit through Barangay Integrated Land Information System (BILIS).</p> <p>DENR Secretary issued an order removing a long-standing gender bias in land titling.</p> <p>OSS Exit Survey in PIO1 provide evidence of increased satisfaction in services; perception studies and other studies provide information of positive perception of LAMP services in pilot areas<sup>5</sup></p>
<p><b>OMPONENT 1</b></p> <p>Policy and regulatory changes needed to support implementation of land administration and management reform formulated, and adopted by government and key stakeholders</p>	<p>Policies developed with broad agency and stakeholder participation and consensus in the 6 key policy areas</p> <p>Policy options clearly evaluated for economic, social, environmental and gender equity implications</p> <p>Policy recommendations integrated into an overall policy and legislative framework</p> <p>Action plans and schedules developed to commence implementation, and for the long term LAM program</p> <p>Implementation commenced where possible under existing</p>	<p>Integrated policy recommendations developed with agency leadership and stakeholder participation; consensus reached on the recommendations contained in the 14 point agenda representing the key recommendations from the four AusAID funded policy studies; Study on Forest Boundary completed with Senior DENR support to recommendations; Land Development Process Study still being finalized</p> <p>Broad action plan developed on the Land Administration Reform Agenda; Action plan on 2 WB funded studies still to be developed</p> <p>Implementation of valuation study</p>

<sup>5</sup> CBM and E Report, FGD in Holy Spirit; LAMP and PA-LAMP. OSS Exit Survey in PIO1, 2003 and 2004. Alesna, W. and C. Gabrillo, 2004. Land Claimants' Perception and Attitude Towards Acquiring Security of Tenure in LAMP Communities, PA LAMP Research Grants.



	legislation	recommendations commenced: (i) development of standards; (ii) preparation of draft NAA Bill and consultations with stakeholders; and (iii) LGU simulation study on draft standards.
<p><b>COMPONENT 2</b></p> <p>Improved approaches for large scale registration and associated institutional and administrative arrangements developed and tested</p>	<p>Replicable procedures for large scale land registration that are simplified, streamlined, cost effective, gender sensitive and acceptable to the community are developed, tested, documented and put in place</p> <p>Increased number of formal land transactions as a result of title issuance</p> <p>Reduced cost and time for land related transaction</p> <p>Draft implementing orders prepared to mainstream improved systems and procedures developed within current legal framework</p>	<p>2 types of titling procedures fully tested (JT and FP); less attractive titling approaches partially tested and/or studied (MSP, HP)</p> <p>Systematic adjudication process using FP developed, tested and fully documented into Operations and Training manual</p> <p>SA procedure (i) more affordable to clients; (ii) more transparent; (iii) encourages greater community participation; (iv) brings services closer to the claimants; (v) reduces incidence of conflicts; (vi) more acceptable to community; (vii) greater LGU participation, which reduces cost to government</p> <p>Policy on removing gender bias in titling issued through DAO 13, series of 2003; gender awareness training for key leaders held in selected barangays</p> <p>434 titles issued from FP pilots (additional 2,478 expected by end of project); contribution to increasing subsequent formal land transactions not known due to some constraints<sup>6</sup></p> <p>FP processing and approval reduced to 16 weeks from 36 months average<sup>7</sup>; back taxes waived as a requirement for title issuance;</p>

<sup>6</sup> There are factors which prevent or may discourage formalization of transfers: (i) 5 year legal restriction on transfer and sales (ii) about 50% in names of unnamed multiple heirs; (iii) about 35% are tenanted; (iv) a significant proportion of parcels already under informal mortgage (prendas).

<sup>7</sup> LAMP. 2003. Free Patent Baseline Study - Time Taken to Issue Titles.

		<p>reduced transportation cost to claimants to process titles; reduced documentary evidence; all payments with official receipts</p> <p>Manual of procedures and training manuals developed; not possible to mainstream all aspects of improved procedures yet without agency commitments, support in terms of capacity building and financing</p> <p>Proposals developed to remove legal impediments in titling to improve socio economic benefits</p>
<p><b>COMPONENT 3</b></p> <p>Systems, procedures and associated institutional and administrative arrangements for improved land information management that will allow access to land records information and services developed and tested</p>	<p>Increased volume of formal land transactions within the Quezon City prototype</p> <p>Procedures in place (possible under existing system and policies) and utilized by relevant agencies for early detection of double and overlapping titles and identification of missing titles</p> <p>Procedures in place (possible under existing legislation) and utilized by communities and clients within the prototype for early detection of fake, double and overlapping titles</p> <p>Reduced transaction cost and time in land registration within the prototype barangays</p> <p>Legislative proposals identified to improve detection and</p>	<p>Documented and other known cases provide evidence of likelihood of increased formal land transactions if supported by reliable land records that are accessible to the public<sup>8</sup></p> <p>CIM Development, records validation procedures tested and fully documented; not utilized by agencies yet in light of technical limitations of agencies, lack of budget, and weak appreciation of their value</p> <p>CIM and cross index installed in OSS to assist public in early detection of fake, double and overlapping titles; BILIS installed in barangay Holy Spirit to facilitate community access to land information to verify ownership and detect fake, double and overlapping title</p> <p>Transactions within OSS resulted in reduced cost and time to complete (issuance of certified true copy of titles, from 1-2 working days to 1-1.5 hours; issuance of transfer certificate of title, from average of one week to</p>

<sup>8</sup> LAMP. CBM and E Report on FGD in Holy Spirit. August 2003. Genzola, Ma Cecil. 2003. Squatter Syndicates through the Eyes of Informal Settlers. PA LAMP Research Grants. Mas, Dennis. 2004. Land Transfers in Informal Settler Communities. PA LAMP Research Grants.

	<p>resolution of fake, double and overlapping titles and the efficient reconstitution of missing titles</p> <p>Draft implementing orders prepared to mainstream improved systems and procedures developed within current legal framework</p>	<p>average of 3 days)</p> <p>Interagency TWG formed led by LRA and with participation from community and private sector to coordinate efforts on fake title detection; Fake Titles manual developed and database of fake titles compiled from records of agencies and private sector (banks)</p>
<p><b>COMPONENT 4</b></p> <p>Project management, implementation, monitoring and evaluation in place</p>	<p>Efficient and effective management systems in place (project achieving outputs and objectives, and implementing activities to schedule)</p> <p>M and E system in use able to collect information needed for project management, assessing impacts/service delivery/stakeholder perceptions, and learning lessons for the next phase</p> <p>Strategy and framework developed and in place to ensure active participation of civil society in land administration and management</p> <p>Agency staff trained with the skills necessary for project implementation (number by type of training, agency and sex)</p>	<p>Planning, administrative, financial and procurement management systems in place and specified in LAMP Administrative Operations Manual; regular review of management functions held to identify and address weaknesses in project management</p> <p>M and E framework established in March 2002 and used to collect information required for effective project management, assess selected impact indicators, investigate issues requiring further analyses; and generate lessons; Integrated Lessons Report prepared</p> <p>Social Program Plan developed and implemented to improve stakeholder participation in policy formulation, consensus building and implementation of prototypes</p> <p>Gender training programs implemented; gender mainstreaming manual completed together with a handbook on social development in land administration</p> <p>Training conducted, competency based training manuals developed, training of trainers conducted, and assisted in improvement of GE curriculum in coordination with universities</p>
<p><b>COMPONENT 5</b></p> <p>Next phase of the longer-term LAM Program designed using project outcomes and</p>	<p>Detailed design of next phase agreed by key stakeholders and documented</p>	<p>LAMP2 proposal documented, approved by ICC Technical Board; developed under direction of interagency Design Steering Committee (DSC); agreement among GOP</p>

experiences	Design informed by socio economic and land tenure analysis	WB and AusAID on design elements and scope Studies on land markets, National Training Needs, land tenure completed to inform design; lessons from LAMP1 documented to inform design of LAMP2
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A more detailed analysis, by outputs, of achievements against the logframe indicators is presented in Annex E.

During the PCR workshop, it was agreed that the achievement of project objectives and outputs was satisfactory because the Project was able to produce its targets to a certain extent. Some members feel that they strongly agree because data requirements for policy recommendation are clear and well defined. However, some reservations were made:

- ❖ The regulatory framework is not approved/in place (e.g. LARA). On the other hand, some legislative measures are in place (e.g. amendments to the Free Patent Law Extension); and
- ❖ Other options (on policy formulation) were not pursued by LAMP.

#### **2.4 Aggregate Benefit Indicators**

Being a LIL, the Project was not expected to contribute to the achievement of quantitative targets on benefits. However, some qualitative description can be made of the Project's contribution to: (i) improving governance; (ii) poverty reduction; (iii) economic activity; and (iv) promoting gender equity.

On governance, improving transparency in procedures and payment of fees was a key principle which guided the development of procedures in the Prototypes. The recommended systematic titling approach incorporates provision of information to claimants on titling procedures and options, the fees to be paid, and the basis of fees. All payments have been issued with official receipts by appropriate agencies. On land records management, information dissemination on the procedures for transfers and other transactions and access to land information that is accurate was a key objective. With clients better informed they are in a position to better protect their interests when they deal with agencies or third parties. The design of the OSS was driven by the objective of improving overall service delivery to the public and to make the transactions more transparent and efficient. The emphasis on customer service represents a change of institutional culture for this sector; the project has taken just one small step in this change management process. However, new structures such as the base camp of titling operations (taking the service to the people), the BILIS information system resident at the Barangay of those areas with large informal settlements and many fake titles, and the OSS are practical and visible steps towards a customer focus.

In PIO2, office design was motivated by the requirement to reduce opportunities to make informal payments. Payment of informal fees was monitored through the OSS exit surveys. Participation was also a central strategy in the design of procedures so that communities and other local stakeholders were able to be actively involved in many aspects of land administration work. Participation strategies were designed and tested, and recommended approaches were developed at the prototypes, including greater stakeholder participation in policy development and consensus-building on the reforms. Participation was guided by awareness-building on the issues and the solutions available to address them. Accountability was promoted through regular reviews of project performance. Within the agencies, this was advocated through the establishment of benchmark information on key services and sharing these with the agencies. Community perception surveys or regular focus group discussions were important means to generate feedback on project operations and performance. It was these sources of feedback which convinced the project very early, that the method of titling known as homestead patents, was not appropriate. More strategically, the openness of the project to new ideas resulted in DENR and DAR convening to

consider the parallel issuing of titles to owners and tenancy long term leases to agrarian reform beneficiaries. This was taken further with the finding of the land market study that 60% of the real estate of the country is informal, and the design team of LAMP2 adopted “land tenure security” as a key objective, not the more recognized (and more restrictive) banner of land titling, which in the Philippines implies land ownership.

In both prototypes the role of the LGU was pivotal to success, not only as chairmanship of the LAGs but also in field operations and the social development activities. In addition, the valuation activities in accordance with the local government code are focused at the LGU level. As at the central level it is not just capacity building which is weak but also structural weaknesses exist, and in the case of the valuation, there is a draft Bill prepared under the project which would remove political interference in the approving of the valuation schedule.

