

**UN-HABITAT:  
Philippines - Overview of the Current Housing Rights Situation and Related  
Activities**

**1) Background and normative/institutional framework for the promotion and protection of housing rights: constitution, legislation, policy measures, national jurisprudence, housing rights institutional arrangement (e.g. national housing rights institutions)**

- The responsibility of the government to ensure the provision of decent and affordable housing to every Filipino is contained in the **Constitution**, which mandates the State to undertake a continuing programme of urban land reform and housing, which will make available at affordable cost decent housing and basic services to underprivileged and homeless citizens in urban centres and resettlement areas.
- The issue on Housing Rights was addressed through the many housing-related laws and executive issuances (from 1986 to present) which respond to the provision of housing services to the country's increasing population and institute the necessary implementing structures and mechanisms. Under the term of former President Corazon C. Aquino (1986 to June 1992), her administration issued several enabling laws and executive issuances on housing and urban development, as follows:
  - Executive Order No. 90 (of 17 December 1986) created the **Housing and Urban Development Coordinating Council (HUDCC)**, the highest policy making and coordinating office on shelter and urban development. HUDCC is mandated to formulate goals and strategies for housing, coordinate agencies involved in government shelter delivery system, monitor targets, encourage private sector participation, propose new legislations and formulate policies for asset disposition.
  - Republic Act 7279 (of 29 March 1992), otherwise known as the **Urban Development and Housing Act of 1992 (UDHA)** was signed into law to address the housing shortage of the country. The Act lays down the groundwork for a comprehensive and continuing urban development and housing programme. It is the key legislation which addresses the right to housing of the homeless and underprivileged Filipino people. This law seeks to provide the provision of social housing to the marginalized sector by addressing their access to land and housing, relocation, demolitions, and promoting private sector participation in housing. The law also mandates local government units to provide shelter to qualified beneficiaries and to undertake measures to curtail the activities of professional squatters and squatting syndicates. In addition, the Act also mandates the formulation of a National Urban Development and Housing Framework to guide policymakers in the determination of areas for urbanization and development of concomitant programmes to address the urbanization problems. The Department of Interior and Local Government (DILG) and the Housing and Urban Development Coordinating Council (HUDCC) developed the Implementing Rules and Regulations (IRR) of the UDHA to ensure the observance of proper and humane relocation and resettlement procedures mandated by the UDHA of 1992.

Another IRR is also developed and being implemented by the two government agencies governing the registration of social housing beneficiaries.

- Republic Act No. 7644 (of 6 December 1992), otherwise known as the **New Rent Control Law**, was passed into law to extend the validity of Rental Law to 1997.
- Executive Order No. 71 (of 23 March 1993) was issued devolving the powers of the Housing and Land use Regulatory Board to approve subdivision plans to cities and municipalities pursuant to Republic Act 7160, otherwise known as the Local Government Code of 1991.
- Executive Order No. 72 (of 25 March 1993) provides for the preparation and implementation of the Comprehensive Land Use Plans of Local Government Units pursuant to the Local Government Code of 1991 and other pertinent laws.
- Executive Order No. 129 (of 15 October 1993) established an institutional mechanism to curtail the activities of professional squatters and squatting syndicates and intensifying the drive against them.
- Executive Order No. 129 (of 15 October 1993) created the **Task Force on Anti-Squatting**, which aims to curtail the proliferation of professional squatters and squatting syndicates. It was designed to protect the rightful beneficiaries of the various housing programmes.

## **2) Promotion and protection of housing rights on the ground: national legislation and voluntary commitments, national housing rights activities, public awareness of housing rights, cooperation with housing rights mechanisms, etc.**

- The Asian Coalition for Housing Rights (ACHR) has a chapter in the Philippines but only a few groups are members of this international association. There is the Community Mortgage Programme (CMP) Originators Group which actively provides education and ensures public awareness on the issue.

## **3) Achievements, best practices, challenges and constraints**

- All government projects are geared more on the land tenure/land acquisition and minimal support (only core housing units) for housing construction, especially the resettlement projects for the North and South rail projects in Manila. Major constraints are the provision of livelihood, basic services like water, electricity, sanitation, and capability building. Water and electricity are ultimately provided, but capability building is given least priority. But this aspect is the key in preventing the communities from sliding back into being slums.

## **4) Key national priorities, initiatives and commitments that the country intends to undertake to overcome above challenges and constraints and to improve the housing rights situation on the ground**

- The government has been mobilizing NGOs and the business sector to provide the gaps in the areas of basic services, livelihood, and capability building for the community groups of Homeowners Association. The local government units are also key in filling up such gaps.