As is now well known the major governance decision of the LAMP, was a decision taken by the project task force to endorse the policy recommendation to restructure the sector around a single organization which would be the vehicle for long term reform; it was recognized that the existing organizations have strong vested interests to maintain fragmented and inefficient land administration services. It was recognized for the first time that the problems are not technical and financial but structural. The strategies of the project to counter formal opposition included building awareness within and without government that the sector could operate far more effectively. By considering both the legal and fiscal cadastre, the impacts on the economy and society of the dysfunctional system, and not getting caught in technical details, the project has established greater appreciation by non land administration specialists of the need for change and the potential benefits. This collegiate is needed to ensure the passage of the required legislation.

Poverty reduction as a goal of the long-term program was expected to be achieved through increased incomes arising from increased agricultural productivity and investments in land as a result of titling. Although the Land Markets Study has documented significant additional investments in land after titling, these were not clearly manifested in the LAMP PIO1 areas.<sup>9</sup> Efforts at facilitating convergence of support from all relevant agencies and organizations were made so that communities with titles are given adequate support to increase the levels of land development and improve the prospects of increasing incomes, and increase land values. The likelihood of providing benefits to other social groups who will not receive titles, such as tenants, was also studied, and recommendations were offered. Finally, the high value given by the communities to titling is seen as a way of improving their overall quality of life through more secure tenure, an indicator of total human development.

In addition to titling, improved land records management supports improved economic activity of the land market in the PIO2 areas. Documented case studies and other known cases have shown that the lack of clarity in land records encouraged the activities of syndicates which prey on informal settlers and take “rent” on behalf of bogus land owners. Moreover, uncertain ownership information prevents the land from being traded in the market, especially in areas occupied by informal settlers. Cases of negotiations for sale initiated among informal occupants and the true owners

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<sup>9</sup> Reference is made to the discussion on development impacts and poverty reduction (sections 2.4 and 2.5).

of properties were also documented as a result of establishing without doubt the owner of the property.

Completeness and accuracy of records held by the agencies can also improve the ability of LGUs to collect the right amount of revenues from real properties. In PIO2, some 40% of the LGU tax records are not updated with the recent title records in the ROD. Unless these records are updated by the LGU, it will not be able to correctly locate the property owners should they fail to pay their property taxes. Secondly, the project demonstrated the distortion of property values and its affect on annual property tax (rates), as well as the unfair/burdens that can result.

Gender equity in the policy governing issuance of titles was promoted by LAMP. A more detailed discussion on this is made in section 2.7.2

## 2.5 Development Impact

The likelihood that the activity will have satisfactory overall impact is neither satisfactory nor unsatisfactory.

One of the key learning experiences is that in order to better establish the link between poverty reduction, which underpins the development objective, and tenure security it is necessary to provide social services to those in need, as part of a total beneficiary package:

- ❖ Without social preparation and support services the capacity to function in the land market may even be inimical to the interest of small and tenant farmers who are often chronically in debt.
- ❖ It is important that titling activities are not simply driven by targets and considerations of production efficiency. Capacity building and empowerment of the beneficiary must also take place.
- ❖ An emphasis on post-titling activities is needed to facilitate linkages between government LAM agencies to exploit the benefits of titling and to offer the beneficiaries access to services and finances to develop the land.
- ❖ There is a need to build capacity at the LGU level for economic development to occur that can benefit entire communities. Under this approach the stakeholders are the entire LGU population and they will benefit from secure tenure, increased government revenue from formal land transactions, improved LGU governance, local development plans that respond to identified community needs, and improved access to other social and infrastructure supports provided by government agencies and donor programs.

During the PCR workshop, participants listed a number of conditions for each development impact to be achieved:

Likely Impacts	Conditions which must be satisfied for the Impacts to be Achieved
Land market stimulated/ increased land development/ increased market value of properties	<ul style="list-style-type: none"> <li>• Amendments to land laws</li> <li>• Improved land records management</li> <li>• Sufficient number of titles produced in rural areas to build a critical mass of 'satisfied customers'</li> <li>• No constraints for subsequent registration of transactions (transfers etc)</li> <li>• Public confidence in land registration system</li> </ul>

	<ul style="list-style-type: none"> <li>• Infrastructure support</li> <li>• More equity in land tax through uniform, consistent and transparent valuation</li> <li>• Without equity in access to land, this may impact negatively on other groups</li> </ul>
Institutional Strengthening/reform (consensus and commitment to reform)	<ul style="list-style-type: none"> <li>• Support to LARA bill</li> <li>• Budget support to implement</li> <li>• Broad stakeholder and agency support to implement</li> </ul>
Increased GOP revenues and reduced GOP costs	<ul style="list-style-type: none"> <li>• Passage of LAA, NAA Bills (structural change)</li> <li>• Transparent/consistent valuation standards</li> <li>• Consistent and updated LGU Assessors Office records</li> <li>• Registration of subsequent transactions at reasonable cost to retain people in the formal system</li> </ul>
Reduction in rural poverty	<ul style="list-style-type: none"> <li>• Titles will be used for credit</li> <li>• Agricultural/rural development support</li> <li>• Rural poor will be beneficiaries</li> <li>• There will be opportunities for rural development</li> <li>• Local investment and job creation</li> </ul>

It was strongly recognized that the LIL was meant to fully understand the issues and formulate concrete recommendations to remove the constraints to the achievement of anticipated long term development impacts. The LIL has emphasized that without wide ranging reforms, the likely benefits from LAMP will not be realized.

The PCR workshop considered a list of development impacts from the project's M and E Impact Indicator table. The rating of such impacts is shown in Annex F.

## 2.6 Poverty Reduction

The activity will have neither positive nor negative impact upon poverty.

During the PCR workshop, majority of group participants neither agree nor disagree that LAMP has contributed to poverty reduction – reflecting the lesson that the linkage between tenure security and poverty reduction needs to be better understood and strengthened. The following explanations were given for the rating:

- ❖ It is too early to assess impact on poverty reduction as expected benefits cannot be determined yet. Issuance of title will not automatically translate or stimulate the land market. It will take time before land transactions occur.
- ❖ Some of the title recipients were not the actual farmers in the area. It was also explained that not all title recipients were farmers. Therefore, LAMP will not be able to effect poverty reduction as the beneficiaries are not the poor farmers themselves.
- ❖ There was no direct complementation with the five (5) core strategies of **KALAH**I Program, or other relevant programs in the region. It was recommended that LAMP objectives should be able to parallel with the activities of the said program to be able to realize holistic poverty alleviation



in the pilot areas. As an intervention, it was mentioned that to date, partnership with KALAHI is being done in one of the LAMP municipalities Pastrana, Leyte.

- ❖ Interventions of LAMP are more on capacity building.
- ❖ Some impacts in order to be realized require legislation such as the amendment to the five year restriction period on free patent. Such restriction does not augur well for the local land market because it prevents transfers.
- ❖ Some acknowledged that LAMP is a good start. It will pave the way for best practices in land administration and management.
- ❖ Piloting sharpened the objectives on poverty reduction but impacts cannot be determined yet. It was also added that the methodology employed was not clear. In terms of the direct/indirect contribution of LAMP to poverty reduction, the following were given:
  - LAMP has provided the roadmap to achieving poverty reduction
  - Convergence of government programs to maximize impacts.
  - Strengthened base of LGU finances as a result of titling.

## **2.7 Cross-Sectoral Impact**

### **2.7.1 Environment**

The impact of the activity upon the environment was very satisfactory.

The basis for rating was the short-term nature of the LIL project. Activities considered include the OSS building and the short term effects of construction and the field survey activities, which resulted in minor clearing for boundary definition and possible fencing. Both effects are minor. In terms of long term impacts, it is expected that titling will provide incentives for parcel owners to practice sustainable land use strategies as rights become more secure. However, additional investments and transfer of titles could lead to changes in land use and/or the introduction of other economic activities that may damage the natural environment. While the likelihood of these impacts is minimal, these would have to be monitored over the years.

### **2.7.2 Gender**

The differential gender impacts of the activity and gender components were very satisfactory.

The Philippines is fortunate to have gained more gender equity than many other Asian countries, both in law and practice. For example, there is a good gender balance in LAM Project counterpart staff, including senior PMO positions. Discussions at the barangay level in Leyte indicated that women were well aware of their rights and although agriculture work is gender-assigned, females generally contribute more to overall livelihood than males. Recent titles have also been issued with the names of both males and females.

The LAM Project incorporates adequate processes and mechanisms to ensure that gender equity is addressed and adverse social impacts are minimized. The Project design provides for a small team of three to work together with the PMO and PIO offices so that adequate attention is given to these issues. In addition, technical field activities also included a member of this team so that ample opportunity is provided for the issues to be properly assessed in the field.

In general gender integration has been pursued through:

- ❖ Promoting awareness of land rights for women
- ❖ Information dissemination
- ❖ Identifying gender sensitive policies and services
- ❖ Planning implementation using gender sensitive processes
- ❖ Evaluation of implementation in terms of gender impacts
- ❖ Developing guidelines for gender appropriate practices and the participation of women.

During the PCR workshop, the following considerations were given:

- ❖ Planning, implementation, M&E and reporting, gender aspect has been included
- ❖ Strong women's participation in LAMP activities
- ❖ Inclusion of gender representation in LARA
- ❖ Changes made in the land titling (from titles named to husband to spouses of conjugal properties)
- ❖ Changes made in the operational and organizational policies (gender issues and concerns were included)
- ❖ Changes made in DAO 13 series of 2003 (removing gender biases in the acceptance, processing of patent applications)
- ❖ The project Logframe has incorporated gender concerns
- ❖ The Project developed a Gender Mainstreaming Plan and Gender Mainstreaming Handbook in LAM

## **2.8 Cost-Benefit Analysis**

The activity's benefits as compared to costs are satisfactory.

In discussions with AusAID Post (the Activity Manager) in March 2004 it was agreed that a formal cost-benefit analysis would not be required. The LIL was not focused on impacts – rather the development and testing of procedures, and the development and advocacy of policy/legislation for reform.

From the beneficiary stakeholder perspective, while initially titling was not high on the community's hierarchy of needs, there is interest because of the social benefit arising from tenure security. It is also understood that the title can also be used for collateral in times of emergencies, such as for hospitalization, education and to meet daily needs. It was also recognized by claimants that possession of a title will facilitate smooth passage of land to heirs. Many also recognize that titles increase the value of their land.

During the workshop, the following views were expressed:

- ❖ Costs associated in reform projects are usually high
- ❖ Benefits will also be delayed (and with high risk)
- ❖ Significant and long term benefits, not immediate benefits
- ❖ Benefits and cost cannot be immediately identified
- ❖ Entails high cost for research to inform the reform process
- ❖ Maybe costly but it benefits the majority because it is a reform project.
- ❖ Need to be more concerned with the tangible (valued) benefits and costs in LAMP I

## **2.9 Value for Money**

The activity's value for money is satisfactory.

LIL projects such as LAMP are difficult to assess in terms of value for money, in the traditional sense that this is applied to ordinary projects. Usually, this is measured in terms of production figures and the unit costs compared with other projects. However, the emphasis has been on developing cost effective procedures that will be replicable for the long term. Thus, the project represents an investment in technical assistance, and capacity building, so that enough foundation is built to implement the subsequent reforms smoothly. It is understandable that this initial investment will be high, so that future cost savings can be achieved, as more wide scale implementation is carried out.