**5) Ongoing and planned capacity-building and technical assistance activities that contribute to the progressive realization of the right to adequate housing, by UN-HABITAT and/or other actors**

**5.1. Housing Micro-Finance**

- To enhance access of the poor to finance, HUDCC is advocating the further liberalization of bank lending policies and supporting housing micro-finance in the country as a shelter delivery strategy.
- With the assistance of the Development of Poor Urban Communities Sector Project (DPUCSP), HUDCC prepared a draft Policy Paper on Improving the Poor's Access to Shelter Financing. Through the Policy Paper, HUDCC advocated for sector-wide changes that were principally focused on affording full recognition and acceptance of rights-based secure tenure arrangements for the urban poor and further liberalizing bank lending policies for the social housing sector.
- Housing micro-finance as defined in the manual in basic terms is the “micro-financing” of housing needs. Specifically, it is the provision of loans to the poor and low-income households to improve or repair existing homes, construct and purchase new homes, buy land, or install or improve utilities and other basic services.
- HUDCC has submitted the Housing Micro-Finance Product Manual and made top-level briefings and presentation to key officials of the BSP for the approval of this product. The approval of this micro-finance product will pave the way to consider pro-poor shelter finance accessible to targeted clients such as urban poor communities and allow its introduction as a new product which may be offered by micro-finance-oriented banks.

**5.2. Alleviating Urban Poverty and Accelerating Pro-Poor Housing through Rights-Based Secure Tenure Arrangements**

- HUDCC is advocating for the full recognition and acceptance of rights-based secure tenure arrangements such as for the urban poor and further liberalizing bank lending policies to accelerate pro-poor housing. The lack of legal status of the urban poor over a piece of land they occupy deters their capability to engage into economic activities, unless their property rights are recognized and in turn accepted as legal instrument to acquire or create assets that would help improve their quality of life.

**5.3. Localization of the Community Mortgage Programme (CMP)**

- Through the Social Housing Finance Corporation, a government corporation catering primarily to the housing needs of the poor, a pilot test of the Localization of the Community Mortgage Programme (LCMP) will be undertaken this year.
- Through the local government units and their local partners, social housing programmes like the Community Mortgage Programme will be more accessible to urban poor communities. There will be strategic leveraging of social housing funds through a combined funding commitment of the Social Housing Finance Corporation

and local government units. This is consistent with the thrust to support the delivery of housing programmes and services by local government units.

#### **5.4. Registration and Accreditation of Housing Projects in Government Resettlement Areas as Compliance to the 20% Social Housing Requirement Under Section 18 of RA 7279 (HLURB Memorandum Circular No. 25).**

- To further mobilize the participation of the private sector in the provision of pro-poor housing, the HUDCC Council in its meeting on 27 September 2006 approved as mode of compliance to the 20% social housing requirement under Section 18 RA No. 7279 or the Urban Development and Housing Act of 1992, the financing, design, planning, development, upgrading or improvement of the sites and/or housing units at such sites including the provision and turnover of basic municipal services, community facilities and livelihood programmes in resettlement projects that have planned and/or initially developed by the government housing agencies or local government units concerned, in particular, the Northrail and Southrail resettlement projects in Manila.
- Registered and accredited projects shall be entitled to the following incentives:
  - Full credit given to the project as compliance to the 20% requirement based on the certification to be issued by the NHA or local government units stating the value of the contribution made by the participating firm, developer or project proponent using preferential conversion ratios that the NHA or local government units may lawfully apply;
  - Exemption from project location requirements provided in Section 4 of the Rules and Regulations to Govern Section 18 of RA 7279, including the requirement of locating social housing projects in any city or municipality within the same island group, i.e. Luzon, Visayas or Mindanao;
  - In the case of project proponents that are non-governmental and/or non-profit organizations and foundations, assignability of the credit to developers, affiliated firms, or other parties pursuant to duly executed joint venture agreements or memoranda of agreement with said entities.

#### **UN-HABITAT initiatives**

- UN-HABITAT has been implementing the Integrated Approaches to Poverty Reduction at the Neighbourhood Level - A Cities Without Slums Approach (IMPACT), which is technical assistance to the Philippine Government to develop the capabilities of the local government units and the urban poor communities to work together to develop shelter upgrading plans for capital investment financing through the Asian Development Bank's (ADB) Development of Poor Urban Communities Sector Project (DPUCSP). This will be achieved by institutionalizing the Cities without Slums (CWS) approach which is an integrated, participative, and multi-stakeholder partnership approach in slum eradication. The project is being implemented by a multi-disciplinary team of UN-HABITAT with HUDCC as the Executing Agency and funding comes from the Cities Alliance. IMPACT has so far assisted 6 local government units in developing their Shelter Plans and building the capabilities of the urban poor groups in managing their organizations, projects,

finances and estate. Given the intensive capability building, UN-HABITAT has successfully advocated with the DBP, ADB and HUDCC for the funds to be directly borrowed by the community association with local government units as the guarantor (local government units originally the direct borrower). This modality has now emerged as a major track in the DPUCSP and will make shelter financing more affordable to the urban poor communities. UN-HABITAT is now assisting the DBP to institutionalize this Direct Lending to the Homeowners Association (HoA) through systems installation, development and manualization of the of lending guidelines and re-orienting the mindsets of the front-liners (the ones processing and approving the loan) to appreciate this modality – which is the “financing development” modality of the formal sector now lending to the informal.

- UN-HABITAT intends to continue this project by utilizing the first set of Homeowners Association partners as well as HUDCC in training other local government units and communities in the new cities to be identified. DBP will make the Direct Lending to the Homeowners Association a permanent loan facility of the bank.