During the PCR workshop, participants provided the following considerations:

- ❖ The cost of titles to clients have been reduced
- ❖ The project was able to implement most of its activities, such as: the establishment of the OSS, development of policy package/recommendations on policy
- ❖ Some fine tuning and improvements need to be made
- ❖ To attain cost saving, there is a need to reduce the cost to government
- ❖ The project is an investment for the future, if we can sustain the activity

Prototype 1 has produced a comprehensive analysis of the cost per title. Focus has been sharpest on the high cost of cadastral survey activities with the field survey methods, which are presently employed in the Philippines, are used. The adoption of the alternate technologies tested in the prototype is essential if field survey costs are not to be a barrier for the long term LAM Program. A clause in the Free Patent amendment Bill provides for DENR to use low cost survey methods.

## **2.10 Monitoring of Activity**

The monitoring of the activity was satisfactory.

LAMP developed an M and E framework that reflects the LIL nature of the project. Separate logframes prepared by WB and AusAID during preparation had to be unified to clarify expected outcomes and indicators of achievement, then used subsequently as the reference for measuring performance. Specific tools were developed to systematically evaluate procedures on a regular basis so that these can be improved and lessons generated. The tools and methods used in LAMP were documented into an M and E Handbook to be used as a resource for project staff and other stakeholders. A lessons database was prepared and updated. An Integrated Lessons Report was prepared at project completion to serve as a key document for implementers of LAMP2 and other stakeholders.

One difficulty encountered in project monitoring was the lack of appreciation by oversight agencies/bodies on the LIL nature of the project, which imposed the traditional quantitative target driven measures of performance in project reporting and monitoring. In some instances, development partners still look for achievement of production targets in the project.

From the PCR workshop, the following comments were given:

- ❖ The participants from the LGU (Quezon City and Pastrana) mentioned that LAMP's M&E reports reach them through the monthly Local Advisory Group

(LAG) meetings. Thus, they are able to get updates about the activities of the project. The representative from Pastrana emphasized, though, that reports are not important to them. What matters for the LGU are the results of LAMP interventions. The facilitator responded that LAMP stresses both processes and results owing to the fact that it is a learning and innovation project.

- ❖ On risk assessment, the participant from Pastrana LGU said that it was the first time he heard about it. He mentioned that they were not involved in risk management assessment.
- ❖ At the level of PIOs, project managers use M&E reports for decision-making purposes.
- ❖ The representative from FASPO explained that there is no clear monitoring and evaluation framework for the policy studies. In addition, results are not feedback to stakeholders.
- ❖ There is lack of documentation of PIO activities.
- ❖ Community-Based Monitoring and Evaluation (CBM&E) was effective because it paved the way for the identification of emerging social issues.

Areas needing improvement are the following:

- ❖ Feedback to stakeholders
- ❖ Need for the management to act on M&E information
- ❖ Documentation of activities
- ❖ Units to document their own lessons and reports and not rely on M&E.

### **2.11 Technical Assistance, training and capacity-building**

The technical assistance provided under the activity was satisfactory.

The main approach to TA has been to assist the project achieve its objectives through provision of technical advice and best practice standards in the relevant fields. This was accomplished through mentoring, on the job training, formal training and high level advising to the project staff and other key stakeholders. The level of TA inputs to the project was substantial considering the requirement to introduce improved procedures in land administration and reforms. International perspective was important to provide inputs on best practices that worked. This was combined with extensive use of national TA inputs to provide the in country perspectives and ensure that whatever advice provided are sensitive to local social, cultural and political contexts.

Attached as Annex G is the list of names of persons who have had their capacity built under the project and the means of capacity building provided.

The advantages of the TA included: (i) quality of TA inputs and outputs; (ii) adequacy of levels and mix of TAs; (iii) coordination and collaboration of TA; (iv) relationships with counterparts; and (v) timeliness. Areas that could have been improved are: (i) early finalization of specific TORs of individual TAs so that their tasks and schedules are clear to the project and counterparts; (ii) the timing of international TA mobilization should be continuously reviewed in light of project developments and pace of implementation; and (iii) clarify the role of TA vis a vis the managers of the prototypes. There were some instances where, in an effort to make things happen and decisions required on critical issues, TAs had to proactively prompt the counterparts to take action. In terms of timeliness of training, some of these should have been conducted prior to project implementation; however, there was delayed TA mobilization by AusAID which resulted in: (i) delays in approval of training program,

and (ii) delays in the development of the M and E framework. There was a strong suggestion that TA should be mobilized at the start of the project to provide the needed level and type of TA inputs during the critical stage of project start up.

The training assistance provided under the Project was very satisfactory. During the LIL, the breadth of training is shown by that fact that a total of 486 training events were organized involving 965 training days for 14,324 participants (40% female, 60% male). Originally intended for project staff, the target was expanded to include the broader stakeholders as well, which proved very strategic for the project, particularly in boosting its advocacy for reform and generating improved awareness on land administration issues. The research grants enabled LAMP to develop a strong interest in land administration research in the academe and from among NGO groups.

The design of the AusAID funded TA provided some degree of flexibility to meet the changing requirements of the project during implementation. However, it was found out that there was scarcity of competent nationals (particularly in the areas of survey controls, cadastral survey, and systematic adjudication) and so these positions were not filled. The TA design also had its limitations in that the grant funds can not be used for non people resources – this posed some administrative difficulty in directly contracting out special studies which necessitated other forms of inputs. There was no provision for TA for OSS under the original design which constrained the AMC from providing additional focused support in this area. This was resolved however, when the contract was amended. Finally, the provision under the Memorandum of Subsidiary Agreement (MSA) that all national TAs have to be approved by the DENR Secretary proved difficult during the time when there was delayed action by the Undersecretary in charge which resulted in delayed deployment of some national TAs.

## **2.12 Procurement**

The performance of the project on procurement was neither satisfactory nor unsatisfactory.

Most of the project's procurement activities involved the use of loan funds for equipment, consulting services, cadastral survey contracts, and works to establish the OSS. The Project Appraisal Document (PAD) provided procedures for sole sourcing, quality cost based selection, and other modes of procurement. The PMO was mainly responsible for all procurement under the project using the procurement facilities of the DENR, and following the procurement arrangements defined in the PAD. A large number of contracts required prior review by the Bank. On the other hand, procurement under the TA grant was minor, mostly supporting equipment for the operations of the TA team in the four main implementing sites.

The Project encountered severe delays in procurement which greatly affected its operations. Examples of these were delays in the cadastral contracts. Three months before completion, some cadastral survey contracts have not been completed, which effectively delayed the title issuance in PIO1. Similarly, there were delays in the establishment of the OSS in PIO2 which constrained the effective demonstration of interagency collaboration in providing one stop service on land related services in Quezon City, where agencies were very willing to cooperate. These can be attributed to the absence of a qualified Procurement Officer for the most part of the project, inadequate understanding by staff of procurement policies and procedures which

resulted in mistakes and poor procurement planning, and the lack of a project specific Procurement Manual which could have guided the actions of concerned staff.

### **2.13 Financial Management**

The project's performance in financial management was neither satisfactory nor unsatisfactory.

Loan funds from the WB were managed by PMO utilizing the financial management facilities of the DENR. A Special Account was set up for the purpose, against which disbursements of the Bank's share of eligible expenditures were made. The GOP contributions were also managed by the PMO through its Finance Unit, and deposited in an account set up for the purpose, against which disbursements of GOPs share of expenditures were made.

Funds for PIO1 were made available through cash advances by the PMO and managed by the DENR's Regional Office in Leyte; while disbursements concerning PIO2 activities were made following the PMO-DENR processes.

There were a number of financial management issues which affected the Project:

- ❖ There was a shortage of GOP budget allocation for the project, which necessitated a request to increase the loan share in major cost categories;
- ❖ There were delays in releases of GOP funds, in some cases, substantial reduction in cash releases versus allocated; the allocation for loan proceeds were also reduced thus requiring the project to scale down its planned operations seriously affecting the project's credibility. These were most felt in 2002; and
- ❖ The Special Account was almost depleted in 2002, which resulted in cash flow problems. This was mainly due to heavy disbursements as the payables mounted during the year. Thus, a request for an increase in the Special Account was arranged with the Bank.

The above issues were mainly due to lack of adequate financial controls in the project. For one, for most of the project's duration, there was no qualified Financial Management Specialist. The project's financial monitoring of expenditures was not recorded against major project components. While a Financial Management Manual was developed early on in implementation, this was not used since it was found not very relevant to the requirements of the project.

AusAID contribution to the project was managed by the LEI as the AMC. The contract specified, following AusAID guidelines, the procedures and condition for the management of funds from AusAID. LEI provided regular financial reports to AusAID.

### **2.14 Risk Management**

Risk Management for the activity was satisfactory.

The review of risk management matrix by the project was done regularly, and served as important inputs to management in developing strategies to mitigate identified risks. Additional comments/suggestions from the PCR workshop were given:

- ❖ Stakeholders are not involved in risk management (though this process is quite involved and may not be practical to discuss with the wider stakeholders)

- ❖ Risks which should continue to be looked into: (i) participation (all components); and (ii) economic benefits
- ❖ LRA records are not accessible to basic sectors
- ❖ Some risks on project preparation (e.g. sustainability aspect are not treated well).

## **2.15 Activity Management**

Interagency participation is central to LAMP's implementation strategy, given the multiplicity of agencies involved in LAM. A high level interagency Presidential Task Force provides policy direction and oversight to the whole Project, while interagency Local Advisory Groups ensures coordination of efforts at the Prototype level. Similarly, implementation of the different activities require the detailing of several staff from these agencies, as well as through interagency Technical Working Groups formed to work on specific areas of interest, such as the One Stop Shop, fake titles, policy discussion groups, etc.

A Project Coordination Committee meets during each Joint Supervision Mission to discuss the progress of TA, resolve policy issues and discuss any related issues with the provision of TA under the project.

Inter-agency project implementation arrangements covered involvement of detailed staff and technical working groups in project operations, as well as the co-location and co-management of the One Stop Shops. The linkages with the agencies were formalized through MOAs.

Since the LAM sector has remained relatively unexplored for many years the project involved agencies with varying levels of preparedness to participate and commit to their respective roles. The strong technical orientation of these agencies and the inexperience in working together presented challenges in implementing a MOA. In fact, the investment in time to train and guide staff and the effort to overcome the friction which accompanied any movement toward cooperation, was significantly higher than anticipated. Nevertheless LAMP experience has been an opportunity to better understand the institutional dynamics, bureaucratic cultures, work standards and norms among agencies in the LAM sector.

### **2.15.1 Project Coordination Committee**

The performance of the Project Coordinating Committee was satisfactory.

The PCC has been valuable in providing directions for the TA. It was a useful mechanism for providing feedback and assessing the progress of PA-LAMP. Counterparts might not have fully appreciated the purpose of the PCC as a venue for policy discussions since the Taskforce (whose performance was very good) was taking on that role. It might be useful to consider scheduling PCCs outside the Supervision Missions. This is to minimize the stress on PMO resources.

### **2.15.2 Partner Government**

Overall, the performance of the Government of the Philippines was satisfactory.

From its inception, the Government of the Philippines has demonstrated its strong commitment to the long term program and the reforms attendant to it. This was manifested by its initiative to create a High level Coordinating body to review and consider the long term program, coupled with a subsequent request for support to begin to implement changes in the sector. The LAMP received strong support from

the lead implementing agencies, and despite the odds and differences, the reform program was defined, and consensus was eventually reached with key stakeholders. The successful implementation of the LAMP despite the constraints and challenges is also a clear evidence of GOP support to the program. Finally, the expressed interest and support of the President and some legislators on the reform agenda provide indications of the government resolve to continue the campaign for better land administration in the country.

In addition to the high level coordinating body, other agencies played important roles in the project by virtue of their mandates. The DBM is involved in financial monitoring and in the review of yearly budget proposals and releases thereof to the Project. Due to the national fiscal situation experienced during the recent years, there have been delays in the releases of budget allocations and cash for the project which affected its planning and operations. At some point, the Project had to scale down its field activities in view of uncertainty and reductions made on the budget. Associated with this, there have been delays in the processing of requests for vehicles and position allocation list. At the time of this writing, the budget strategy for LAMP2 has not been issued, which will strongly impact on the transition to LAMP2. On the other hand, NEDA performed oversight monitoring functions to the Project. As Secretariat of the Investment Coordinating Committee (ICC), it was also responsible in the review of the LAMP2 proposal. It is worthy to note that NEDA senior officials have demonstrated strong participation and support to LAMP, as evidenced by the quality of its inputs during IACC/TF and PCC meetings, and other venues to discuss policy issues affecting the project. In terms of monitoring, the participation of NEDA staff in field monitoring can be improved so there is better appreciation of project operations. Similarly, there was general lack of appreciation of the LIL nature of the project, with staff evaluating performance against the traditional quantitative driven targets. There were delays in the review of the LAMP2 extension proposal, the request for budget realignment and changes in loan GOP mix; as well as in the review of the LAMP2 proposal. The DOF, for its part, has been very active in the design of LAMP2, and in the review and approval of the LAMP2 proposal by the ICC Technical Board, in its capacity as Chair.

### **2.15.3 Inter-Agency Coordinating Committee/Presidential Task Force**

The performance of the Task Force and earlier Inter-Agency Coordinating Committee was satisfactory.

The IACC was envisaged to provide overall direction to the project, coordinate all the various bodies and stakeholders involved, and oversee the achievement of project objectives. Changes in the national leadership in 2001 affected the representation in the IACC and this further compounded the difficulty in building consensus in a large body with members holding diverse interests and concerns. Given these limitations, the IACC was replaced by a Presidential Task Force in March 2002. Being leaner, and with a membership holding more common interests in land administration, the Task Force has been effective oversight body. The direct link to the office of the President has also been positive for the political profile of the LAM Program. The Task Force is chaired by DENR, co-chaired by DOJ, with senior officials of NEDA, private sector, and NGO representatives as members.

During the PCR workshop, the following views were expressed:



- ❖ There was enough political support to set up a TWG to draft the Land Administration Reform Authority (LARA) Bill
- ❖ It was effective in so far as an awareness that a PTF is created to set the direction of LAMP from the national level to steer activities at the lower level (eg NGOS)
- ❖ The PTF provided a higher level forum for discussion of policy issues in land administration
- ❖ It provided concrete and firm directions for the policy reform in land admin (LARA). However, the frequent change in leadership of the PTF have delayed some of its activities (shift from DENR-OP-DENR)

Some participants felt that they strongly agree because the Task Force was able to push for the reforms arising from LAMP study recommendations. On the other hand; there were some who disagreed because of the presence of power dynamics within the group and a lack of proof regarding the outcome of coordination.

#### **2.15.4 Implementing Agencies**

Operationally, LAMP was designed to be managed by a PMO at the center and Prototype Implementation Offices (PIOs) at two locations. Compared to a model where the project is embedded in the existing agencies this approach does not have a sustainable impact on the institutions. However, it was appropriate since LAMP has far wider objectives involving reform in the entire sector which necessarily involves a number of largely autonomous government agencies. The environment needed for major sectoral reform with diverse agencies involved is not well understood since there has been so little meaningful reform of government in the Philippines. Mistakes may be made in the future unless the executive take a firm position on the need for LAMP 2 to be implemented by an office with a degree of independence, authority, personality and clear leadership.

The key lessons emerging are:

- ❖ Memoranda of Agreement (MOAs) do not in themselves guarantee the participation and commitment of agencies.
- ❖ Until the enactment of legislative power to command unity (LAA), strategic partnerships will still be needed for the next phase of LAMP. The selection of sites for the next phase of LAMP must take account the goodwill of the key agencies in these locations, as well as the receptiveness of staff to cooperate in an interagency undertaking.

The concept of the One-Stop Shop was introduced to test the effectiveness of integrating the delivery of land administration services from the wide range of responsible agencies. The intention was to provide a single location and install systems and improve procedures so that operations could be streamlined by provision of more reliable information, reduced transaction time and cost to the public and improved transparency in procedure and fees.

The co-location in an OSS did not, in itself, result in the desired efficiencies. The key lesson from the experience is that the OSS model will work only in areas where there is strong support from the heads of participating agencies, and there is parallel openness of those in the sites to cooperate. Personality differences at the regional level can impact on outcomes. The introduction of technical and administrative improvements in the internal agency processes for purposes of streamlining was met with resistance, requiring official directions from the Central Offices to effect such

changes each time. Experience in inter-agency collaboration under the OSS points to a need for a paradigm shift in attitudes, to recognize that the organization exists to provide service to the community. There was a lack of initiative and preparedness to innovate, and a general resistance to reform.

While a MOA is important, criteria for selection of project areas must take into account interest, motivation and commitment of key individuals to the success of the program and to lead change. It is evident from both Prototypes that the lack of cooperation from leaders of key agencies can have severe impact on operations and on the smooth implementation of the OSS. Considering the experience, the OSS will operate better if the ROD, particularly, is motivated by the OSS vision to improve service delivery. This is also exemplified in Prototype 2, where the strong support of the ROD head facilitated the operations of the OSS, and the testing of other streamlining opportunities within the OSS.

Against this backdrop the performance of individual agencies is rated in the following sections.

## **DENR**

The performance of DENR was satisfactory.

The key considerations raised during the PCR workshop were the following:

- ❖ Former Secretary Gozun and Undersecretary Gerochi of DENR provided strong support in pushing the reform;
- ❖ There is a good relationship between the development partners (WB and AusAID) and DENR;
- ❖ There are skilled personnel in DENR to complement project implementation;

The changes in leadership at the Central Office and at the field levels resulted in varying levels of support and commitment from DENR. During the first few years of implementation, the Project had difficulties satisfying the policies of the Undersecretary supervising LAMP, and very little support from the Secretary was demonstrated in the reform program. Still, with changes in the Secretary, strong support was shown through leadership in the Task Force and in the approval of LAMP2. In PIO1, changes in the Community Environment and Natural Resource Officer (CENRO) and Provincial Environment and Natural Resources Officer (PENRO) meant negotiating with these officials each time changes were proposed in the procedures. The leadership of the DENR regional office, however, showed strong support to the changes introduced by the Project, and its effort to streamline some of the approval processes within its control. The financial system and procedures governing procurement, approval, DAO 17, etc were regarded as slow however. PIO2 also enjoyed strong cooperation from the DENR-NCR officials and staff in accessing survey plans and other records, in the resolution of interagency issues and other issues raised by the community, and its openness to adopt the procedures developed by the Prototype.

Other offices in DENR, particularly the Lands Management Bureau (LMB) and the National Mapping and Resource Information Authority (NAMRIA) showed differing levels of support to the project. While the LMB's role was to provide policy guidance to the work of the Land Management Services of the regional offices, it has not clearly demonstrated its resolve to develop solutions to some policy concerns, and in being open to the reform proposals being introduced. NAMRIA on the other hand,

was not been very effective in providing the orthophotos required on time, and in the conduct of control surveys.

## **DOJ**

The performance of the DOJ as lead of the land laws study was satisfactory. The study was completed on time, with DOJ staff participating in the formulation and consultation processes that followed. The DOJ was also active in the subsequent consensus building activities for the LAA.

## **LRA/ROD**

There was some divergence of opinion in rating the performance of LRA/ROD based on the different experiences of the two prototypes. The performance of LRA/ROD was satisfactory in the case of PIO2, and not satisfactory, in the case of PIO1.

Overall however it must be considered that LRA was quite lukewarm to the reforms introduced. There were views expressed during the PCR workshop that the role of the LRA/ROD is considered very important to the project and they were expected to perform their part for the success of LAMP. If they had performed their part the outcome of the LIL would have been better, especially at PIO2.

At the central level, LRA has responded positively to requests made by the project to clarify certain internal policy issues on registration of lands, affecting the implementation of Prototype 1. These are in the areas of registration of parcels more than five hectares and the requirement to pay back taxes. The LARES, which was managed by the LRA, was to operate at least three computerized registries during the life of LAMP. However, this did not materialize, which led LAMP to produce its own records for its purpose. LRA for its part, did not address this complementation with LARES. The Project initiatives on land document registration and national land records management strategies were not taken up after the studies were completed in mid 2003. In the area of reform, LRA has shown some resistance to majority of the proposals in the 14-point Agenda, most importantly, the creation of the LAA. This weak support also translated in the negative sentiments of its employees towards the project.

The LRA is the lead of the PIO2. Over a period of three years, there were a total of four Prototype Managers from LRA, reflecting the rapid turnover of managers which resulted in lack of continuity and lack of strong leadership in the prototype. The ROD however, showed strong cooperation and support in allowing access to records, in setting up the OSS, and in the streamlining initiatives in the OSS. The LRA was also very supportive of the anti fake titles effort of the prototype, as Chair of the interagency Technical Working Group (TWG). However, there was weak support from LRA for the lodgement of the survey plan approval process within the OSS.

In the case of PIO 1, the ROD set out to be non-cooperative – if not disruptive to the testing of alternate approaches to titling and service improvement. Agreements made during OSS meetings have not been implemented, and there have been numerous administrative, operational and policy constraints cited for most of the proposed improvements in the operations of the OSS. Access to records had been difficult, and it took the prototype some time before these became available, with LAMP providing staff and resources to make these possible.

## **DAR**

The performance of the Department of Agrarian Reform (DAR) was satisfactory.

The DAR is one of the LAMP implementing agencies. It is a member of the IACC and the PTF. Particularly in PIO1, the DAR was a member of the Local Advisory Group. It seconded a senior member of its staff to serve as Deputy Prototype Manager. Other regular staff were seconded as well to perform different roles in prototype implementation. At the OSS, DAR actively participates through the sharing of its records to prepare the CIM and land records database, assignment of staff to respond to queries regarding tenancy, application for conversion, and distribution of lands over 5 hectares. At the base camps, complementation with field offices of DAR was made to disseminate information and policies on registration of tenanted lands, and land distribution.

The agency participated in the CB/PF process, in the conduct of some studies, and in the deliberations of the proposed LAA Bill in Congress. In PIO1, mechanisms for coordination were established on registration of leaseholds, titling policies, and the operations of the OSS and the base camp.

In terms of expectations from relevant officials however, there were views expressed during the PCR workshop that the support of the DAR Secretary was not clearly translated into action, such as attendance in TF meetings. While there was mechanism for coordination with DAR on the registration of leaseholds in tenanted lands, this was not carried out due to capacity constraints in its field offices.

Other issues which affected DAR participation in LAMP included: (i) lack of promotion opportunities for detailed personnel from DAR prompting some of its staff to request for recall; (ii) unclear expectations between LAMP and DAR ; and (iii) inadequate understanding of staff of LAMP.

## **DoF**

The performance of DoF as lead agency of Finance and Fee and Valuation was very satisfactory.

The DOF successfully led the conduct of the finance and fees and the valuation policy studies. The ongoing downstream work on valuation was an outcome of the expressed request made by the DOF to continue and initially implement the recommendations of the valuation policy study. It has designated a highly motivated team to work on the activities of the valuation component under LAMP1. It has also demonstrated strong commitment to valuation reforms, and actively participated in the design of LAMP2 and in the consensus building on the proposed NAA and LAA Bills. TA advisers expressed their highest satisfaction working in the NTRC of DoF.

## **NEDA**

The performance of NEDA as lead agency for the Land Development Process (LDP) Study was neither satisfactory nor unsatisfactory.

The LDP study, which was started in November 2002, is still not complete as of mid October 2004. After almost two years, 80% has been disbursed from the total contract cost of P8Million. The delay was mainly due to unclear expectations between NEDA

and the consultant on the tasks and expected outputs of the study. Other studies, which were also as complex as the LDP, were completed on time, and advocacy conducted on the recommendations. As a result of these delays, there are no concrete actions being taken by LAMP to follow up on the findings or recommendations of the study.

### **DBM**

The performance of DBM as lead agency for the Institutional Development Study was satisfactory.

The DBM was able to shepherd the formulation of the institutional arrangements study, in its capacity as Chair of the Philippine Commission on Effective Governance (PCEG). However, it was not proactive in counterparting with the TA, more responding to TA initiatives rather than directing the study itself. It had limited final ownership of the institutional reform proposal. As Chair of the PCEG, the drive for institutional reform was not clearly felt, as it was too conservative in its approach to the reform program.

### **LGU**

The performance of the LGUs involved in LAMP was satisfactory.

The LGUs at the provincial, city, municipal and barangay levels played prominent roles in implementation. In both prototypes, the provincial and city chief Executive chaired the LAG. At the field level, direct coordination with LGUs was made in the implementation of titling and records validation activities. In Leyte, the LGUs participated in mobilization of claimants, provision of information, resolution of disputes, and in catalyzing the convergence of agricultural support services to assist newly titled properties. In Quezon City, the barangay LGUs participated as partners in the dissemination of information, and in the resolution of barangay boundary disputes. The valuation simulation activity also involved the city of Sta Rosa, which agreed to cooperate with the LAMP through the National Tax Research Center-Bureau of Local Government Finance (NTRC-BLGF) in the use of uniform valuation of properties, and document its effects on land values, taxes, and real property activity.

As members of the LAG in PIO1, the participation of the municipal Mayors varied, with some Mayors personally attending its meetings while others send different representatives each meeting. At the barangay level, the LGU had clear orientation on the benefits of titling, thus the participation was adequate in aspects such as mobilization, information dissemination, and in the documentation of Survey Notification Sheets (SNS). For LGUs involved in the LGU-led CO, the participation was more substantial, with the inclusion of funds for land development in their budget and processing of community tax certificate (CTC), which is a requirement for titling, in the barangay.

In Quezon City, the city government expressed its desire to finance the operations of PIO2 to cover all the other barangays outside of the prototype. The barangay LGUs have shown genuine and active support to LAMP activities, sometimes beyond what were agreed in the MOA (logistics, mobilization, and financial support). They have also demonstrated efforts to sustain the activities after project completion; and have effectively served as the alternative link of the project with the communities in the face of bottlenecks caused by strained relations with partner NGOs in the prototype. In terms of addressing issues that affect the communities, the barangay LGUs have

shown strong involvement in the resolution of boundary delineation conflict, and in addressing the proliferation of fake titles in their jurisdictions. In a few cases, though, conflicting and personal interests have come in the way of their effective participation. It is believed that their performance could have been better if they had a better understanding of the Project.

### **NGOs**

The performance of NGOs was neither satisfactory nor unsatisfactory.

The Prototypes engaged the services of NGOs in their respective areas. In PIO1, the WESLEDEF was contracted to pilot the NGO led CO approach to titling. In PIO2, a network of NGO, Partnership of Philippine Support Services Agency (PHILSSA) conducted CRS and field validation work in the four barangays of the prototype.

In PIO1, while the community work was adequate, the documentation of the major deliverables, such as the training report and the terminal report was not satisfactory. On the other hand, the PHILSSA contract was beset with delays and misunderstanding on the expected outputs. Some of the major deliverables were also not submitted. The experience point to the need to be more selective on the work to be undertaken by NGOs in land administration, strong support from the project, specially in new activities such as field validation and survey and titling; good contract management, and establishing mechanisms for joint problem solving processes.

### **Academe**

The performance of the academe was satisfactory.

The academic institutions were involved in the management of the research grants facility under the TA contract. PIO1 established partnership with a consortium of academic institutions in Leyte to collaborate, among other things, in research and curriculum development. The AMC tapped this consortium to manage the local research grants, mainly to develop the procedures and mechanisms, select researchers, and review the study reports. In Quezon City on the other hand, the AMC contracted an NGO based at the Ateneo University – the Institute of Church and Social Issues (ICSI) to administer the grant facility to members of the academe and NGOs. Both partnerships proved fruitful in developing interest among the members of the academe in research on land administration issues. Through the processes developed, carefully selected topics were identified, and suitably qualified researchers rendered their studies satisfactorily. A number of research papers were excellent.

In both prototypes, some members of the academe were tapped, in their personal capacities, to conduct studies of critical importance to LAMP. These relate to the studies on: (i) informal settlements; (ii) participation in titling; and (iii) mortgage arrangements. These studies were completed satisfactorily. The experiences point to the need to provide further support to actively engage the academe in land administration and management research to support the long term program.

### **AusAID**

The performance of AusAID was very satisfactory.

During the early stages of project conception, AusAID promptly responded to the government request for parallel bilateral support to a possible Bank assisted project by sponsoring a study tour for senior level officials of the IACC to expose them to similar practices and possible benefits of titling programs in Thailand. Subsequent

action was made in coordination with the Bank by fielding its own preparation Mission and the provision of bridging TA afterwards before the main TA was mobilized.

AusAID's supervision of the implementation of the activity has been very satisfactory. This is evidenced by its effectiveness and timeliness in providing assistance to solve problems encountered during implementation. During Missions, it fielded key experts to look at the social and technical aspects of project implementation, and recommendations made to improve performance. It actively participated in problem solving sessions with senior government counterparts and with staff involved in operations. It has also shown some degree of flexibility, to accommodate changes proposed in light of special circumstances, for example, flexibility in the use of training funds, the extension of the TA contract and the conduct of studies on special issues. There were some delays however, in acting on some of these requests. As a policy of AusAID, the QAP is viewed by the GOP as not providing significant value for money to the project. This is because it is an internal mechanism for the TA. The QAP Symposia were, however, well received by stakeholders in government and other sectors as they provided valuable information necessary to enable more informed participation on their part. An evaluation of QAP as made in May 2004, where positive and negative issues were raised.

In the design of LAMP2, AusAID financed the services of a Design Team Leader to fill the vacuum left by the non-approval by NEDA to utilize loan funds for preparation. A team of Australian and Manila based AusAID officials and consultants were fielded to conduct technical review and provide advice and inputs to the preparation of LAMP2. The performance of AusAID in the design of LAMP2 was very satisfactory.

### **The World Bank**

The performance of the World Bank was satisfactory.

The Bank has been very responsive to the request of Government to review the land administration sector by promptly mobilizing in 1998, a team from Washington working with government counterparts. The result of such study produced a Policy Note that became the basis of the support to LAMP. The Bank approach in progressively addressing the issues in the sector through the LIL was very appropriate, considering the complexity of the issues and the need to be more strategic in the intervention.

Jointly with AusAID, the Bank conducted a total of seven Supervision Missions, at specific times with the involvement of senior experts to assist in the review and to offer advice to improve implementation performance. While the support during Supervision Missions proved adequate, its presence and assistance in solving problems at the time these are encountered can be strengthened. In some instances, Bank statements during and after Missions have sent confusing signals about how the project performance is to be measured – on some occasions, quantitative production targets have been imposed, which in the opinion of the Government is not in keeping with the LIL. Overall however, the Bank has been supportive of the Government's request for the extension of the project, the re allocation of costs across components, and increasing the loan mix in the disbursement ratio. These proved very useful in addressing key issues affecting implementation of the project. At the time the project was encountering cash flow problems, the Bank responded by decentralizing the

approval of withdrawal applications in Manila, and approval of the GOPs request to increase the project's Special Account. Additional efforts on the part of the Task Team Leader to review and issue NOLs, in addition to the Bank's Procurement Officer in Manila helped the project in addressing some delays in procurement. On some instances, however, there have been delays in the issuance of no objection letters (NOLs) and reviews of statement of expenditures which in some cases, affected project operations.

On the design of LAMP2, the Bank provided strong support by mobilizing additional resources to finance preparation. This was in response to the decision by NEDA against the use of loan proceeds for LAMP2. However, during the early stages, there was an expectation that a PHRD grant would be mobilized to support preparatory activities for the next phase. For some reasons, this did not materialize.

### **Australian Managing Contractor**

The performance of the AMC was satisfactory.

In terms of timeliness of inputs and reporting, there was extensive reporting across all activities and many of these formed contract deliverables. Reporting was timely, and indexed to project components. The modus operandi was discussion of report at workshops. The strength was the involvement of stakeholders in the many studies and validation of report findings. However, exit meetings held at the end of TA reporting were not usually recorded, such that in the case of exit meetings held outside PMO, it is not fully apprised of the agreed next steps.

Performance monitoring of TAs was undertaken through the following: (i) reporting against TORs; (ii) work in progress monitoring system on deliverables; (iii) review of TA reports; (iv) QAP on deliverables and bi annual QAP review; (v) assignment of TA Coordinator for each site; (vi) PMT meetings; and (vii) submission of issue reports to AusAID through the simplified monitoring tool (SMT). While there was informal exchange with PMO and counterparts on TA performance, there was no formal mechanism to assess performance together with counterparts.

Financial management is responsive to project needs, supported by a Quality Manual, and transparent financial management. The TA financial reports form part of the six monthly composite reports and Annual Plan. While the expenditure of grant funds was not recorded per project component, reporting was done based on the format of AusAID.

The AMCs working relationship with AusAID, partner government and other stakeholders was very satisfactory. Significant issues were discussed, and the TA team worked closely with the counterparts and other stakeholders to develop their capacity, provide the needed technical inputs and management support, and provided advice on critical issues affecting the project so that appropriate decisions can be taken by the PMO.

Coordination of TA was adequate, however some national TA positions required closer guidance due to the nature of their tasks. Similarly, management of administrative support staff was satisfactory, however one senior administrative staff was not very cooperative. The services of this person were subsequently terminated.

Overall, there was good selection of TAs, with suitable background and experience for the positions, appropriate orientation on the nature of technical assistance work, and ability to work in a team environment, particularly with counterparts.



The AMC has been very flexible in its approach to providing assistance to the project. The training approach for example, which integrated design and funding with the loan and GOP funds proved responsive to the LIL. The approach to technology transfer followed the cycle of design, training, testing, review and re design so that procedures are improved and appropriate methodologies can be developed. Overall, the value of the AMC was to provide the broader perspective on policy work and its innovative approach to project implementation. Without the AMC, the project would have been doing the same things that have been done before, and the assistance would not have made much of a difference. The assistance introduced new things, opened new possibilities, and provided a broader perspective in analyzing the situation and in the development of options that are suitable and acceptable given the Philippine setting. These are considered of prime importance in a LIL.

### **Recipient/Beneficiaries**

The involvement of recipients/beneficiaries in the activity was satisfactory.

Participation is one of the key principles which guided the implementation of the project. The development of the procedures was made with due consideration to improving the flow of information to beneficiaries, and developing strategies that will increase their involvement in almost all aspects of project activities. The CRS strategies in the prototypes and the policy development and consensus building strategies managed by the PMO were built around these. The recommended procedures for mass titling embodies the involvement of the communities, working together with the LGU officials and other local stakeholders in the spirit of convergence so that support is provided to newly titled areas. In the area of records management, networking with local groups is the recommended strategy to improve community involvement in field validation, in providing information on land administration procedures and policies, and in the discussion of community land related issues. At the national level, partnerships were developed with the basic sectors and linkages were forged with NGOs, academe, professional groups, private sector and LGUs to improve stakeholder involvement in the reform program.

### **2.16 Sustainability**

LAMP activities were not designed to be immediately sustainable, but rather lay the foundations for a sustainable long term program. This involved testing of cost effective procedures for systematic titling and land records management, and to help put in place the reforms to sustain the implementation of the program. Undoubtedly, there is an expectation of future investment to replicate the procedures developed more widely in the Philippines, and that reforms in laws, institutions and other supporting policies would be required to ensure high likelihood of achieving sustainability of implementing the next phases of the program.

There are two critical issues affecting sustainability: (i) the general resistance from among the affected agencies to changes introduced, and more so with regard to the broad reform in policies and institutions; and (ii) the legal and structural defects of the system that prevents the adoption of new improved procedures. Indeed, one of the key lessons from LAMP is that without changes in the policy and institutions, any technical and administrative improvements will provide limited benefits and will not be sustainable.

### **Financial Sustainability Issues**

The Project's financial sustainability in the following areas is neither satisfactory nor unsatisfactory: (i) policy and reform, (ii) systematic titling, (iii) records management, (iv) one stop shop, and (v) valuation.

There is a recognition that policy reform would require sufficient resources to ensure success. While the advocacy for the LAA can be pursued by the lead agencies, its passage in Congress will require more focused effort so that any bottlenecks to its enactment can be addressed. After LAA, it is anticipated that there will be succeeding phases of reforms, which will require similar (if not greater) support. Once established, the LAA may eventually finance the next wave of reforms, depending on what would be the final provisions of the approved Bill. Built into the recommendations and proposed amendments to laws are considerations of cost recovery in services, and increase in revenues by widening the tax base.

The systematic titling procedures developed deviate from the current sporadic titling approach of the DENR in that there were additional steps introduced to improve transparency, participation and integrity in the titles issued. Mass titling will involve an infusion of resources in one area at a time, which may prove difficult for DENR to do in light of its regional budget allocation procedures. This methodology has not been adopted at the DENR, and given current funding levels, there is no assurance that these procedures will be carried out. Hence, a project or program intervention is essential. Further, the mass titling approach is superior to sporadic titling, not only because of efficiencies of scale, but the pre-existing sporadic approach has seen literally millions of parcels surveyed at great government expense, but as yet the titles are not issued. This is an expensive infrastructure which remains unused.

The records management procedures developed under the Project would necessitate the use of equipment, access and consolidation of records, and the availability of trained staff to perform these activities in the agencies. Without further support from the project, there is the potential for these activities to be not sustained. Some agencies have shown strong interest in specific activities (such as the Survey Plan Inventory System in DENR) so that for the remaining period of the project's implementation, plans for sustaining these can be implemented. Majority of the activities in records management however, would require changes in the internal procedures of the agencies, but without the willingness, availability of budgets in the agencies; and additional time to prepare the agencies, these will not likely to be sustained.

There are indications that at least for the Quezon City OSS, the LRA will be providing the services of a Manager, including some key staff. Other agencies have also expressed support in continuing the presence of their staff in the office so that OSS services can continue. However, it is still uncertain whether there will be budget available to cover the operational costs and whether agencies would be willing to assume these. A well-defined co management agreement would need to be in place to ensure the financial obligations of running the OSS would be covered. In PIO1, on the other hand, discussions are under way for the agencies to assume responsibility for the operations and maintenance costs of the OSS. However, continuation of the support systems, such as continuous updating of the CIM and the database would require additional resources not currently budgeted in the participating agencies.

The question of whether the GOP and DoF are able and willing to finance the continuation of valuation activities commenced under LAMP1 will depend on the availability of resources in 2005 and the extent of the deficit by that time. However,

the valuation component has been included in the design of LAMP2, and DoF has committed to provide the required budget from within its ceiling. Aside from favourable endorsement of DoF higher authorities, the valuation component under LAMP will contribute to the overall development strategy of raising revenues. One issue that may influence the financial sustainability of LAMP's valuation initiatives is the setting up of the NAA. This proposal may have to be reconsidered in view of government's position and its intention to streamline the bureaucracy, rather than create new organizations.

### **Technical Sustainability Issues**

The technical sustainability of the Project in the following areas is generally satisfactory.

The procedures developed in systematic titling were made in particular regard to the appropriateness of technology in surveys, records validation, cost effectiveness and stakeholder participation and community acceptability. These were all documented into a Field and Administrative Operations Manual and Training Manual for users of the procedures for the next phase. There is a high degree of confidence in other technology such that these were already incorporated in the revised survey regulations of the DENR. In surveys, while there is low capacity among the private sector to do survey work, the proposed amendments would allow the use of low cost low accuracy technology so that these can be sustained by the industry. In this regard, lower unit cost for surveys is important for cost recovery. There is some resistance from the industry and more advocacy work is required to convince industry of the need to adopt lower cost methods, especially in the low value farm lands. In other areas such as CRS and other social aspects, capacity-building would be required.

Similarly, the procedures developed in land records management were made in consideration of the appropriateness of technology in database development which was used in linking and cross referencing of records, and in ensuring the records are validated before these are stored and made part of the system. This highlights spells the difference between LAMP and the LARES-LTCP project, although both are involved in computerization of records. LAMP can claim to have a more robust system due to a deeper understanding of the institutions and their processes, and due to field validation activities. It is true however, that it is only a pilot computer system with limited capacity. It was appropriate for the pilot. Secondly, it was assumed that the QC ROD titles would be available from LARES in computer form, but this did not eventuate and the data conversion was done in the Pilot. Thirdly, the awareness of management of information systems was surprisingly lacking in the staff engaged by the project at both prototypes. Higher qualified IS professionals would need to be hired in LAMP2.

Primary consideration was made with regard to improving public access to records, so that the uninformed and/or uneducated are not unduly disadvantaged in dealing with government agencies on land matters. The procedures have been documented in Operations Manuals and Training manuals are available for use by staff/agencies who may want to adopt them. However, without changes in the internal records management procedures of agencies and commitment to records sharing, the activities introduced will not be sustainable.

The technical sustainability of the OSS would hinge strongly on the commitment of agencies to the vision of the OSS, a belief in the value of providing improved services

to clients, agreement to introduce streamlining in their own internal processes, and in the continued use and updating of the CIM and cross index which are vital to ensuring the integrity of records issued and kept at the OSS. The institutional issues far outweigh the others in terms of importance. The prognosis is better in Quezon City where there is stronger cooperation of the agencies. The CIM and the records databases however were developed with adequate consideration of their appropriateness to the current capacity and technology available in the country. Alternative methodologies have been developed to allow for flexibility, should there be provision for equipment, trained staff as well.

On valuation, the valuation standards have been developed during 2004 but not yet fully tested to warrant an objective judgment about its technical sustainability. Experience from implementation will provide information on further work that may be required to refine the standards. However, the prognosis for technical sustainability is good as the issues are seen as not too complex. These can be more addressed once the policy and institutional issues are addressed. The valuation standard on valuation for taxation purposes was properly documented and subjected to extensive consultation with stakeholders. However, other valuation applications and the operational manuals and guidelines will still be required in the future, and additional work will be required after LAMP. Training has been provided to the staff of NTRC and BLGF involved in the technical valuation procedures in the future and implement the valuation reforms. However, more training will be needed to improve the present valuation system.

### **Institutional Sustainability Issues**

In general, the institutional sustainability of the Project's activities in the following areas is neither satisfactory nor unsatisfactory: (i) policy reform, (ii) systematic titling, (iii) records management, (iv) one stop shop, and (v) valuation.

The policy and reform activities are institutionally sustainable whilst there is ownership amongst key stakeholders and government agencies. However, other human, social and institutional structures are not sufficient to promote and sustain the policy reform agenda. Hence, the LARA Bill is of paramount importance to provide a reform vehicle for long term change. At the end of LAMP, there still remains turf protection issues among some of the affected agencies which can derail the consensus building process. What is essential is not to lose momentum and to support the efforts of stakeholders who have demonstrated strong commitment to pursue the reform agenda. Until the LAA Bill is passed, the reform momentum should be continued by project personnel working to support the DENR, the Task Force, and civil society.

On systematic titling, most of the agencies are willing and able to adopt the procedures introduced by the Project. Some mechanisms have already been established to address the sustainability of the recommended systematic titling process. However, more needs to be done to ensure these changes are mainstreamed in the agencies. A draft survey regulation is in development and a regulation on mass titling by FP is beginning to be drafted, to form a framework for the detailed procedures already fully documented. Further, there needs to be institutional agreements with the ROD and DENR in relation to the processing of titles, registration of patents, and review and approval of survey plans.

On records management, some agencies have expressed interest in adopting the methodologies introduced by the project. However, others have expressed

reservations based on the view that some of these methods would require legal basis or mandates to be used (e.g., use of CIM). The mainstreaming of most of the procedures would likewise require drastic modifications in the records management practices of the agencies, something which the agencies are not prepared to do at the moment. Moreover, these would require additional investments in equipment, records inventory, and training of staff so that these can be continued after the project. It is planned that the QC PIO2 operations would transfer to the City LGU ahead of LAMP2. There is yet to be confirmed a commitment from the Mayor, and discussions are ongoing.

The OSS was envisaged as an ad hoc institutional mechanism to provide more efficient delivery of land administration services to the public. While OSS can operate without the legislation to merge the agencies, the bureaucratic culture that vary greatly and the absence of a common vision and leadership to introduce changes and command compliance all contribute to the low likelihood of institutional sustainability. The continuation of OSS operations will therefore depend greatly on the goodwill and commitment of the agencies after LAMP.

On valuation activities, there is a strong DOF family backing the initiatives. While NTRC is leading the valuation activities during extension phase, BLGF sits as an active member in the TWG and participates in the conduct of activities. There is also strong support for LAMP2 within DoF. Within the agency, available human, social and institutional resources are sufficient to promote and sustain the valuation activities and reforms, through the participation of the NTRC and the BLGF. However, a bigger core group has to be organized to sustain its momentum and expand the reforms. In terms of ownership among relevant stakeholders, the consultation processes already conducted provide evidence that stakeholders are generally supportive of the valuation recommendations. On a more long term perspective, the proposed NAA Bill is envisioned to clearly define the institutional responsibility for sustaining the valuation activities and implement further reforms, including the creation of a regulatory function, removed from day to day operations.

The project created awareness, interest and commitment from civil society, which was never there before; the sector was shrouded in technical complexities. The challenge of maintaining this participation is important for the reform, otherwise the Government agencies will dictate service levels on their own. With exceptions, government agencies generally find civil society participation in land administration unnecessary. Institutional structures and performance measurement programs are needed to ensure the customers are not “locked out” of the sector. Until the LAA is created, with its stakeholder policy advisory committee and other measures, the LAMP2 will be needed to sustain this vital input.

The changes planned for the LAM Program over the next 15-20 years will require significant human resource development. The skills and knowledge, the education and professional development courses are significantly insufficient. It is clear that capacity building will be required to go hand in hand with the application of new technologies, structures, relationships and work methods.

## **2.17 Phase-Out/Exit Strategy**

At the time of writing this report, the handover/transition strategy was still in its early development stage. The parameters for transition to LAMP2 were still uncertain, as

the proposal has not been approved at the Cabinet level of the Investment Coordination Committee. Uncertainty exists on the GoP funding level for LAMP2, whether there will be a loan, and the start date. LAMP finishes December 2004. The focus of the transition strategy is how to manage the smooth transition from LAMP1 to LAMP2 given that there will be a gap in the official start up of the project by development partners, and to ensure proper handover of activities.

Some key issues for the handover/transition are the following:

- ❖ Maintaining some degree of operations while the loan portion has not yet been officially approved;
- ❖ Ensuring that key staff (both regular and contractual) who were trained in LAMP1 remain with the project after December 31, 2004, and will be available for LAMP2;
- ❖ Ensuring that there will be TA support available to assist the project in maintaining the momentum in strategic activities such as consensus building, training and technical preparations for LAMP2; and
- ❖ Ensuring effective handover/mainstreaming or continuation of other activities which will not be supported in LAMP2, such as PIO2 activities.

Actions taken by the project to address the above issues were:

- ❖ Providing budget from the DENR in 2005 to maintain some degree of operations in the project, and to maintain the key staff who will likely be involved in LAMP2;
- ❖ Request for bridging TA to ensure continuity of TA support during the critical period of transition; and
- ❖ Sourcing of other funds for the continuation of PIO2 activities in Quezon City, through discussions with LGU, partner agencies, and other possible donors.

The handover/transition plan is currently under preparation, and is expected to be implemented in January to June 2005.

### **3. CONCLUSIONS, RECOMMENDATIONS AND LESSONS**

#### **3.1 Conclusions and Recommendations**

Despite the challenges it faced, the overall performance of the Project was satisfactory. Its strength lies in the support and commitment of a number of high-level officials in government and the strong support of other stakeholders, particularly the members of civil society. As a reform oriented intervention in a very conservative sector the Project was confronted by adversities – in its policy and consensus-building work, implementation of the prototypes, training and project management, and design of LAMP2. However, it remained steadfast and continued with zeal to meet its objectives. True to its purpose, it has documented all the experience and generated essential lessons so that the next phase will be better guided in terms of the overall strategy, scope, focus, and methodology. It helped that the project was staffed by fully committed professionals who share the vision of a reformed LAM in the Philippines.

The LIL proved to be a suitable instrument in starting development assistance for government's stated long-term program in a sector which is less understood, where

the issues are very complex, and the existing institutions and policies are judged to be not adequate to make the returns on investments sustainable. Combining investment support with strong technical assistance was the best way of developing cost effective technical and socially responsive solutions, while at the same time, assist the government embark on a phased reform process to establish an appropriate foundation for the implementation of the long-term program.

The objectives were satisfactorily achieved, although time was not sufficient to see the LARA Bill passed; this would be the strongest signal of government's commitment to reform. The policies and reform proposals were identified, and an overall reform agenda generally developed with strong ownership by relevant stakeholders. Replicable procedures for titling and records management were also developed, providing the opportunity to gain additional improvement in the next phase and as changes are introduced in the policy and institutions. Weak achievements were noted in the areas of One-Stop Shop operations and mainstreaming of improved procedures in the agencies. Despite demonstration of the cost-effectiveness and administrative feasibility of these innovations and suggestions, the general resistance to reforms, the lack of customer orientation, and the absence of a culture of performance and accountability have compounded the difficulties in the adoption of proposed mechanisms and procedures. Moreover, the inherent structure and fragmentation of responsibilities proved to be obstacles to the achievement of these objectives.

Community feedback and detailed social investigations unearthed important issues associated with the reform program, and served as opportunities to validate the critical hypotheses of LAM. The findings from the field taught the Project to be more realistic in its expectations on the benefits, at the same time, developing new strategies to improve the likelihood of achieving the anticipated impacts on the target beneficiaries and other vulnerable groups.

Overall, the management of the project was satisfactory, despite its weaknesses in procurement, financial management and challenges encountered in the initial stages associated with coordinating an interagency undertaking, managing differing bureaucratic cultures, and improving capacity for project management in a sector which did not benefit from project support in the past few decades. These odds were overcome with the strong support of the partners, World Bank and AusAID, who remained steadfast in their commitment to assist, through their sound advice and active engagement in problem solving sessions with the government. The commitment of the government at the highest level, through the Task Force was also instrumental in ensuring that the project remained focused on its objectives, as difficulties were encountered along the way. On hindsight, while the management arrangements was not the most ideal, it proved effective in being able to demonstrate the neutrality of PMO and in getting the support of different stakeholder groups and partner agencies.

Being a learning project, the operational sustainability is weak. The outcomes of LIL are proposed procedures and laws which need to be implemented and need to be resourced. Unless the reforms are fully in place, the technical and administrative improvements will provide limited benefits and will not be sustainable. The next phase should therefore continue with the policy reform program and ensure that these are fully in place before massive replication takes place. Nevertheless, the roadmap

has been developed. Sufficient lessons have been generated to inform LAMP2 and the long term program.

Finally, the greatest impact of LAMP was that it served as the catalyst for change in the sector. Without LAMP, the country would have never heard that there are fundamental weaknesses in the sector that needed to be changed; that there are alternatives to the current system, and that there are benefits that can be achieved if sufficient support is given in the right areas. After LAMP, what needs to be done, and how these should be done to remove the fundamental constraints are now better known – the momentum already gained should not be lost, but sustained through operational mainstreaming and structural change.

### 3.2 Lessons<sup>10</sup>

#### The Land Policy Environment

Land administration particularly in societies with a diverse population is difficult. The LIL appreciated the difficulties and included policy studies in the six key areas of Institutional Arrangements, Land Laws and Regulations, Finance and Fees, Valuation, Forest Boundary Demarcation, and the Land Development Process (the last study was being finalized at the time of writing). The policy formulation process thus involved a range of approaches across a range of agency interests

The strategy adopted was to involve different agencies in leading the policy formulation to ensure ownership of both the process and the resulting recommendations. Key agencies such as NEDA, DOJ, DBM, DOF and DENR Policy Group were directly involved in all stages of the studies and in the review of the recommendations. The importance of involving, and generating the commitment and support of, senior officials of concerned agencies is major factor in facilitating (as far as possible within the prevailing institutional environment) a sense of ownership and mainstreaming of policy recommendations

#### Key Policy Formulation Lesson

*The success of policy reform initiatives hinges largely on the commitment of top level stakeholders. There is, therefore, a continuing challenge to generate their support and ownership to the policy recommendations through effective communication and advocacy.*

The consensus building process however extends beyond concerned agencies. Indeed the key objective of the consensus building process is to ensure the target beneficiaries realize the importance of the proposed reforms to their cause. Experience showed that the lack of clear advocacy group on land administration and the weak demand for change made initial breakthroughs in reform difficult. This was brought about by insufficient understanding of the possible improvements in the system and how improvements can improve the economy, the fiscal situation, and the social well being of the marginalized sectors. Feedback from the policy consultations revealed that while the public is not satisfied with the system, there was lack of understanding of possible alternatives, and how their situation compares with other

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<sup>10</sup> For a more detailed discussion of lessons from LAMP, see the Integrated Lessons Report (E 40, September 2004) The PCR Workshop considered the initial list of key LAMP lessons. The workgroups validated the lessons and gave ratings in terms of their significance. The ratings and other inputs to the key lessons are presented in Annex H.



developing countries. LAMP was able to introduce such alternatives, and the experience in other countries, and helped to improve people's understanding of the benefits that a better land administration system can bring. Already this awareness is translating in a demand for change or reforms in the system. The important lesson here is that once this demand for change is demonstrated, there is strong potential for wide support, even for the more fundamental and drastic reforms.

#### Key Policy Consultation Lesson

*When proposing changes to land administration institutions and legislation, it needs to be recognized that these will take considerable time, require wide consultation and the engagement of key stakeholders.*

Ideally policy formulation should be a continuous and iterative process – formulating and refining policy instruments through continuous consultation with stakeholders. In this process of introducing wide scale reforms, the support of beneficiaries is of paramount importance. If the cause remains relevant and central to the concerns of those who are conceived to be the target of reforms, it would not be difficult to get their support in moving the agenda forward. With this support, what seemed to be a very difficult process proved to be a relatively easy task. Though it is still too early to fully gauge the results, the speed by which the LAA was forwarded to Congress and the high level attention it got from the President, are indications of the fruits of these partnerships. This was manifested in the way the partnership bloomed when an understanding was reached on the relevance of the LAMP proposals to poverty alleviation. This was made possible through an in-depth understanding of the common interests of the stakeholders in general, as well as of the particular interests of each sector. Moreover, this means that the process for consensus building calls for the identification and reconciliation of the differing interests of the stakeholders, and effective management of the conflicting and irreconcilable interests.

#### Key Policy Reform Lesson

*The consensus building effort between LAMP and the NAPC Basic Sectors has been a valuable exercise in terms of ensuring support for the LAMP policy framework.*

Introducing reforms in the land sector has proven to be a very challenging mandate. Experience is telling us that one needs to be flexible, and be alert for opportunities to pursue the crusade, as they become available. The bottlenecks, which have come along the way, have taught the Project not to rely too much on a single strategy, but to pursue all avenues as they become available. Strategic alliances are also important, especially with the civil society sector, in an institutional environment where the administrators of the system are themselves hesitant to pursue the proposals put forward by the Project. Investments in awareness, consensus building, and advocacy, proved fruitful as the partners rallied themselves in support of the reform process. For the second wave of reforms, it would be important to identify who can be relied upon to support the proposals and engage in partnership arrangements with these groups. A sound stakeholders' analysis would be necessary to adequately prepare a consensus building and communications plan for future reform proposals. Adequate budget should be provided to enable these participatory processes to be carried out.

#### Key Policy Integration Lesson

*Policy studies need to be effectively integrated so that lessons can be drawn and applied in relation to legislation, institutional and organizational reform, capacity building and future policy development*

## The Property Market and Valuation Environment

Doubtful and contested land valuations have an adverse impact on the efficiency of land markets and land administration. Within government agencies, several systems for the valuation of real properties operate and are used for different purposes. The multiplicity of systems and methods has often produced doubtful valuations whose contestation in court has, at times, caused long delays in the implementation of government programs.

Below-market valuation prevents the efficient allocation of lands to their best use and leads to a relatively low tax burden which encourages land speculation and undermines the generation of revenues from land ownership. The absence of national standards and methods of valuation provide a loophole for the overvaluation of real property and underestimation of a property-related lending risk. This undermines the integrity of financial transactions and the stability of the financial system.

Although initially designed as one of the key policy studies, property valuation has emerged as a priority function in the LAMP Program of reform. The lessons revolve around the achievement of equity and fairness in the property tax system through the adoption of standards which are backed by a central regulatory body.

### Key Valuation Lesson

*The reform of the valuation system requires a definite commitment to change and the creation of a National Appraisal Authority to implement reform. The priorities are the removal of political influence by the separation of the valuation and tax function and capacity building across all functions and at all levels of the valuation activity.*

## The Land Tiling and Land Information Environment

Many common lessons emerge from the separate Prototypes. For example, there is a common theme concerning the technical production and application of Cadastral Index Maps; the failings of the top-down CRS approach and the institutional hurdles on the path to the establishment of the One Stop Shops.

Currently, there is an abundance of laws governing the administration of land. In general much of the law is outdated and supports processes and procedures that are not in keeping with international best practice. In particular, the laws and processes to provide secure title to persons in long term possession and occupation of land have not served the community well. The laws are administered by different agencies. Many of the laws have been introduced over a long period of time without consideration of consequential amendments that their introduction will have on existing legislation. Operating an efficient and equitable land administration system under this framework has been difficult and has resulted in long delays in registration and in considerable jurisdictional overlap and duplication of functions. There has been a much greater emphasis on the use of the overloaded Court system for land registration matters than in many other countries. There is an urgent need to simplify the laws and processes, not only to facilitate the issue of titles to land and subsequent transactions with land, but also to reduce the opportunities for “informal fees” currently associated with such processes.

The emphasis in the Land Titling Prototype has been on an appropriate framework of laws and regulations to implement the mass systematic titling which underpins the achievement of the goal of tenure security. The general conclusion was that the mass

titling procedures available under existing laws were restrictive and inefficient. Two of the currently available approaches to titling were fully tested: Judicial Titling and the administrative process using the Free Patent instrument. The Free Patent process offered the more advantages and, with modifications based on the lessons learned, would be suitable for the large scale systematic titling envisioned in the LAM Program.

#### Key Land Titling Lesson

*Mass titling is superior to sporadic titling and the system should be greatly improved by the abolition of the Judicial processes associated with the issue and registration of title to land in favor of simple Administrative processes;*

The experiences in both Prototypes underscore the complexities in predicting the beneficiaries of land titling and determining the economic motivations of the various land claimants. Poverty reduction can only be realized if titling results in increased land productivity and in the use of titled lands as capital in a stable land market. Without social preparation and support services the capacity to function in the land market may even be inimical to the interest of small and tenant farmers who are often chronically in debt. Therefore it is important that titling activities are not simply driven by targets and considerations of production efficiency. Capacity building and empowerment of the beneficiary must also take place. An emphasis on post-titling activities is needed to facilitate linkages between government LAM agencies to exploit the benefits of titling and to offer the beneficiaries access to services and finances to develop the land. Also there is a need to build capacity at the Local Government Unit level for economic development to occur that can benefit entire communities. Under this approach the stakeholders are the entire LGU population and they will benefit from secure tenure, increased government revenue from formal land transactions, improved LGU governance, local development plans that respond to identified community needs, and improved access to other social and infrastructure supports provided by government agencies and donor programs. In this way LAMP GOP subsidization of systematic adjudication provides benefits to all citizens and builds the advocacy base needed to shift to a demand-driven mode.

#### Key Socio-Economic Lesson

*Tenure security through titling must be linked to broader development programs for the envisioned social, economic and financial outcomes to be fully realized. An emphasis on post-titling activities is needed to facilitate linkages between government LAM agencies to exploit the benefits of titling and to offer the beneficiaries access to services and finances to develop the land.*

Land records management can be improved leading to better detection and prevention of fake, double, overlapping and fake/spurious titles through the introduction of new systems. These are: the cadastral index map; the cross index of records, and the record validation procedures, all designed to improve records integrity and detect inconsistencies, gaps, and missing records. The community relations aspect of the land records Prototype, on the other hand, was meant to continuously educate the general public of the procedures and policies relating to land in an effort to rebuild trust in the system and to counter the work of syndicates who have taken advantage of the imperfections in the records system and the lack of understanding by the public. When introduced as part of the land administration system, these methods will have added value of providing more accurate land records information to the general

public, other government agencies, and to the private sector or business community in facilitating investments in land.

Improved land records management has enormous potential for improving LGU revenue collection, and stimulating activity in the land market. LGUs should play a significant role in supporting and sustaining these initiatives and support should be provided to build LGU capacity, and to promote best practices in records management. For the long term, development of land records databases should be guided by a national strategy, and a full understanding of key agency requirements. An appropriate data management system will be required for a more extensive development. The equipment and structures will need to be fully specified, as well as work carried out on transaction rates, file sizes, etc., to determine the database capacity required.

#### Key Land Records Lesson

*Little improvement in can be achieved in land records quality, security and access efficiency without the strong support of all agencies acting within the framework of a national strategy for the management of spatial data.*

In the design of the LIL the technical capacity of all sectors concerned with the LAMP was over estimated. The availability, access to and capacity to apply, modern technology was similarly over-estimated. For example the cadastral survey system is heavily reliant on traditional and expensive methods which are ground measurement intensive.

The GOP sought 100 years ago to shift from a deeds system to a parcel-based system based on government guaranteed certificates of title. To date only about 50% (this figure is open to dispute) of land has been surveyed and about 20% has successfully been registered. The clear lesson is that reforms in the technical environment are needed to overcome this severe backlog. To further exacerbate the problem there are severe quality problems in the existing surveys and the high cost of new cadastral surveys. The latter is undoubtedly due to the field measurement intensive methods employed and the failure to adopt the alternate techniques tested in the Prototypes emerges as a real barrier to the LAM Program.

#### Key Technical Lessons

*A proper balance between accuracy and efficacy is essential and alternate approaches, which offer significant potential for efficiency without compromising the adequacy of boundary definition and CIM production, must be introduced;*

*Practitioners must be educated in modern cadastral survey and mapping techniques and trained in the application of modern technology; and*

*Industry economic viability must be strengthened to allow investment in modern technology and methods.*

#### The Institutional Environment

From the outset it was recognized that LAM in Philippines functioned in a complex institutional setting. There is a multiplicity of agencies involved in land administration with no appropriate mechanisms for coordination. Moreover, there is no over-all institutional mechanism to resolve outstanding issues. As a result, many issues have remained unresolved for a long time.

For example, a primary focus upon land titling, registration of transactions and the related activities of land classification, surveying and mapping involves core agencies such as the LMB and Regional Offices of DENR; the NAMRIA an attached agency of DENR; The Land Registration Authority (LRA) and Register of Deeds within Department of Justice; The Department of Agrarian Reform and the National Commission of Indigenous Peoples. The institutional arrangements for land valuation and land management functions add further to this list.

While initiatives such as the One Stop Shops can be introduced to improve services to clients of the present land administration system, the institutional inefficiencies inherent in the current system cannot be substantively addressed without legal and institutional reforms of the system itself. Attempts to amend the formal roles and functions of agencies as specified by the Administrative Code, or to take 'scrap and build' institutional restructuring initiatives, will have relatively little impact unless undertaken as part of a broader reform plan for the land administration system as a whole.

To give an obvious example, so long as the GOP maintains both judicial and administrative processes for original land titling it will require two sets of (overlapping) procedures to administer them. There *may* be efficiency gains from co-locating or merging the LMB/LRA administrators of these procedures within a single organization, for example by providing the managerial means to actively coordinate and integrate land information and records. However, the direct efficiency gains from this action alone are likely to be small relative to those potentially available from abolishing one or other form of titling procedure

#### Key Service Delivery Lesson

*Without wide ranging reforms in policy and institutions any technical and administrative will only provide limited benefits and are not sustainable*

Based on a set of structural and operational principles the LAMP has recommended the establishment of an autonomous Land Administration Authority to undertake all of the relevant functions. The LAA will be established by legislation and, while progress is evident, this is realistically a strategic rather than immediate solution. In the interim alternate means of coordination, modeled on the One Stop Shop, must be continued and there are lessons which can be applied to facilitate this.

In continuing down this path the lack of cooperation from key provincial leaders of stakeholder agencies can have severe impact on the smooth implementation of the OSS. Recognizing the absence of legislative power to command unity, the partnerships with the key agencies will need to be strengthened and possibly expanded for LAMP II. At the same time it must be recognized that successful partnerships depend less on the letter of the MOA, and more on the spirit of the partners themselves.

#### Key Institutional Reform Lesson

*Interagency coordination will generate a certain degree of efficiency however this will be achieved at great cost and effort. Consistent with other successful models the creation of a single agency is expected to provide the better option to enable government to respond to public service demands.*

**OVERALL RATING MATRIX**

Aspect of LAMP	Weak	Marginally Satisfactory	Satisfactory Overall	Fully Satisfactory	Good Practice
Appropriateness of Design			X		
Achievement of Objectives			X		
Management			X		
Sustainability		X			
Overall Assessment			X		

**TABLE 4: SUMMARY OF PERFORMANCE RATINGS**

Performance Areas	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Management and Contracting		X			
Activity Objectives	X				
Activity Achievements		X			
Development Impact			X		
Poverty Reduction			X		
Environmental Impact	X				

Gender Impact	<b>X</b>				
Cost Benefit Analysis		<b>X</b>			
Value for Money		<b>X</b>			
Activity Monitoring		<b>X</b>			
Technical assistance, training and capacity building		<b>X</b>			
Procurement			<b>X</b>		
Financial management			<b>X</b>		
Risk Management		<b>X</b>			
Activity Management					
- Joint Coordinating Committee		<b>X</b>			
- Government of the Philippines		<b>X</b>			
- Interagency Coordinating Committee/Presidential task Force		<b>X</b>			

DENR		X			
LRA/ROD PIO2 PIO1		X		X	
DAR		X			
DOF	X				
NEDA			X		
DBM		X			
LGU		X			
NGOs			X		
AusAID	X				
World Bank		X			
Australian Managing Contractor		X			
Recipients/beneficiaries		X			
Sustainability			X		
<b>Financial Sustainability</b>					
Policy Reform			X		
Systematic Titling			X		
Records Management			X		
One Stop Shop			X		
Valuation			X		



<b>Technical Sustainability</b>					
Systematic Titling		<b>X</b>			
Records Management			<b>X</b>		
One Stop Shop		<b>X</b>			
Valuation	<b>X</b>				
<b>Institutional Sustainability</b>					
Policy Reform			<b>X</b>		
Systematic Titling		<b>X</b>			
Records Management			<b>X</b>		
One Stop Shop			<b>X</b>		
Valuation		<b>X</b>			